

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 3

to

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
PURSUANT TO SECTION 12(b) OR 12(g) OF
THE SECURITIES EXCHANGE ACT OF 1934

Global Payments Inc.
(Exact Name of Registrant as Specified in Its Charter)

<TABLE>
<S>

	<C>	
Georgia (State or other jurisdiction of incorporation or organization)		58-2567903 (I.R.S. Employer Identification No.)

Four Corporate Square, Atlanta, Georgia 30329
(Address of principal executive offices)

(404) 728-2363
(Registrant's telephone number, including area code)

Copies of notices and other communications should be sent to:

Paul R. Garcia
Chief Executive Officer
Global Payments Inc.
Four Corporate Square
Atlanta, Georgia 30329

William H. Avery
Mark F. McElreath
Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424

Securities to be registered pursuant to Section 12(b) of the Act:

<CAPTION>

Title of Each Class to be so Registered: -----	Name of Each Exchange on Which Each Class is to be Registered: -----
<S> Common Stock, no par value	<C> New York Stock Exchange
Series A Junior Participating Preferred Share Purchase Rights	New York Stock Exchange

</TABLE>

Securities to be registered pursuant to Section 12(g) of the Act:

None.

CROSS REFERENCE

Global Payments Inc.

I. INFORMATION REQUIRED IN REGISTRATION STATEMENT

The information required to be included in this registration statement in response to all of the Items of a registration statement on Form 10 is incorporated by reference from the Information Statement filed as Exhibit 99.1. The following cross-reference sheet indicates the location in the Information Statement of the disclosure that is responsive to each Item.

<TABLE>
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Item No.	Item Caption	Location in Information Statement
<C>	<C>	<S>
1.	Business	"Summary;" "Management's Discussion and Analysis of Financial Condition and Results of Operations;" "Global Payments' Business;" "Summary of the Purchase of CIBC Merchant Acquiring Business."
2.	Financial Information	"Summary--Summary Historical Combined Financial Data;" "Summary--Summary Pro Forma Combined Financial Data;" "Capitalization;" "Selected Financial Data;" "Management's Discussion and Analysis of Financial Condition and Results of Operations;" "NDC eCommerce Business Segment (to be reorganized as Global Payments Inc.) Combined Financial Statements;" "Global Payments' Business--Properties;" "Security Ownership of Certain Beneficial Owners;" "Management;" "NDC eCommerce Business Segment (to be reorganized as Global Payments Inc.) Pro Forma Combined Financial Statements;" and "CIBC Merchant Acquiring Business."
3.	Properties	"Global Payments' Business--Properties."
4.	Security Ownership of Certain Beneficial Owners and Management	"Security Ownership Of Certain Beneficial Owners" and "Security Ownership of Management."
5.	Directors and Executive Officers	"Management."
6.	Executive Compensation	"Management."
7.	Certain Relationships and Related Transactions	"Summary" and "The Distribution--Relationship Between National Data Corporation and Global Payments Following The Distribution."
8.	Legal Proceedings	"Global Payments' Business--Legal Proceedings."
9.	Market Price of and Dividends on the Registrant's Common Equity and Related Shareholder Matters	"Summary;" "The Distribution--Listing and Trading of the Global Payments Shares;" "Dividend Policy" and "Description of Global Payments' Capital Stock."
10.	Recent Sales of Unregistered Securities	"Description of Global Payments' Capital Stock."

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<C>	<C>	<S>
11.	Description of Registrant's Securities to be Registered	"Description of Global Payments Capital Stock" and "Anti-Takeover Effects of our Articles of Incorporation, By-laws, Rights Agreement and Georgia Law--Rights Agreement."
12.	Indemnification of Directors and Officers	"Liability and Indemnification of Directors and Officers."
13.	Financial Statements and Supplementary Data	"Summary;" "Selected Financial Data;" "NDC eCommerce Business Segment (to be reorganized as Global Payments Inc.) Combined Financial Statements;" "NDC eCommerce Business Segment (to be reorganized as Global Payments Inc.) Pro Forma Combined Financial Statements;" and "CIBC Merchant Acquiring Business."
14.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	None.

</TABLE>

Item 15. Financial Statements and Exhibits.

- (a) List of Financial Statements. The following financial statements are included in the Information Statement:

<TABLE>
 <S> <C>
 NDC eCommerce Business Segment (To be reorganized as Global Payments Inc.)
 Historical:
 Report of Independent Public Accountants
 Combined Statements of Income for the Three Months ended August 31, 2000 and 1999 (unaudited) and for the Years ended May 31, 2000, 1999, and 1998
 Combined Balance Sheets as of August 31, 2000 (unaudited) and May 31, 2000 and 1999
 Combined Statements of Cash Flows for the Three Months ended August 31, 2000 and 1999 (unaudited) and for the Years ended May 31, 2000, 1999, and 1998
 Combined Statements of Changes in Shareholder's Equity for the Years ended May 31, 2000, 1999, and 1998 and the Three Months ended August 31, 2000 (unaudited)
 Notes to Combined Financial Statements
 Report of Independent Public Accountants as to Schedule Combined Schedule II--Valuation and Qualifying Accounts
 Pro Forma (Unaudited)
 Introduction to the Pro Forma Combined Financial Statements
 Pro Forma Combined Balance Sheet as of August 31, 2000
 Pro Forma Combined Statements of Income for the Year ended May 31, 2000
 Pro Forma Combined Statements of Income for the Three Months ended August 31, 2000
 Notes to Pro Forma Combined Financial Statements
 CIBC Merchant Acquiring Business
 Report of Independent Public Accountants
 Balance Sheets as of July 31, 2000 and October 31, 1999
 Statements of Income for the Nine Months ended July 31, 2000 and the Years ended October 31, 1999 and 1998
 Statements of Cash Flows for the Nine Months ended July 31, 2000 and the Years ended October 31, 1999 and 1998
 Statements of Changes in Shareholder's Equity for the Nine Months ended July 31, 2000 and the Years ended October 31, 1999 and 1998
 Notes to Financial Statements
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(b) Exhibits. The following documents are filed as exhibits hereto:

<TABLE>
 <CAPTION>
 Exhibit
 No.

 <C> <S>
 2.1 Form of Distribution Agreement, Plan of Reorganization and Distribution.
 3.1 Form of Articles of Incorporation of Global Payments Inc.
 3.2 Amended and Restated By-laws of Global Payments Inc.
 4.1 Articles of Incorporation of Global Payments Inc. (filed as Exhibit 3.1).
 4.2 Amended and Restated By-laws of Global Payments Inc. (filed as Exhibit 3.2).
 4.3 Form of Shareholder Protection Rights Agreement.
 *4.4 Form of certificate representing Global Payments Inc. common stock.
 10.1 Form of Distribution Agreement, Plan of Reorganization and Distribution (filed as Exhibit 2.1).
 *10.2 Form of Tax Sharing and Indemnification Agreement.
 *10.3 Form of Employee Benefits Agreement.
 10.4 Form of Lease Agreement for Office Headquarters.
 *10.5 Form of Two Sublease Agreements.
 *10.6 Form of Intercompany Systems/Network Services Agreement.
 *10.7 Form of Batch Processing Agreement.

- 10.8 Form of Transition Support Agreement.
- 10.9 Form of Amended and Restated 2000 Long-Term Incentive Plan.
- *10.10 Form of 2000 Employee Stock Purchase Plan.
- *10.11 Form of 2000 Non-Employee Directors Stock Option Plan.
- *10.12 Form of Global Payments Inc. Supplemental Executive Retirement Plan.
- *10.13 Employment Agreement for Paul R. Garcia.
- *10.14 Employment Agreement for Thomas M. Dunn.
- *10.15 Employment Agreement for James G. Kelly.
- *10.16 Employment Agreement for Barry W. Lawson.
- *10.17 Operating Agreement of Global Payment Systems LLC, dated March 31, 1996.
- *10.18 Registration Rights Agreement between Global Payment Systems LLC and MasterCard International Incorporated, dated April 1, 1996.
- 10.19 Asset Purchase Agreement with Canadian Imperial Bank of Commerce dated November 9, 2000.
- 10.20 Form of Investor Rights Agreement with Canadian Imperial Bank of Commerce.
- 10.21 Form of Marketing Alliance Agreement with Canadian Imperial Bank of Commerce.
- 10.22 Stock Purchase Agreement with Canadian Imperial Bank of Commerce.
- 21.1 List of Subsidiaries.
- *27.1 Financial Data Schedule.
- 99.1 Information Statement.

</TABLE>

*Previously filed.

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SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this amendment three to be signed on its behalf by the undersigned, thereunto duly authorized.

GLOBAL PAYMENTS INC.

By: /s/ Paul R. Garcia

Name: Paul R. Garcia
Title: Chief Executive Officer

Dated: December 1, 2000

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EXHIBIT INDEX

<TABLE>
<CAPTION>

Exhibit
No.

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- 3.1 Form of Articles of Incorporation of Global Payments Inc.
- 3.2 Amended and Restated By-laws of Global Payments Inc.
- 4.3 Form of Shareholder Protection Rights Agreement.

- 10.4 Form of Lease Agreement for Office Headquarters.
- 10.8 Form of Transition Support Agreement.
- 10.9 Form of Amended and Restated 2000 Long-Term Incentive Plan.
- 10.19 Asset Purchase Agreement with Canadian Imperial Bank of Commerce dated November 9, 2000.
- 10.20 Form of Investor Rights Agreement with Canadian Imperial Bank of Commerce.
- 10.21 Form of Marketing Alliance Agreement with Canadian Imperial Bank of Commerce.
- 10.22 Stock Purchase Agreement with Canadian Imperial Bank of Commerce.
- 21.1 List of Subsidiaries.
- 99.1 Information Statement.

</TABLE>

FORM OF
DISTRIBUTION AGREEMENT
PLAN OF REORGANIZATION AND DISTRIBUTION

This DISTRIBUTION AGREEMENT ("Agreement") is entered into as of _____, 2000 by and between National Data Corporation, a Delaware corporation ("NDC"), and Global Payments Inc., a Georgia corporation ("Global Payments").

BACKGROUND

A. Global Payments is a wholly-owned subsidiary of NDC formed for the purpose of taking title to the stock of the NDC eCommerce Subsidiaries (as defined below) that currently constitute NDC's eCommerce Business (as defined herein).

B. The Board of Directors of NDC has determined that it is in the best interests of NDC and its stockholders to contribute, transfer and assign to Global Payments effective at and after the Effective Time (as defined herein) (i) the capital stock of the NDC eCommerce Subsidiaries that hold directly and indirectly the assets and liabilities that currently constitute NDC's eCommerce Business, (ii) a 0.85% general partnership interest in GPS Holding Limited Partnership and (iii) the eCommerce Assets, as a contribution (the "Contribution") to the capital of Global Payments and to receive in exchange therefor shares of Global Payments Common Stock (as defined herein).

C. The Board of Directors of NDC has further determined that it is in the best interests of NDC and its stockholders following the Contribution to make a distribution (the "Distribution") to the holders of NDC Common Stock (as defined herein) of all of the outstanding shares of Global Payments Common Stock at the rate of eight-tenths (0.8) of a share of Global Payments Common Stock for each share of NDC Common Stock outstanding as of the Record Date (as defined herein).

D. The parties intend that the Distribution not be taxable to NDC or its stockholders pursuant to Section 355 of the Code (as defined herein).

E. The parties have determined that it is necessary and desirable to set forth the principal transactions required to effect the Distribution and to set forth other agreements that will govern certain other matters following the Distribution.

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

ARTICLE I

DEFINITIONS

As used herein, the following terms have the following meaning:

"Action" means any claim, suit, arbitration, inquiry, proceeding or investigation by or before any court, governmental or other regulatory or administrative agency or commission or any other tribunal.

"Aggregate Intercompany Account Balance" as of any date means the aggregate intercompany accounts owed to the Global Payments Group by NDC and its subsidiaries other than the Global Payments Group (net of such accounts owed to NDC and its subsidiaries other than the Global Payments Group by the Global Payments Group) as of such date.

"Ancillary Agreements" means all of the written agreements, instruments, understandings, assignments and other arrangements entered into in connection with the transactions contemplated hereby, including, without limitation, the Employee Benefits Agreement, the Transition Support Agreement, the Intercompany Systems/Network Services Agreement, the Intellectual Property Agreement, the Tax Sharing and Indemnification Agreement, the Batch Processing Agreement and the Real Estate Agreements.

"Assets" means all properties, rights, contracts, leases and claims, of every kind and description, wherever located, whether tangible or intangible, and whether real, personal or mixed.

"Batch Processing Agreement" means the Services Agreement (Batch Processing) entered into at or prior to the Effective Time between NDC and Global Payments, as amended from time to time.

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

"Commission" means the Securities and Exchange Commission.

"Contribution" is defined in the recitals to this Agreement.

"Distribution Agent" means SunTrust Bank, Atlanta, in its capacity as agent for NDC in connection with the Distribution.

"Distribution Date" means the date upon which the Distribution shall be effective, as determined by the Board of Directors of NDC.

"Distribution" is defined in the recitals to this Agreement.

"eCommerce Balance Sheet" means the consolidated balance sheet of NDC's eCommerce business as of the Distribution Date, which balance sheet shall be prepared by NDC on a basis consistent with financial statements contained in the Form 10, and in a manner consistent with generally accepted accounting principles, consistently applied during the periods involved.

"eCommerce Business" means the business of providing electronic transaction processing and information systems and services, including financial and information services offering a variety of electronic data interchange and cash management services, and processing of independent transactions for credit cards and debit cards.

"eCommerce Assets" means all Assets that are (i) owned of record or held in the name of a member of the Global Payments Group at the Effective Time, (ii) treated for internal financial reporting purposes of NDC prior to the Effective Time or on the eCommerce Balance Sheet as owned by a member of the Global Payments Group, or (iii) at the Effective Time used exclusively by one or more members of the Global Payments Group.

"eCommerce Marks" means those trademarks, trade names, service marks and other intellectual property owned or licensed by NDC and used by the NDC eCommerce Subsidiaries and their subsidiaries prior to the date of this Agreement in connection with the eCommerce Business.

"Effective Time" means 11:59 p.m. Atlanta, Georgia time on the Distribution Date.

"Employee Benefits Agreement" means the Employee Benefits Agreement entered into at or prior to the Effective Time between NDC and Global Payments, as amended from time to time.

"Estimated Aggregate Intercompany Account Balance" means the good faith estimate of NDC as of the Distribution Date of the amount of the Aggregate Intercompany Account Balance as of the Distribution Date.

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

"Form 10" means the registration statement on Form 10 filed by Global Payments with the Commission to effect the registration of Global Payments under the Exchange Act, as such registration statement may be amended from time to time.

"Global Payments Articles" means the articles of incorporation of Global Payments in the form filed as an exhibit to the Form 10 at the time it becomes effective.

"Global Payments Business" means the eCommerce Business now or formerly conducted by the NDC eCommerce Subsidiaries and their subsidiaries.

"Global Payments Bylaws" means the bylaws of Global Payments in the form filed as an exhibit to the Form 10 at the time it becomes effective.

"Global Payments Common Stock" means the outstanding shares of common stock, no par value, of Global Payments.

"Global Payments Group" means (a) Global Payments Inc., (b) the NDC eCommerce Subsidiaries, (c) the subsidiaries of the NDC eCommerce Subsidiaries and (d) any division of any member of the NDC Group that is included in the operations of the Global Payments Business and is included in the results of the Global Payments Business for internal financial reporting purposes.

"Global Payments Liabilities" means (a) Liabilities of any member of the Global Payments Group under this Agreement or any Ancillary Agreement, (b) except as otherwise expressly provided in this Agreement or any Ancillary Agreement, Liabilities incurred in connection with the conduct or operation of the Global Payments Business (including any acquired businesses) or the ownership or use of the Global Payments Assets, whether arising before, at or after the Effective Time, (c) Liabilities arising under or in connection with the Form 10, (d) except as otherwise expressly provided in this Agreement or any Ancillary Agreement, Liabilities set forth on the eCommerce Balance Sheet, and (e) any Liabilities relating to or arising out of the acquisition (whether through an acquisition of stock or assets or a merger, share exchange or other form of business combination) of any business prior to the Effective Time by any

member of the Global Payments Group, except to the extent such Liabilities arise out of or are based upon the issuance of securities of NDC in any such business combination transaction.

"Group" means the NDC Group or the Global Payments Group, as the context so requires.

"Guaranteed NDC Liabilities" means the NDC Liabilities on which any member of the Global Payments Group is an obligor by reason of any guarantee or contractual commitment.

"Guaranteed Global Payments Liabilities" means the Global Payments Liabilities on which any member of the NDC Group is an obligor by reason of any guarantee or contractual commitment.

"Health Information Services Business" means the division of NDC engaged in the business of providing health information solutions, including electronic commerce solutions, to a wide variety of segments in the health care industry (including hospitals, health systems, practice management system vendors, physician practices, managed care organizations, payers, third-party administrators, pharmacies, pharmaceutical manufacturers and wholesalers).

"Indemnifiable Loss" means any and all damage, loss, liability and expense (including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses) in connection with any and all Actions or threatened Actions.

"Information Statement" means the information statement required by the Commission to be sent to each holder of NDC Common Stock in connection with the Distribution, and prepared in accordance with the Exchange Act.

"Intercompany Indebtedness" means the Liabilities owed by NDC and its subsidiaries, other than the Global Payments Group to the Global Payments Group as of the Effective Time, and the Liabilities owed to the Global Payments Group to NDC and its subsidiaries other than the Global Payments Group, in each case other than obligations arising under this Agreement or any Ancillary Agreement.

"Intercompany Systems/Network Services Agreement" means the Intercompany Systems/Network Services Agreement entered into at or prior to the Effective Time between NDC and Global Payments, as amended from time to time.

"IRS" means Internal Revenue Service.

"Liabilities" means any and all claims, debts, liabilities and obligations, absolute or contingent, matured or not matured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, including all costs and expenses relating thereto, and including, without limitation, those debts, liabilities and obligations arising under this Agreement or any Ancillary Agreement, any law, rule, regulation, action, order or consent decree of any governmental entity or any award of any arbitrator of any kind, and those arising under any contract, commitment or undertaking.

"NDC Business" means the Health Information Services Business now or formerly conducted by NDC and its present and former subsidiaries, joint ventures and partnerships and the remnants or vestiges of any other business heretofore conducted by NDC, excluding NDC's eCommerce Business.

"NDC Common Stock" means the outstanding shares of common stock, \$0.125 par value, of NDC.

"NDC eCommerce Subsidiaries" means National Data Payment Systems, Inc., Global Payment Holding Company, NDC Holdings (UK) Ltd., and Merchant Services USA, Inc.

"NDC Group" means NDC and its subsidiaries, joint ventures and partnerships conducting the Health Information Services Business.

"NDC Liabilities" means (i) Liabilities of any member of the NDC Group under this Agreement or any Ancillary Agreement, and (ii) Liabilities incurred in connection with the operation of the NDC Business, whether arising before, at or after the Effective Time.

"Prime Rate" means the prime rate of interest as published in the "Money Rates" column of The Wall Street Journal, Eastern Edition; in the event that more than one such rate is reported the "Prime Rate" shall equal the average of such rates. Use of the term "Prime Rate" shall mean a per annum rate, simple interest.

"Real Estate Agreements" means all subleases, releases, assignments, consents and agreements relating to the division of real property and interests therein between members of the NDC Group and members of the Global Payments Group entered into at or prior to the Effective Time, in each case as amended from time to time.

"Record Date" means the date designated by NDC's Board of Directors as the

record date for determining the stockholders of NDC entitled to receive the Distribution.

"Revolving Credit Agreement" means the Revolving Credit Agreement among various lenders and Global Payments, which provides for up to \$110 million of availability.

"Securities Act" means the Securities Act of 1933, as amended.

"Tax" shall have the meaning given to such term in the Tax Sharing and Indemnification Agreement.

"Tax Sharing and Indemnification Agreement" means the Tax Sharing and Indemnification Agreement entered into at or before the Effective Time between NDC and Global Payments, as amended from time to time.

"Transition Support Agreement" means the Transition Support Agreement entered into at or prior to the Effective Time between NDC and Global Payments, as amended from time to time.

ARTICLE II

REORGANIZATION; CONVEYANCE OF CERTAIN ASSETS; ASSUMPTION OF CERTAIN LIABILITIES; CERTAIN PAYMENTS

Section 2.01 Reorganization; Conveyance of Assets; Discharge of

Liabilities. Except as otherwise expressly provided herein or in any of the

Ancillary Agreements:

(a) At or before the Effective Time, NDC shall contribute to Global Payments (i) all of the issued and outstanding capital stock of the NDC eCommerce Subsidiaries, (ii) a 0.85% general partnership interest in GPS Holding Limited Partnership, (iii) all right, title and interest of NDC and its subsidiaries other than the Global Payments Group, in and to the trademarks listed on Exhibit A hereto, and (iv) all right, title and interest of NDC and its Subsidiaries other than the Global Payments Group, in and to the eCommerce Assets, in exchange for a number of shares of Global Payments Common Stock that when combined with the shares of Global Payments Common Stock already owned by NDC shall equal the product of (i) and (ii) the number of shares of NDC Common Stock outstanding as of the close of business on the Distribution Date.

(b) At or before the Effective Time, NDC shall cause National Data Corporation of Canada, Ltd. ("NDCC") to sell to Global Payments, and Global Payments

shall purchase from NDCC, the 0.3% membership interest in Global Payment Systems LLC owned by NDCC for a purchase price of \$240,000.

(c) At or before the Effective Time, Global Payments shall cause the Global Payments Group to forgive and release or distribute indirectly as a dividend to NDC the Intercompany Indebtedness owed to the Global Payments Group by NDC and its subsidiaries other than the Global Payments Group.

(d) At or before the Effective Time, NDC shall, and shall cause the NDC Subsidiaries other than the Global Payments Group to forgive and release or distribute indirectly as a contribution of capital to Global Payments the Intercompany Indebtedness owed to NDC and its subsidiaries other than the Global Payments Group by the Global Payments Group.

(e) At or prior to the Effective Time, Global Payments shall distribute to NDC a cash dividend in the amount of \$96,125,000 (the "Dividend").

(f) If the Estimated Aggregate Intercompany Account Balance as of the Distribution Date is less than the Aggregate Intercompany Account Balance as of May 31, 2000, at or prior to the Effective Time, Global Payments shall pay NDC in cash, an amount equal to the amount by which the Aggregate Intercompany Account Balance as of May 31, 2000 exceeds the Estimated Aggregate Intercompany Account Balance (the "Estimated Dividend"). The Estimated Dividend shall be calculated by NDC as of the Distribution Date in accordance with the provisions of Section 8.03 hereof.

(g) If the Estimated Aggregate Intercompany Account Balance is greater than the Aggregate Intercompany Account Balance as of May 31, 2000, at or prior to the Effective Time, NDC shall pay to Global Payments in cash, as a contribution of capital, an amount equal to the amount by which the Estimated Aggregate Intercompany Account Balance exceeds the Aggregate Intercompany Account Balance as of May 31, 2000 (the "Estimated Capital Contribution"). The Estimated Capital Contribution shall be calculated by NDC as of the Distribution Date in accordance with the provisions of Section 8.03 hereof.

(h) Global Payments agrees that at and after the Effective Time it will assume and thereafter timely pay and discharge all of the Global Payments Liabilities.

(i) NDC agrees that at and after the Effective Time it will timely pay and discharge all of the NDC Liabilities.

(j) In the event that any conveyance of an Asset required hereby is not effected at or before the Effective Time, the obligation to transfer such Asset shall continue past the Effective Time and shall be accomplished as soon thereafter as practicable.

(k) If any Asset may not be transferred by reason of the requirement to obtain the consent of any third party and such consent has not been obtained by the

Effective Time, then such Asset shall not be transferred until such consent has been obtained, and NDC and Global Payments, as the case may be, shall cause the owner of such Asset to use all reasonable efforts to provide to the appropriate member of the other Group all the rights and benefits under such Asset and cause such owner to enforce such Asset for the benefit of such member. Both parties shall otherwise cooperate and use all reasonable efforts to provide the economic and operational equivalent of an assignment or transfer of the Asset.

(l) From and after the Effective Time, each party shall promptly transfer or cause the members of its Group promptly to transfer to the other party or the appropriate member of the other party's Group, from time to time, any property received that is an Asset of the other party or a member of its Group. Without limiting the foregoing, funds received by a member of one Group upon the payment of accounts receivable that belong to a member of the other Group shall be transferred to the other Group by wire transfer not more than five business days after receipt of such payment.

(m) Except as expressly set forth in this Agreement or any Ancillary Agreement, instrument or document contemplated by this Agreement or any Ancillary Agreement, neither any member of the NDC Group nor any member of the Global Payments Group has made or shall be deemed to have made any representation or warranty as to (i) the Assets, business or Liabilities retained, transferred or assumed as contemplated hereby or thereby, (ii) any consents or approvals required in connection with the transfer or assumption by such party of any Asset or Liability contemplated by this Agreement, (iii) the value or freedom from any lien, claim, equity or other encumbrance of, or any other matter concerning, any Assets of such party or (iv) the absence of any defenses or right of setoff or freedom from counterclaim with respect to any claim or other Asset of such party. EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THIS AGREEMENT OR ANY ANCILLARY AGREEMENT, ALL ASSETS WERE, OR ARE BEING, TRANSFERRED, OR ARE BEING RETAINED ON AN "AS IS," "WHERE IS" BASIS.

Section 2.02 Ancillary Agreements. As of the Effective Time, NDC (or its

appropriate subsidiary) and Global Payments (or its appropriate subsidiary) will deliver:

- (a) A duly executed Employee Benefits Agreement;
- (b) A duly executed Tax Sharing and Indemnification Agreement;
- (c) A duly executed Intercompany Systems/Network Services Agreement;
- (d) A duly executed Transition Support Agreement;
- (e) A duly executed Intellectual Property Agreement;
- (f) Duly executed copies of the Real Estate Agreements;
- (g) A duly executed Batch Processing Agreement; and
- (h) Such other agreements, leases, documents or instruments as the parties may agree are necessary or desirable in order to achieve the purposes hereof.

Section 2.03 Issuance of Global Payments Common Stock. At the Effective

Time and in exchange for the transfers described in Section 2.01(a), and the surrender for reissue of all certificates representing outstanding shares of Global Payments Common Stock, Global Payments will issue and deliver to NDC a certificate representing all of the shares of Global Payments Common Stock to be distributed as provided in Section 3.02 below.

Section 2.04 Resignations. On the Distribution Date, Global Payments will

deliver or cause to be delivered to NDC resignations of each person who is an officer or director of NDC or any of its subsidiaries or affiliates not constituting a member of the Global Payments Group immediately prior to the Distribution Date and who will be an employee of Global Payments or another member of the Global Payments Group from and after the Distribution Date. On the Distribution Date, NDC will deliver or cause to be delivered to Global Payments resignations of each person who is an officer or director of Global Payments or

another member of the Global Payments Group immediately prior to the Distribution Date and who will be an employee of NDC from and after the Distribution Date.

Section 2.05 Conduct of Global Payments Business. Prior to the

Distribution Date, the Global Payments Business shall have been operated for the sole benefit of NDC as Global Payments' sole shareholder. Upon consummation of the Distribution, the Global Payments Business shall be deemed to have been operated for the sole benefit of Global Payments and its new shareholders, as of and after the Effective Time. After the Distribution, any amounts advanced or contributed by NDC to Global Payments after the Effective Time shall be repaid by Global Payments, together with the payments prescribed by Section 8.03 hereof, as set forth in Section 8.03.

ARTICLE III

THE DISTRIBUTION

Section 3.01 Conditions Precedent to the Distribution.

In no event shall the Distribution occur unless the following conditions shall have been satisfied or waived by NDC:

(a) NDC's Board of Directors, or a duly appointed committee thereof, shall, in its sole discretion, have established the Record Date and the Distribution Date and any appropriate procedures in connection with the Distribution;

(b) NDC and Global Payments shall have prepared, and NDC shall have mailed to the holders of NDC Common Stock, the Information Statement, which sets forth appropriate disclosure concerning Global Payments, the Distribution and any other appropriate matters. NDC and Global Payments shall have also prepared, and Global Payments shall have filed with the Commission, the Form 10, which shall have included the Information Statement. The Form 10 shall have been declared effective by the Commission under the Exchange Act;

(c) NDC, as the sole shareholder of Global Payments, shall have approved and adopted the Global Payments employee benefit plans contemplated by the Employee Benefits Agreement and NDC and Global Payments shall have prepared and filed with the Commission under the Securities Act any registration statements or amendments thereto that are appropriate to reflect the establishment of or amendments to any employee benefit plan of Global Payments contemplated by the Employee Benefits Agreement, including without limitation, a Form S-8 with respect thereto. Any such registration statements shall have been declared effective by the Commission under the Securities Act. Nothing in this Section 3.01(c) shall require Global Payments to file with the Commission any registration statements relating to any grantor trusts that may be contemplated by the Employee Benefits Agreement.

(d) NDC and Global Payments shall have taken all such action as may be necessary or appropriate under the securities or blue sky laws of states or other political subdivisions of the United States in connection with the transactions contemplated by this Agreement or any Ancillary Agreement;

(e) the Global Payments Common Stock shall have been approved for listing on the New York Stock Exchange, subject to official notice of issuance;

(f) the Global Payments Board of Directors, as named in the Form 10, shall have been elected by NDC, as sole shareholder of Global Payments, and the Global Payments Articles and Global Payments Bylaws shall have been adopted and be in effect;

(g) NDC shall have received a favorable ruling from the IRS that the Distribution will not be taxable to NDC or its stockholders pursuant to Section 355 of the Code;

(h) Global Payments shall have entered into the Revolving Credit Agreement;

(i) Global Payments (or its appropriate subsidiary) shall have performed fully its (or their) obligations under Section 2.02;

(j) no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Distribution shall be in effect;

(k) all necessary regulatory approvals shall have been received; and

(l) NDC and Global Payments shall have each performed its obligations under this Agreement and each Ancillary Agreement, which are required to be performed prior to or at the time of the Distribution.

Section 3.02 The Distribution.

(a) On or before the Distribution Date, subject to satisfaction or waiver of the conditions set forth in this Agreement, NDC shall deliver to the Distribution Agent a certificate or certificates representing all of the then outstanding shares of Global Payments Common Stock, endorsed in blank, and shall instruct the Distribution Agent, except as otherwise provided in Section 3.02(b), to distribute to each holder of record of NDC Common Stock on the Record Date eight-tenths (0.8) of a share of Global Payments Common Stock for each share of NDC Common Stock so held by crediting a book entry account created by the Distribution Agent for that purpose.

(b) The Distribution Agent shall not distribute any fractional share of Global Payments Common Stock. The Distribution Agent shall aggregate all such fractional shares and sell them in an orderly manner after the Distribution Date in the open market and, after completion of such sales, distribute a pro rata portion of the proceeds from such sales, based upon the average gross selling price of all such Global Payments Common Stock, less a pro rata portion of the aggregate brokerage commissions payable in connection with such sales, to each holder of NDC Common Stock who would otherwise have received a fractional share of Global Payments Common Stock.

Section 3.03 Certain Conduct Following the Distribution.

(a) Guaranteed Global Payments and NDC Liabilities.

(1) Global Payments shall use all reasonable efforts (excluding payment of money) to obtain as promptly as practicable after the Distribution Date the release of NDC from its obligations with respect to Guaranteed Global Payments Liabilities. In no event shall any member of the Global Payments Group extend the term of any Guaranteed Global Payments Liabilities (such as by exercising an option to renew a lease) or modify any such Guaranteed Global Payments Liability, in either instance in any way that would increase the liability guaranteed thereunder unless the guarantee of NDC is released as to any extended or modified liability obligations under such Guaranteed Global Payments Liabilities or NDC otherwise consents in writing.

(2) NDC shall use all reasonable efforts (excluding payment of money) to obtain as promptly as practicable after the Distribution Date the release of Global Payments from its obligations with respect to Guaranteed NDC Liabilities. In no event shall any member of the NDC Group extend the term of any Guaranteed NDC Liabilities (such as by exercising an option to renew a lease) or modify any such

Guaranteed NDC Liability, in either instance in any way that would increase the liability guaranteed thereunder unless the guarantee of Global Payments is released as to any extended or modified liability obligations under such Guaranteed NDC Liabilities or Global Payments otherwise consents in writing.

(3) In the event that NDC is required to pay any Guaranteed Global Payments Liabilities, without limiting any of NDC's rights and remedies against Global Payments under this Agreement or otherwise, in order to secure Global Payments' indemnity obligations to NDC hereunder in respect of such Guaranteed Global Payments Liabilities, NDC shall be entitled to all the rights of the payee in any property of any member of the Global Payments Group pledged as security for such Guaranteed Global Payments Liabilities.

(4) In the event that Global Payments is required to pay any Guaranteed NDC Liabilities, without limiting any of Global Payments' rights and remedies against NDC under this Agreement or otherwise, in order to secure NDC's indemnity obligations to Global Payments hereunder in respect of such Guaranteed NDC Liabilities, Global Payments shall be entitled to all the rights of the payee in any property of any member of the NDC Group pledged as security for such Guaranteed NDC Liabilities.

(b) Insurance.

(1) Following the Distribution, Global Payments will use its best efforts to procure and maintain directors' and officers' liability insurance coverage at least equal to the amount of NDC's current directors' and officers' insurance coverage for a period of five (5) years from the Distribution Date with respect to directors and officers of NDC who will become directors and officers of Global Payments as of the Distribution Date for acts as directors and officers of members of the Global Payments Group for periods from and after the Distribution Date.

(2) Following the Distribution, NDC will use its best efforts to maintain directors' and officers' liability insurance coverage at least equal to the amount of NDC's current directors' and officers' liability insurance coverage for a period of five years from the Distribution Date with respect to the directors and officers of NDC who will become directors and officers of members of the Global Payments Group as of the Distribution Date for acts as directors and officers of members of the NDC Group during periods prior to the Distribution Date.

ARTICLE IV

INDEMNIFICATION

Section 4.01 Global Payments Indemnification of the NDC Group. If the

Distribution occurs, on and after the Distribution Date, Global Payments shall indemnify, defend and hold harmless each member of the NDC Group, and each of their respective directors, officers, employees and agents (the "NDC Indemnitees") from and against any

and all Indemnifiable Losses incurred or suffered by any of the NDC Indemnitees and arising out of, or due to, (a) the failure of Global Payments or any member of the Global Payments Group to pay, perform or otherwise discharge, any of the Global Payments Liabilities and (b) any untrue statement or alleged untrue statement of any material fact contained in the preliminary or final Form 10, the Information Statement or any amendment or supplement thereto or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading (other than the information provided by NDC contained in the Section entitled "NDC Corporation" of the Form 10, the Information Statement or any amendment or supplement thereto).

Section 4.02 NDC Indemnification of Global Payments Group. If the

Distribution occurs, on and after the Distribution Date, NDC shall indemnify, defend and hold harmless each member of the Global Payments Group and each of their respective directors, officers, employees and agents (the "Global Payments Indemnitees") from and against any and all Indemnifiable Losses incurred or suffered by any of the Global Payments Indemnitees and arising out of, or due to, (a) the failure of NDC or any member of the NDC Group to pay, perform or otherwise discharge, any of the NDC Liabilities and (b) any untrue statement or alleged untrue statement of any material fact contained in the Section entitled "NDC Corporation" of the Form 10, the Information Statement or any amendment or supplement thereto or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading.

Section 4.03 Contribution. In circumstances in which the indemnity

agreements provided for in Sections 4.01(b) and 4.02(b) are unavailable or insufficient, for any reason, to hold harmless an indemnified party in respect of any Indemnifiable Losses, each indemnifying party, in order to provide for just and equitable contribution, shall contribute to the amount paid or payable by such indemnified party as a result of such Indemnifiable Losses, in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions or alleged statements or omissions that resulted in such Indemnifiable Losses, as well as any other relevant equitable considerations. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by Global Payments or NDC, the parties' relative intents, knowledge, access to information and opportunity to correct or prevent such statement or omission, and any other equitable considerations appropriate in the circumstances.

Section 4.04 Insurance and Third Party Obligations. No insurer or any

other third party shall be, by virtue of the foregoing indemnification provisions, (a) entitled to a benefit it would not be entitled to receive in the absence of such provisions, (b) relieved of the responsibility to pay any claims to which it is obligated, or (c) entitled to any subrogation rights with respect to any obligation hereunder.

ARTICLE V

INDEMNIFICATION PROCEDURES

Section 5.01 Notice and Payment of Claims. If any NDC or Global

Payments Indemnitee (the "Indemnified Party") determines that it is or may be entitled to indemnification by a party (the "Indemnifying Party") under Article IV (other than in connection with any Action or claim subject to Section 5.02), the Indemnified Party shall deliver to the Indemnifying Party a written notice specifying, to the extent reasonably practicable, the basis for its claim for indemnification and the amount for which the Indemnified Party reasonably believes it is entitled to be indemnified. After the Indemnifying Party shall have been notified of the amount for which the Indemnified Party seeks indemnification, the Indemnifying Party shall, within 30 days after receipt of such notice, pay the Indemnified Party such amount in cash or other immediately available funds (or reach agreement with the Indemnified Party as to a mutually agreeable alternative payment schedule) unless the Indemnifying Party objects to the claim for indemnification or the amount thereof. If the Indemnifying Party

does not give the Indemnified Party written notice objecting to such claim and setting forth the grounds therefor within the same 30 day period, the Indemnifying Party shall be deemed to have acknowledged its liability for such claim and the Indemnified Party may exercise any and all of its rights under applicable law to collect such amount. Any amount owed under this Section 5.01 that is past due shall bear interest at a simple rate of interest per annum equal to the Prime Rate plus 2%.

Section 5.02 Notice and Defense of Third Party Claims. Promptly

following the earlier of (a) receipt of notice of the commencement by a third party of any Action against or otherwise involving any Indemnified Party or (b) receipt of information from a third party alleging the existence of a claim against an Indemnified Party, in either case, with respect to which indemnification may be sought pursuant to this Agreement (a "Third Party Claim"), the Indemnified Party shall give the Indemnifying Party written notice thereof. The failure of the Indemnified Party to give notice as provided in this Section 5.02 shall not relieve the Indemnifying Party of its obligations under this Agreement, except to the extent that the Indemnifying Party is prejudiced by such failure to give notice. Within 30 days after receipt of such notice, the Indemnifying Party shall by giving written notice thereof to the Indemnified Party, (a) acknowledge, as between the parties hereto, liability for, and at its option assume the defense of such Third Party Claim at its sole cost and expense or (b) object to the claim of indemnification set forth in the notice delivered by the Indemnified Party pursuant to the first sentence of this Section 5.02 setting forth the grounds therefor; provided that if the

Indemnifying Party does not within the same 30 day period give the Indemnified Party written notice acknowledging liability and electing to assume the defense or objecting to such claim and setting forth the grounds therefor, the Indemnifying Party shall be deemed to have acknowledged, as between the parties hereto, its liability to the Indemnified Party for such Third Party Claim. Any contest of a Third Party Claim as to which the Indemnifying Party has elected to assume the defense shall be conducted by attorneys employed by the Indemnifying Party and reasonably satisfactory to the Indemnified

Party; provided that the Indemnified Party shall have the right to participate

in such proceedings and to be represented by attorneys of its own choosing at the Indemnified Party's sole cost and expense. If the Indemnifying Party assumes the defense of a Third Party Claim, the Indemnifying Party may settle or compromise the claim without the prior written consent of the Indemnified Party; provided that the Indemnifying Party may not agree to any such

settlement pursuant to which any remedy or relief, other than monetary damages for which the Indemnifying Party shall be responsible hereunder, shall be applied to or against the Indemnified Party, without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld. If the Indemnifying Party does not assume the defense of a Third Party Claim for which it has acknowledged liability for indemnification under Article IV, the Indemnified Party may require the Indemnifying Party to reimburse it on a current basis for its reasonable expenses of investigation, reasonable attorneys' fees and reasonable out-of-pocket expenses incurred in defending against such Third Party Claim and the Indemnifying Party shall be bound by the result obtained with respect thereto by the Indemnified Party; provided that the

Indemnifying Party shall not be liable for any settlement effected without its consent, which consent shall not be unreasonably withheld. The Indemnifying Party shall pay to the Indemnified Party in cash the amount for which the Indemnified Party is entitled to be indemnified (if any) within 15 days after the final resolution of such Third Party Claim (whether by the final nonappealable judgment of a court of competent jurisdiction or otherwise), or, in the case of any Third Party Claim as to which the Indemnifying Party has not acknowledged liability, within 15 days after such Indemnifying Party's objection has been resolved by settlement, compromise or the final nonappealable judgment of a court of competent jurisdiction.

ARTICLE VI

EMPLOYEE MATTERS

Section 6.01 Employees. As of the Effective Time, all persons who are

employees of the NDC eCommerce Subsidiaries shall be employees of Global Payments, and all persons who are employees of the NDC Group shall be employees of NDC, and no person shall be an employee of both NDC and Global Payments.

Section 6.02 Employee Benefits Agreement. All matters relating to or

arising out of any employee benefit, compensation or welfare arrangement in respect of any present and former employee of the NDC Group or the Global Payments Group shall be governed by the Employee Benefits Agreement, except as may be expressly stated herein. In the event of any inconsistency between the Employee Benefits Agreement and this Agreement or any Ancillary Agreement, the Employee Benefits Agreement shall govern.

ARTICLE VII

TAX MATTERS

Section 7.01 Tax Sharing and Indemnification Agreement. All matters

relating to Taxes shall be governed exclusively by the Tax Sharing and Indemnification Agreement, except as may be expressly stated herein. In the event of any inconsistency between the Tax Sharing and Indemnification Agreement and this Agreement or any other Ancillary Agreement, the Tax Sharing and Indemnification Agreement shall govern.

ARTICLE VIII

ACCOUNTING MATTERS

Section 8.01 Allocation of Prepaid Items and Reserves. All prepaid

items and reserves that have been maintained by NDC on a consolidated basis but that relate in part to assets or liabilities of the Global Payments Group shall be fairly allocated between NDC and Global Payments as determined by NDC in its reasonable discretion.

Section 8.02 Accounting Treatment of Assets Transferred and Liabilities

Assumed. The transfer by NDC of (a) the shares of capital stock of the NDC

eCommerce Subsidiaries to Global Payments pursuant to this Agreement, (b) the 0.85% general partnership interest in GPS Holding Limited Partnership to Global Payments pursuant to this Agreement, net of the Liabilities of the eCommerce Business assumed by Global Payments and (c) all right, title and interest of NDC and its Subsidiaries other than the Global Payments Group in and to the eCommerce Assets shall constitute a contribution by NDC to the capital of Global Payments.

Section 8.03 Dividend; Estimated Dividend; and Estimated Capital

Contribution.

Attached hereto as Schedule 8.03 is a schedule prepared by NDC which sets forth the Aggregate Intercompany Account Balance as of May 31, 2000 as well as the Estimated Dividend or the Estimated Capital Contribution, as applicable, as of the Effective Time. On the Distribution Date, the Estimated Dividend or the Estimated Capital Contribution shall be paid by Global Payments or NDC, as applicable, in accordance with Section 2.01(f) and (g) hereof.

Within 90 business days after the Effective Time, NDC shall prepare and deliver to Global Payments the eCommerce Balance Sheet and, unless separately stated in the eCommerce Balance Sheet, a calculation of the Aggregate Intercompany Account Balance as of the Distribution Date. Within ten business days after the delivery of the eCommerce Balance Sheet:

(a) if an Estimated Dividend was paid at or prior to the Effective Time and the Aggregate Intercompany Account Balance as of the Distribution Date is less than

the Aggregate Intercompany Account Balance as of May 31, 2000, then (i) if the amount by which the Aggregate Intercompany Account Balance at May 31, 2000 exceeds the Aggregate Intercompany Account Balance as of the Distribution Date is greater than the Estimated Dividend, Global Payments shall pay to NDC the difference between the Estimated Dividend and the actual amount of the difference in the Aggregate Intercompany Account Balance between May 31, 2000 and the Distribution Date, or (ii) if the amount by which the Aggregate Intercompany Account Balance as of May 31, 2000 exceeds the Aggregate Intercompany Account Balance as of the Distribution Date is less than the Estimated Dividend, NDC shall pay to Global Payments the difference between the Estimated Dividend and the actual amount of the difference in the Aggregate Intercompany Account Balance between May 31, 2000 and the Distribution Date;

(b) if an Estimated Dividend was paid at or prior to the Effective Time and the Aggregate Intercompany Account Balance as of the Distribution Date is more than the Aggregate Intercompany Account Balance as of May 31, 2000, NDC shall pay to Global Payments an amount equal to the sum of the Estimated Dividend plus an amount equal to the excess of the Aggregate Intercompany Account Balance as of the Distribution Date over the Aggregate Intercompany Account Balance as of May 31, 2000; or

(c) if an Estimated Capital Contribution was made at or prior to the Effective Time and the Aggregate Intercompany Account Balance as of the Distribution Date is less than the Aggregate Intercompany Account Balance as of May 31, 2000, Global Payments shall pay to NDC a cash dividend in an amount equal to the sum of the Estimated Capital Contribution plus an amount equal to the excess of the Aggregate Intercompany Account Balance as of May 31, 2000 over

the Aggregate Intercompany Account Balance as of the Distribution Date; or

(d) if an Estimated Capital Contribution was made at or prior to the Effective Time and the Aggregate Intercompany Account Balance as of the Distribution Date is greater than the Aggregate Intercompany Account Balance as of May 31, 2000, then (i) if the amount by which the Aggregate Intercompany Account Balance as of the Distribution Date exceeds the Aggregate Intercompany Account Balance as of May 31, 2000 is greater than the Estimated Capital Contribution, NDC shall pay to Global Payments the difference between the Estimated Capital Contribution and the actual amount of the difference in the Aggregate Intercompany Account Balance between May 31, 2000 and the Distribution Date, or (ii) if the amount by which the Aggregate Intercompany Account Balance as of the Distribution Date exceeds the Aggregate Intercompany Account Balance as of May 31, 2000 is less than the Estimated Capital Contribution, Global Payments shall pay to NDC the difference between the Estimated Capital Contribution and the actual amount of the difference in the Aggregate Intercompany Account Balance between May 31, 2000 and the Distribution Date.

Any amounts paid by Global Payments to NDC pursuant to Section 2.01(e) and (f) or this Section 8.03 shall be deemed a dividend or return of capital. Any amounts paid

by NDC to Global Payments pursuant to Section 2.01(g) or this Section 8.03 shall constitute a capital contribution.

Any disputes arising from the adjustments required by the eCommerce Balance Sheet and the Change in Aggregate Intercompany Balance shall be resolved in accordance with Section 15.02 hereof.

ARTICLE IX

INFORMATION TECHNOLOGY SERVICES

Section 9.01 Intercompany Systems/Network Services Agreement. All

matters relating to the sharing of telecommunications, networks and related services shall be governed exclusively by the Intercompany Systems/Network Services Agreement. In the event of any inconsistency between the Intercompany Systems/Network Services Agreement and this Agreement or between the Information Systems/Network Services Agreement and any other Ancillary Agreement, the Intercompany Systems/Network Services Agreement shall govern.

Section 9.02 Batch Processing Agreement. All matters relating to

Global Payments' provision of Unisys Batch Processing services shall be governed exclusively by the Batch Processing Agreement. In the event of any inconsistency between the Batch Processing Services Agreement and this Agreement or between the Batch Processing Services Agreement and any other Ancillary Agreement, the Batch Processing Services Agreement shall govern.

ARTICLE X

TRADEMARK AND SERVICE MARK LICENSE

Section 10.01 Grant of License to Marks. Subject to the terms and

conditions of this Agreement, NDC hereby grants to Global Payments, the NDC eCommerce Subsidiaries and their subsidiaries, (individually, a "Licensee" and collectively, the "Licensees") for a period of eighteen (18) months from the Distribution Date, a NON-EXCLUSIVE, NON-TRANSFERABLE, WORLDWIDE LICENSE, WITHOUT THE RIGHT TO SUBLICENSE, to use the eCommerce Marks in connection with the eCommerce Business.

Section 10.02 Limitations on License.

(a) No rights or licenses are herein granted to the Licensees expressly or by implication, to use any eCommerce Marks, other than in accordance with this Article X.

(b) Notwithstanding anything herein to the contrary, no license or sublicense is granted hereunder if any such license or sublicense would require the consent of a third party or is not otherwise able to be licensed by NDC under the terms of any license agreement or other obligations or instruments binding upon NDC. Similarly, no license or sublicense is granted hereunder if any such license or sublicense would require NDC to pay royalties or other consideration to a third party or would otherwise adversely impact NDC.

Section 10.03 Ownership of eCommerce Marks.

(a) Global Payments acknowledges that NDC is the sole owner of all right, title and interest in and to the eCommerce Marks and all registrations thereof in any form or embodiment thereof and is also the sole owner of all goodwill

attached to the eCommerce Marks in connection with its use by the Licensees shall not, at any time, do or suffer to be done any act or thing which will in any way impair the rights of Licensor in and to the eCommerce Marks or any registrations thereof or which will depreciate the value or reputation of the eCommerce Marks. Global Payments agrees that it will not, directly or indirectly, challenge, or permit any other Licensee to challenge, NDC's ownership of or the validity of the eCommerce Marks or any registrations or applications for registration thereof. Global Payments agrees to do whatever acts NDC may deem necessary or advisable, including the execution of any instruments, to confirm and maintain ownership by NDC of the eCommerce Marks.

(b) Global Payments acknowledges that any use of the eCommerce Marks shall not create in the Licensees' favor any right, title or interest in or to the eCommerce Marks, except as granted in this Article X. Global Payments expressly agrees and understands that all uses of the eCommerce Marks by the Licensees, and any goodwill created in the eCommerce Marks thereby, shall inure solely to the benefit of, and be owned exclusively by, NDC.

Section 10.04 Duration and Termination of License.

(a) NDC shall have the right to terminate the license granted in this Article X upon the occurrence of a "Material Breach." It shall be a Material Breach if Global Payments fails to cure a default within fifteen (15) days following receipt of a written notice of such default. For purposes of this Article X, it shall be a default if any Licensee:

(i) conducts any portion of its business or uses any of the eCommerce Marks in a manner that NDC believes threatens the validity or integrity of any of the eCommerce Marks or threatens the goodwill associated therewith;

(ii) attempts to assign an interest in the license granted in this Article X in violation of Section 10.07 of this Agreement;

(iii) becomes insolvent by reason of an inability to pay debts as they mature or makes an assignment for the benefit of creditors or any admission of inability to pay obligations as they become due; or

(iv) fails or refuses to comply with any other provision of this Article X or any instruction of NDC concerning use of the eCommerce Marks.

(b) It shall be a Material Breach, and NDC shall have the right to terminate the license granted by this Article X without further action or notice to the Licensees, if any Licensee:

(i) misuses or makes an unauthorized use of the eCommerce Marks or commits an act which could reasonably be expected to materially impair the goodwill associated with the eCommerce Marks; or

(ii) is convicted of or pleads no contest to a felony or other crime or offense that NDC believes is likely to adversely affect the reputation of NDC, its goodwill, or the eCommerce Marks.

In the event of termination of the license under this Section 10.04(b), the Licensees shall not be entitled to cure the matter giving rise to termination.

Section 10.05 Effect of Termination of Expiration. Upon the

expiration or prior termination of the license granted in this Article X (the "Trademark License"), the Licensees shall:

(a) cease using any advertising materials, forms, invoices, or other materials that bear any eCommerce Marks;

(b) discontinue use of any eCommerce Marks, or any colorable imitation thereof, in any manner or for any purpose, and discontinue utilizing for any purpose any eCommerce Marks or other mark that suggests or indicates a current or prior connection or association with NDC, its affiliates or its transferee;

(c) destroy all uses of the eCommerce Marks, or deliver up to NDC or its duly authorized representative for destruction all materials bearing the eCommerce Marks;

(d) furnish to NDC or its transferee within thirty (30) days after the effective date of termination, evidence satisfactory to NDC or its transferee of [Global Payments'] compliance with the foregoing obligations.

Section 10.06 Survival of Obligations. All obligations of NDC, or its

transferee, and the Licensees that expressly or by their nature survive the expiration or termination of the license granted in this Article X shall continue in full force and effect subsequent

to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

Section 10.07 Intellectual Property Liability. The eCommerce Marks are

licensed or sublicensed to the Licensees "AS IS" without representation or warranty, express or implied, including without limitation any representation or warranty that the eCommerce Marks do not result in the infringement of intellectual property rights of any third party. Global Payments shall be solely responsible and liable for any claim, damage, cost, expense or liability the Licensees incur arising out of threatened or claimed infringements by eCommerce Marks. THE LICENSEES ACKNOWLEDGE AND AGREE THAT THEY MAY NOT BRING ANY CLAIMS OR OTHERWISE RECOVER ANY AMOUNT FROM NDC BY VIRTUE OF EXERCISE OF THE RIGHTS GRANTED HEREUNDER.

The Licensees agree and acknowledge that NDC shall not be liable directly or indirectly or as an indemnitor of the Licensees as a consequence of any license or sublicense granted hereunder.

10.08 Assignment of License. Licensees shall not have the right to assign

the license granted by this Article X to any third party, by agreement, operation of law, or otherwise, without the prior written consent of NDC, which may be withheld by NDC in its sole discretion; provided that such license may be assigned by a party to any company or concern acquiring substantially the entire business of such party relating to the eCommerce Marks licensed hereunder, provided such assignee first agrees in writing to be bound by all terms and conditions of such license including the obligations of such party hereunder.

ARTICLE XI

TRANSITION SUPPORT

Section 11.01 Transition Support Agreement. All matters relating to

the provision of support by the NDC Group to the Global Payments Group and support by the Global Payments Group to the NDC Group after the Effective Time shall be governed exclusively by the Transition Support Agreement, except as may be expressly stated herein. In the event of any inconsistency between the Transition Support Agreement and this Agreement or the Transition Support Agreement and any other Ancillary Agreement, the Transition Support Agreement shall govern.

ARTICLE XII

REAL PROPERTY MATTERS

Section 12.01 Real Estate Agreements. All matters relating to real

property to be owned by a member of the NDC Group or the Global Payments Group and leased, occupied or shared by a member of the other of such groups after the Effective Time shall

be governed by the Real Estate Agreements. In the event of any inconsistency between the Real Estate Agreements and this Agreement or the Real Estate Agreements and any other Ancillary Agreement, the Real Estate Agreements shall govern.

ARTICLE XIII

INFORMATION

Section 13.01 Provision of Corporate Records. As soon as practicable

following the Effective Time, NDC and Global Payments shall each arrange for the provision to the other of existing corporate documents (e.g., minute books, stock registers, stock certificates, documents of title, contracts, etc.) in its possession relating to the other or its business and affairs or to any other entity that is part of such other's respective Group or to the business and affairs of such other entity.

Section 13.02 Access to Information. From and after the Effective

Time, NDC and Global Payments shall each afford the other and its accountants, counsel and other designated representatives reasonable access (including using reasonable efforts to give access to persons or firms possessing information) and duplicating rights during normal business hours to all records, books, contracts, instruments, computer data and other data and information in its possession relating to the business and affairs of the other or a member of its Group (other than data and information subject to an attorney/client or other privilege), insofar as such access is reasonably required by the other including, without limitation, for audit, accounting and litigation purposes.

Section 13.03 Litigation Cooperation. NDC and Global Payments shall

each use reasonable efforts to make available to the other, upon written request, its officers, directors, employees and agents, and the officers,

directors, employees and agents of its subsidiaries, as witnesses to the extent that such persons may reasonably be required in connection with any legal, administrative or other proceedings arising out of the business of the other, or of any entity that is part of the other's respective Group, prior to the Effective Time in which the requesting party or one of its subsidiaries may from time to time be involved.

Section 13.04 Retention of Records. Except as otherwise required by

law or agreed to in writing, each party shall, and shall cause the members of its Group to, retain all information relating to the other's business in accordance with the past practice of such party. Notwithstanding the foregoing, either party may destroy or otherwise dispose of any information at any time in accordance with the corporate record retention policy maintained by such party with respect to its own records.

Section 13.05 Confidentiality. Each party shall, and shall cause each

member of its Group to, hold and cause its directors, officers, employees, agents, consultants and advisors to hold, in strict confidence, unless compelled to disclose by judicial or administrative process or, in the opinion of its counsel, by other requirements of law, all information concerning the other party (except to the extent that this Agreement or any

Ancillary Agreement permits the use or disclosure of such information or to the extent that such information can be shown to have been (a) in the public domain through no fault of such disclosing party or (b) later lawfully acquired after the Effective Time on a non-confidential basis from other sources by the disclosing party), and neither party shall release or disclose such information to any other person, except its auditors, attorneys, financial advisors, bankers and other consultants and advisors who shall be advised of the provisions of this Section 13.05 and be bound by them. Each party shall be deemed to have satisfied its obligation to hold confidential information concerning or supplied by the other party if it exercises the same care as it takes to preserve confidentiality for its own similar information.

Section 13.06 Privileged Matters. The parties hereto recognize that

legal and other professional services that have been and will be provided prior to the Distribution Date have been and will be rendered for the benefit of each of the members of the NDC Group, and the members of the Global Payments Group, and that each of the members of the NDC Group, and each of the members of the Global Payments Group should be deemed to be the client for the purposes of asserting all privileges which may be asserted under applicable law. Except as otherwise specifically provided in the Ancillary Agreements, to allocate the interests of each party in the information as to which any party is entitled to assert a privilege, the parties agree as follows:

(a) NDC shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the NDC Business, whether or not the privileged information is in the possession of or under the control of NDC or Global Payments. NDC shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the subject matter of any claims constituting NDC Liabilities, now pending or which may be asserted in the future, in any lawsuits or other proceedings initiated against or by NDC, whether or not the privileged information is in the possession of or under the control of NDC or Global Payments.

(b) Global Payments shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the Global Payments Business, whether or not the privileged information is in the possession of or under the control of NDC or Global Payments. Global Payments shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information which relates solely to the subject matter of any claims constituting Global Payments Liabilities, now pending or which may be asserted in the future, in any lawsuits or other proceedings initiated against or by Global Payments, whether or not the privileged information is in the possession of Global Payments or under the control of NDC or Global Payments.

(c) The parties hereto agree that they shall have a shared privilege, with equal right to assert or waive, subject to the restrictions in this Section 13.06, with respect to all privileges not allocated pursuant to the terms of Sections 13.06 (a) and (b). All privileges relating to any claims, proceedings, litigation, disputes, or other matters

which involve NDC and Global Payments in respect of which such parties retain any responsibility or liability under this Agreement, shall be subject to a shared privilege among them.

(d) No party hereto may waive any privilege which could be asserted under any applicable law and in which any other party hereto has a shared privileged, without the consent of the other party, which consent shall not be unreasonably withheld or delayed, except to the extent reasonably required in

connection with any litigation with third parties or as provided in subsection (e) below. Consent shall be in writing, or shall be deemed to be granted unless written objection is made within twenty (20) days after notice upon the other party requesting such consent.

(e) In the event of any litigation or dispute between or among any of the parties hereto, any party and a member of the Group of the other party, or a member of a Group of one party hereto and a member of a Group of the other party hereto, either such party may waive a privilege in which the other party has a shared privilege, without obtaining the consent of the other party, provided that such waiver of a shared privilege shall be effective only as to the use of information with respect to the litigation or dispute between or among the relevant parties and/or members of their Groups, and shall not operate as a waiver of the shared privilege with respect to third parties.

(f) If a dispute arises between or among the parties hereto or their respective Group members regarding whether a privilege should be waived to protect or advance the interest of any party, each party agrees that it shall negotiate in good faith, shall endeavor to minimize any prejudice to the rights of the other parties, and shall not unreasonably withhold consent to any request for waiver by the other party. Each party hereto specifically agrees that it will not withhold consent to waiver for any purpose except to protect its own legitimate interests.

(g) Upon receipt by any party hereto or by any member of a Group thereof of any subpoena, discovery or other request which arguably calls for the production or disclosure of information subject to a shared privilege or as to which another party has the sole right hereunder to assert a privilege, or if any party obtains knowledge that any of its, or any of its Group members', current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that arguably calls for the production or disclosure of such privileged information, such party shall promptly notify the other party of the existence of the request and shall provide the other party a reasonable opportunity to review the information and to assert any rights it or they may have under this Section 13.06 or otherwise to prevent the production or disclosure of such privileged information.

(h) The transfer of all agreements, documents, books, records, files and other information pursuant to this Agreement is made in reliance on the agreement of NDC and Global Payments, as set forth in Sections 13.05 and 13.06, to maintain the confidentiality of privileged information and to assert and maintain all applicable privileges. The access to information being granted pursuant to Section 13.02 hereof, the

agreement to cooperate pursuant to Section 13.03 hereof, the furnishing of notices and documents and other cooperative efforts contemplated herein, and the transfer of privileged information between and among the parties and the members of their respective Groups pursuant to this Agreement shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

Section 13.06 Ownership of Information. Any information owned by any party or members of its Group that is provided to a requesting party pursuant to this Article XIII shall be deemed to remain the property of the providing party. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such information.

ARTICLE XIV

INTEREST ON PAYMENTS

Section 14.01 Interest. Except as otherwise expressly provided in this Agreement or an Ancillary Agreement, all payments by one party to the other under this Agreement or any Ancillary Agreement shall be paid, by company check or wire transfer of immediately available funds to an account in the United States designated by the recipient, within 30 days after receipt of an invoice or other written request for payment setting forth the specific amount due and a description of the basis therefor in reasonable detail. Any amount remaining unpaid beyond its due date, including disputed amounts that are ultimately determined to be payable, shall bear interest at a rate of simple interest per annum equal to the Prime Rate plus 2%.

ARTICLE XV

MISCELLANEOUS

Section 15.01 Consolidation, Merger, Etc. Involving Global Payments or
NDC.
- - -

(a) Global Payments shall not consolidate with or merge into any other

entity or convey, transfer or lease all or any substantial portion of its properties and assets to any entity, and Global Payments shall not permit any entity to consolidate with or merge into Global Payments or convey, transfer or lease all or any substantial portion of its properties and assets to Global Payments, unless, in each case Global Payments shall consolidate with or merge into another entity or convey, transfer or lease all or any substantial portion of its properties and assets to any entity, the entity formed by such consolidation or into which Global Payments is merged or the entity which acquires by conveyance or transfer, or which leases, all or any substantial portion of properties and assets of Global Payments shall be a corporation, partnership, limited liability company or trust and shall expressly assume, by a written agreement, executed and delivered to NDC, in form reasonably satisfactory to NDC, all of the Liabilities, obligations and expenses to be assumed by Global Payments under this Agreement and the Ancillary Agreements and the due and punctual performance or observance of every agreement and

covenant of this Agreement and Ancillary Agreements on the part of Global Payments to be performed or observed.

(b) NDC shall not consolidate with or merge into any other entity or convey, transfer or lease all or any substantial portion of its properties and assets to any entity, and NDC shall not permit any entity to consolidate with or merge into NDC or convey, transfer or lease all or any substantial portion of its properties and assets to NDC, unless in each case, NDC shall consolidate with or merge into another entity or convey, transfer or lease all or any substantial portion of its properties and assets to any entity, the entity formed by such consolidation or into which NDC is merged or the entity which acquires by conveyance or transfer, or which leases, all or any substantial portion of properties and assets of NDC shall be a corporation, partnership, limited liability company or trust and shall expressly assume, by a written agreement, executed and delivered to Global Payments, in form reasonably satisfactory to Global Payments, all of the Liabilities, obligations and expenses to be assumed by NDC under this Agreement and the Ancillary Agreements and the due and punctual performance or observance of every agreement and covenant of this Agreement and the Ancillary Agreements on the part of NDC to be performed or observed.

Section 15.02 Disputes.

(a) All disputes arising from or in connection with this Agreement, whether based on contract, tort, statute or otherwise, including, but not limited to, disputes in connection with claims by third parties (collectively, "Disputes"), shall be resolved only in accordance with the provisions of this Section 15.02; provided, however, that nothing contained herein shall preclude

either party from seeking or obtaining (i) injunctive relief to prevent an actual or threatened breach of any of the provisions of this Agreement, or (ii) equitable or other judicial relief to enforce the provisions of this Section 15.02 hereof or to preserve the status quo pending resolution of Disputes hereunder.

(b) Either party may give the other party written notice of any Dispute not resolved in the normal course of business. Within 10 days after delivery of the notice of a Dispute, the receiving party shall submit to the other a written response. The notice and the response shall include a statement of such party's position and a summary of arguments supporting that position and the name and title of the executive who will represent that party and of any other person who will accompany such executive in resolving the Dispute. Within twenty (20) days after delivery of the first notice, the executives of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, and shall negotiate in good faith to attempt to resolve the Dispute. All reasonable requests for information made by one party to the other will be honored.

(c) If the Dispute has not been resolved by negotiation within sixty (60) days of the first party's notice, the Dispute shall be submitted, upon application of either party, for resolution by binding arbitration in accordance with the Commercial

Arbitration Rules of the American Arbitration Association (the "Rules"). Arbitration shall be by a single arbitrator experienced in the matters that are at issue in the Dispute, which arbitrator shall be selected by the parties in accordance with the Rules. The arbitration shall be conducted in Atlanta, Georgia (or at any other place agreed upon by the parties and the arbitrator). The decision of the arbitrator shall be final and binding as to all matters at issue in the Dispute; provided, however, if necessary such decision may be

enforced by either party in any court of law having jurisdiction over the parties or the subject matter of the Dispute. Unless the arbitrator shall assess the costs and expenses of the arbitration proceeding and of the parties differently, each party shall pay its costs and expenses incurred in connection with the arbitration proceeding, and the costs and expenses of the arbitrator shall be shared equally by the parties.

Section 15.03 Further Assurances and Consents. In addition to the

actions specifically provided for elsewhere in this Agreement, each of the parties hereto will use its reasonable efforts to (a) execute and deliver such further instruments and documents and take such other actions as any other party may reasonably request in order to effectuate the purposes of this Agreement and to carry out the terms hereof and (b) take, or cause to be taken, all actions, and do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable laws, regulations and agreements or otherwise to consummate and make effective the transactions contemplated by this Agreement, including, without limitation, using its reasonable efforts to obtain any consents and approvals, make any filings and applications and remove any liens, claims, equity or other encumbrance on an Asset of the other party necessary or desirable in order to consummate the transactions contemplated by this Agreement; provided that no party hereto shall be obligated to pay any

consideration therefor (except for filing fees and other similar charges) to any third party from whom such consents, approvals and amendments are requested or to take any action or omit to take any action if the taking of or the omission to take such action would be unreasonably burdensome to the party or its Group or the business thereof.

Section 15.04 Expenses. Except as specifically provided in this

Agreement or any Ancillary Agreement, all costs and expenses incurred in connection with the preparation, execution, delivery and implementation of this Agreement and the Ancillary Agreements and with the consummation of the transactions contemplated by this Agreement (including, but not limited to, transfer taxes and the fees and expenses of the Distribution Agent and of all counsel, accountants, capital identity consultants and financial and other advisors) shall be paid by NDC. Without limiting the foregoing, NDC shall pay the legal, filing, accounting, printing and other expenses in connection with the preparation, printing and filing of the Form 10 and the Information Statement.

Section 15.05 Notices. All notices and communications under this

Agreement shall be deemed to have been given (a) when received, if such notice or communication is delivered by facsimile, hand delivery or overnight courier, and, (b) three (3) business days after mailing if such notice or communication is sent by United States registered or certified mail, return receipt requested, first class postage prepaid. All notices and

communications, to be effective, must be properly addressed to the party to whom the same is directed at its address as follows:

If to NDC, to:

National Data Corporation Inc.
National Data Plaza
Atlanta, GA 30329
Attention: General Counsel

If to Global Payments, to:

Global Payments Inc.
4 Corporate Boulevard N.E.
Atlanta, Georgia 30329
Attention: General Counsel

Either party may, by written notice delivered to the other party in accordance with this Section 15.05, change the address to which delivery of any notice shall thereafter be made.

Section 15.06 Amendment and Waiver. This Agreement may not be altered

or amended, nor may any rights hereunder be waived, except by an instrument in writing executed by the party or parties to be charged with such amendment or waiver. No waiver of any terms, provision or condition or failure to exercise or delay in exercising any rights or remedies under this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, provision, condition, right or remedy or as a waiver of any other term, provision or condition of this Agreement.

Section 15.07 Entire Agreement. This Agreement, together with the

Ancillary Agreements, constitutes the entire understanding of the parties hereto with respect to the subject matter hereof, superseding all negotiations, prior discussions and prior agreements and understandings relating to such subject matter. To the extent that the provisions of this Agreement are inconsistent with the provisions of any Ancillary Agreement, the provisions of such Ancillary Agreement shall prevail with respect to the subject matter hereof.

Section 15.08 Parties in Interest. Neither of the parties hereto may

assign its rights or delegate any of its duties under this Agreement without the prior written consent of the other party. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns. Nothing contained in this Agreement, express or implied, is intended to confer any benefits, rights or remedies upon any person or entity other than members of the NDC Group and the Global Payments Group and the NDC Indemnitees and Global Payments Indemnitees under Articles IV and V hereof.

Section 15.09 Severability. The provisions of this Agreement are

severable and should any provision hereof be void, voidable or unenforceable under any applicable law, such provision shall not affect or invalidate any other provision of this Agreement, which shall continue to govern the relative rights and duties of the parties as though such void, voidable or unenforceable provision were not a part hereof.

Section 15.10 Governing Law. This Agreement shall be construed in

accordance with, and governed by, the laws of the State of Georgia, without regard to the conflicts of law rules of such state.

Section 15.11 Counterparts. This Agreement may be executed in one or

more counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

NATIONAL DATA CORPORATION

By: _____
Name: _____
Title: _____

GLOBAL PAYMENTS INC.

By: _____
Name: _____
Title: _____

FORM OF
AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
GLOBAL PAYMENTS INC.

Pursuant to the provisions of Section 14-2-1007 of the Georgia Business Corporation Code, Global Payments Inc. hereby amends and restates its Articles of Incorporation in their entirety as follows:

ARTICLE ONE

NAME

The name of the corporation is Global Payments Inc. (the "Corporation").

ARTICLE TWO

CAPITALIZATION

2.1 Authorized Shares. The Corporation shall have authority, to be exercised by the board of directors, to issue no more than (i) Two Hundred Million (200,000,000) shares of common stock, without par value, which shall be entitled to one vote per share and shall be entitled to receive the net assets of the Corporation upon dissolution and (ii) Five Million (5,000,000) shares of preferred stock, without par value. Shares of preferred stock may be issued from time to time in one or more classes or series, each such class or series to be so designated as to distinguish the shares thereof from the shares of all other classes and series. The Board of Directors is hereby vested with the authority to divide preferred stock into classes or series and to fix and determine the relative rights, preferences, qualifications, and limitation of the shares of any class or series so established.

ARTICLE THREE

REGISTERED OFFICE AND AGENT

The initial registered office of the Corporation is located at the street address of:

Four Corporate Square
Atlanta, Georgia 30329-2010

The name of the initial registered agent of the Corporation at its registered office named above is:

Suellyn P. Tornay

ARTICLE FOUR

INCORPORATOR

The name and address of the incorporator are:

William H. Avery
1201 West Peachtree Street
Atlanta, GA 30309

ARTICLE FIVE

PRINCIPAL OFFICE

The mailing address of the initial principal office of the Corporation is:

Four Corporate Square
Atlanta, Georgia 30329-2010

ARTICLE SIX

BOARD OF DIRECTORS

6.1 Initial Board of Directors. The initial board of directors shall consist of 2 members. The name and address of each of the initial members are:

Robert A. Yellowlees
Four Corporate Square
Atlanta, GA 30329-2010

6.2 Removal. Directors may only be removed from the Board of Directors for cause and only at a special meeting of shareholders called for such a purpose by the affirmative vote of at least two-thirds (2/3) of the total number of votes of the then outstanding shares of the Corporation's capital stock entitled to vote in the election of directors and only if notice of such proposal was contained in the notice of such meeting. Any vacancy in the Board of Directors resulting from such removal shall be filled in accordance with Section 6.4 hereof. For purposes of this Section, "cause" shall mean only (a) conviction of a felony, (b) declaration of unsound mind or order of a court, (c) gross dereliction of duty, (d) commission of an action involving moral turpitude, or (e) commission of an action which constitutes intentional misconduct or a

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knowing violation of law if such action in either event results both in an improper substantial personal benefit and a material injury to the Corporation.

6.3 Vacancies and Changes of Authorized Number. All vacancies and any newly created directorship resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although fewer than a quorum, or by a sole remaining director. Each director chosen in accordance with this Section shall hold office until the next election of the class for which such director shall have been chosen, and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal; provided, however that a director chosen in accordance with this Section to fill a newly-created directorship shall hold office only until the next election of directors by the shareholders and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal.

6.4 Amending or Repealing Article Six. Notwithstanding any provision hereof, or of the Bylaws or any law which might otherwise permit a lesser vote, the affirmative vote of the holders of at least two-thirds (2/3) of all classes of stock entitled to vote in the election of directors shall be required to alter, amend or repeal this Article Six.

ARTICLE SEVEN

CONSTITUENCY CONSIDERATIONS

In discharging the duties of their respective positions and in determining what is believed to be in the best interests of the Corporation, the Board of Directors, committees of the Board of Directors, and individual directors, in addition to considering the effects of any action on the Corporation or its shareholders, may consider the interests of the employees, customers, suppliers, and creditors of the Corporation, the communities in which offices or other establishments of the Corporation are located, and all other factors such directors consider pertinent; provided, however, that this Article shall be deemed solely to grant discretionary authority to the directors and shall not be deemed to provide to any constituency and right to be considered.

ARTICLE EIGHT

AMENDMENT OF BYLAWS

Except as otherwise provided in this Article Eight, the Bylaws may be altered, amended or repealed, and new Bylaws may be adopted, by (a) the affirmative vote of the holders of two-thirds (2/3) of the shares of stock then outstanding and entitled to vote in the election of directors, or (b) the Board of Directors of the Corporation, but any Bylaw adopted by the Board of Directors may be altered, amended, or repealed, or new Bylaws may be adopted, by the affirmative vote of the holders of two-thirds (2/3) of the shares of stock entitled to vote in the election of directors. The shareholders may prescribe, by so expressing in the action they take in amending or adopting any Bylaw or

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Bylaws, that the Bylaw or Bylaws so amended or adopted by them shall not be altered, amended or repealed by the Board of Directors. Notwithstanding the foregoing, Section 4.05 of the Bylaws may not be modified, amended or repealed except by the affirmative vote of the holders of a majority of the shares of stock then outstanding and entitled to vote in the election of directors.

ARTICLE NINE

LIMITATION OF DIRECTOR LIABILITY

9.1 Limitation of Liability. A director of the Corporation shall not be liable to the Corporation or its shareholders for monetary damages for any

action taken, or any failure to take any action, as a director, except liability:

- (i) for any appropriation, in violation of his or her duties, of any business opportunity of the Corporation;
- (ii) for acts or omissions which involve intentional misconduct or a knowing violation of law;
- (iii) for the types of liability set forth in Section 14-2-832 of the Georgia Business Corporation Code; or
- (iv) for any transaction from which the director received an improper personal benefit.

9.2 Repeal or Modification of this Article. Any repeal or modification of the provisions of this Article by the shareholders of the Corporation shall be prospective only and shall not adversely affect any limitation on the liability of a director of the corporation with respect to any act or omission occurring prior to the effective date of such repeal or modification.

9.3 Additional Provisions. If the Georgia Business Corporation Code is amended, after this Article becomes effective, to authorize corporate action further eliminating or limiting the liability of directors, then, without further corporate action, the liability of a director of the Corporation, in addition to the limitation on liability provided herein, shall be limited to the fullest extent permitted by the Georgia Business Corporation Code, as so amended.

9.4 Severability. In the event that any of the provisions of this Article (including any provision within a single sentence) is held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions are severable and shall remain enforceable to the fullest extent permitted by law.

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These Amended and Restated Articles of Incorporation contain amendments requiring shareholder approval and were duly adopted in accordance with the applicable provisions of Section 14-2-1003 of the Georgia Business Corporation Code by the Board of Directors of the Corporation on _____, 2000 and by the sole shareholder of the Corporation on _____, 2000.

These Amended and Restated Articles of Incorporation supersede the original Articles of Incorporation and all amendments thereto.

IN WITNESS WHEREOF, the Corporation has caused these Amended and Restated Articles of Incorporation to be executed by its duly authorized officer on this ___ day of _____, 2000.

GLOBAL PAYMENTS INC.

By: _____

AMENDED AND RESTATED
 BYLAWS
 OF
 GLOBAL PAYMENTS INC.
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Article I. OFFICES AND AGENT

Section 1.01 Registered Office and Agent

The corporation shall continuously maintain in the state of Georgia a registered office that may be the same as any of the corporation's places of business. In addition, the corporation shall continuously maintain a registered agent whose business office is identical with the registered office. The registered agent may be an individual who resides in the state of Georgia, a domestic corporation or nonprofit domestic corporation, or a foreign corporation or nonprofit foreign corporation authorized to transact business in the state of Georgia.

Section 1.02 Other Offices

In addition to having a registered office, the corporation may have other offices, located in or out of the state of Georgia, as the corporation's board of directors ("Board of Directors") may designate from time to time.

Article II. MEETINGS OF SHAREHOLDERS

Section 2.01 Annual Meetings

The corporation shall hold a meeting of shareholders annually at a time designated by the Board of Directors for the purpose of electing directors and transacting any other business that may properly come before the shareholders. If the corporation does not hold an annual meeting as provided in this Section, any business, including the election of directors, that might properly have been acted upon at an annual meeting may be acted upon by the shareholders at a special meeting held in accordance with these bylaws or in accordance with a court order.

Section 2.02 Special Meetings

Special meetings of shareholders may be called at any time by (i) the Board of Directors, (ii) the Chairman of the Board of Directors, (iii) the President of the corporation or (iv) the holders of two-thirds (2/3) of the

votes entitled to be cast on any issue proposed to be considered at such special meeting following delivery by such holders to the Secretary of the corporation of a signed and dated written request setting forth the purposes of such meeting.

Section 2.03 Place of Meetings

The corporation may hold shareholders' meetings, both annual and special, at any place in or out of the state of Georgia except that the corporation shall hold any meeting at the place set forth in the notice of the meeting or, if the meeting is held in accordance with a waiver of notice of the meeting, at the place set forth in the waiver of notice. If no place

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is specified in the notice or the waiver of notice, the corporation shall hold the meeting at the corporation's principal office.

Section 2.04 Notice of Meetings

The corporation shall notify shareholders of the date, time, and place of each annual and special shareholders' meeting no fewer than ten (10) nor more than sixty (60) days before the meeting date. Unless the Georgia Business Corporation Code, as amended (the "Code"), or the Articles of Incorporation require otherwise, the corporation shall notify only those shareholders entitled to vote at the meeting who have not waived, in accordance with Section 5.02, the right to receive notice. In the case of an annual meeting, the notice need not state the purposes of the meeting unless the Articles of Incorporation or the Code provide otherwise. Notice of a special meeting shall include a description of the purpose or purposes for which the meeting is called. If not otherwise fixed under Code Section 14-2-703 or 14-2-707, the record date for determining shareholders entitled to notice of and entitled to vote at an annual or special shareholders' meeting is the close of business on the day before the first notice is delivered to shareholders.

Section 2.05 Shareholder Nominations and Proposals

(a) No proposal for a shareholder vote shall be submitted by a shareholder (a "Shareholder Proposal") to the corporation's shareholders unless the shareholder submitting such proposal (the "Proponent") shall have filed a written notice setting forth with particularity (i) the names and business addresses of the Proponent and all natural persons, corporations, partnerships, trusts or any other type of legal entity or recognized ownership vehicle (collectively, "Persons") acting in concert with the Proponent; (ii) the name and address of the Proponent and the Persons identified in clause (i), as they appear on the corporation's books (if they so appear); (iii) the class and number of shares of the corporation beneficially owned by the Proponent and the Persons identified in clause (i); (iv) a description of the Shareholder Proposal containing all material information relating thereto; and (v) such other information as the Board of Directors reasonably determines is necessary or appropriate to enable the Board of Directors and shareholders of the corporation to consider the Shareholder Proposal. The presiding officer at any shareholders' meeting may determine that any Shareholder Proposal was not made in accordance with the procedures prescribed in these bylaws or is otherwise not in accordance with law, and if it is so determined, such officer shall so declare at the meeting and the Shareholder Proposal shall be disregarded.

(b) Only persons who are selected and recommended by the Board of Directors or the committee of the Board of Directors designated to make nominations, or who are nominated by shareholders in accordance with the procedures set forth in this Section 2.05, shall be eligible for election, or qualified to serve, as directors. Nominations of individuals for election to the Board of Directors of the corporation at any annual meeting or any special meeting of shareholders at which directors are to be

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elected may be made by any shareholder of the corporation entitled to vote for the election of directors at that meeting by compliance with the procedures set forth in this Section 2.05. Nominations by shareholders shall be made by written notice (a "Nomination Notice"), which shall set forth (i) as to each individual nominated, (A) the name, date of birth, business address and residence address of such individual; (B) the business experience during the past five years of such nominee, including his or her principal occupations and employment during such period, the name and principal business of any corporation or other organization in which such occupations and employment were carried on, and such other information as to the nature of his or her responsibilities and level of professional competence as may be sufficient to permit assessment of his or her prior business experience; (C) whether the nominee is or has ever been at any time a director, officer or owner of 5% or more of any class of capital stock, partnership interests or other equity interest of any corporation, partnership or other entity; (D) any directorships held by such nominee in any company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or subject to the requirements of Section 15(d) of such Act or any company registered as an investment company under the

Investment Company Act of 1940, as amended; and (E) whether such nominee has ever been convicted in a criminal proceeding or has ever been subject to a judgment, order, finding or decree of any federal, state or other governmental entity, concerning any violation of federal, state or other law, or any proceeding in bankruptcy, which conviction, order, finding, decree or proceeding may be material to an evaluation of the ability or integrity of the nominee; and (ii) as to the Person submitting the Nomination Notice and any Person acting in concert with such Person, (X) the name and business address of such Person, (Y) the name and address of such Person as they appear on the corporation's books (if they so appear), and (Z) the class and number of shares of the corporation that are beneficially owned by such Person. A written consent to being named in a proxy statement as a nominee, and to serve as a director if elected, signed by the nominee, shall be filed with any Nomination Notice. If the presiding officer at any shareholders' meeting determines that a nomination was not made in accordance with the procedures prescribed by these bylaws, he shall so declare to the meeting and the defective nomination shall be disregarded.

(c) Nomination Notices and Shareholder Proposals shall be delivered to the Secretary of the corporation at the principal executive office of the corporation (i) within 120 days prior to an annual meeting of shareholders or (ii) within 10 days after the date that notice of a special meeting is sent to shareholders.

Section 2.06 Voting Group

The term "voting group" means all shares of one or more classes or series that under the Code or the Articles of Incorporation are entitled to vote and be counted together collectively on a matter at a meeting of shareholders. All shares entitled by the Code or the Articles of Incorporation to vote generally on the matter are for that purpose a single voting group.

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Section 2.07 Quorum for Voting Groups

Shares entitled to vote as a separate voting group may take action on a matter at a meeting of shareholders only if a quorum of those shares exists with respect to that matter. Unless the Code or the Articles of Incorporation provide otherwise, a majority of the votes (as represented by person or by proxy) entitled to be cast on the matter by the voting group constitutes a quorum of that voting group for action on that matter. Once a share is represented for any purpose at a meeting, other than solely to object to holding the meeting or to transacting business at the meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting as provided in Section 7.7.

Section 2.08 Vote Required for Action

If a quorum exists, action on a matter (other than the election of directors) by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the Code, the Articles of Incorporation, or the bylaws require a greater number of affirmative votes. If the Code or the Articles of Incorporation provide for voting by a single voting group on a matter, action on that matter is taken when voted upon by that voting group as provided in this Section and in Sections 2.06 and 2.07. If the Code or the Articles of Incorporation provide for voting by two or more voting groups on a matter, action on that matter is taken only when voted upon by each of those voting groups counted separately as provided in this section and in Sections 2.06 and 2.07. Action may be taken by one voting group on a matter even though no action is taken by another voting group entitled to vote on the matter.

Section 2.09 Voting for Directors

Unless otherwise provided in the Articles of Incorporation or the Code, directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. Shareholders do not have a right to cumulate their votes for directors unless the Articles of Incorporation so provide.

Section 2.10 Voting of Shares

Unless the Code or the Articles of Incorporation provide otherwise, each outstanding share having voting rights is entitled to one vote on each matter voted on at a meeting of shareholders. Shareholders voting their shares shall vote their shares by voice vote or by show of hands unless (i) a qualified voting shareholder, prior to any voting on a matter, demands a vote by ballot or (ii) the presiding officer determines in his or her sole discretion to vote by ballot. If a demand occurs or the presiding officer determines to do so, shareholders shall vote by ballot. Each ballot shall state the name of the shareholder voting and the number of shares voted by the shareholder. If a ballot is cast by proxy, the ballot must also state the name of the proxy.

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Section 2.11 Proxies

(a) A shareholder may vote his or her shares in person or by proxy. For a shareholder to vote shares by proxy, a shareholder or his or her agent or attorney in fact shall appoint a proxy by executing a writing that authorizes another person or persons to vote or otherwise act for the shareholder by signing and dating an appointment form. An appointment of proxy is effective when the corporate agent authorized to tabulate votes receives an original or facsimile transmission of a signed appointment form. The appointment of proxy is valid for only one meeting and any adjournments, and the appointment form must specify that meeting. In any event, the appointment is not valid for longer than eleven (11) months unless the appointment form expressly provides for a longer period. The corporate secretary shall file any appointment of proxy with the records of the meeting to which the appointment relates.

(b) An appointment of proxy is revocable or irrevocable as provided in the Code.

(c) If any person questions the validity of an appointment of proxy, that person shall submit the appointment form for examination to the secretary of the shareholders' meeting or to a proxy officer or committee appointed by the person presiding at the meeting. The secretary, proxy officer, or committee, as the case may be, will determine the appointment form's validity. The secretary's reference in the meeting's minutes to the regularity of the appointment of proxy will be prima facie evidence of the facts stated in the minutes for establishing a quorum at the meeting and for all other purposes.

Section 2.12 Chairman of the Board

The Chairman of the Board shall preside over every shareholders' meeting unless the shareholders elect another person to preside at a meeting. The Chairman of the Board may appoint any persons he or she deems necessary to assist with the meeting.

Section 2.13 Inspectors

The corporation shall appoint one or more inspectors to act at a shareholders' meeting and to make a written report of the inspectors' determinations. Each inspector shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of the inspector's ability. The inspector shall: ascertain the number of shares outstanding and the voting power of each; determine the shares represented at a meeting; determine the validity of proxies and ballots; count all votes; and determine the result. An inspector may be an officer or employee of the corporation.

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Section 2.14 Adjournments

Whether or not a quorum is present to organize a meeting, any meeting of shareholders (including an adjourned meeting) may be adjourned by the holders of a majority of the voting shares represented at the meeting to reconvene at a specific time and place, but no later than 120 days after the date fixed for the original meeting unless the requirements of the Code concerning the selection of a new record date have been met. At any reconvened meeting within that time period, any business may be transacted that could have been transacted at the meeting that was adjourned. If notice of the adjourned meeting was properly given, it shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted, if the date, time and place of the reconvened meeting are announced at the meeting that was adjourned and before adjournment; provided, however, that if a new record date is or must be fixed, notice of the reconvened meeting must be given to persons who are shareholders as of the new record date.

Section 2.15 Action by Shareholders Without a Meeting

Action required or permitted by the Code to be taken at a shareholders' meeting may be taken without a meeting if the action is taken by all shareholders entitled to vote on the action. The action must be evidenced by one or more written consents bearing the date of signature and describing the action taken, signed by all shareholders entitled to take action without a meeting, and delivered to the corporation for inclusion in the minutes or filing with the corporate records.

Article III. THE BOARD OF DIRECTORS

Section 3.01 General Powers

All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the Board of Directors, subject to any limitation set forth in the Articles of Incorporation, bylaws approved by the shareholders, or agreements

among the shareholders that are otherwise lawful. No limitation upon the authority of a director, whether contained in the Articles of Incorporation, bylaws, or an agreement among shareholders, shall be effective against persons, other than shareholders and directors, who do not have actual knowledge of the limitation.

Section 3.02 Number, Election and Term of Office

The number of directors of the corporation shall be no less than two(2) and no greater than seven (7) and may be adjusted by resolution of the shareholders or of the Board of Directors from time to time. Any resolution of the Board of Directors

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increasing or decreasing the number of directors of the corporation shall require the affirmative vote of at least two-thirds (2/3) of the entire Board of Directors. Except as provided in Section 3.04, a director shall be elected by the affirmative vote of the holders of a plurality of the shares represented at the meeting of shareholders at which the director stands for election and entitled to elect such director.

The number of directors may be increased or decreased from time to time as provided herein or by amendment to these bylaws and the Articles of Incorporation of the corporation; provided, however, that any amendment to the bylaws by the Board of Directors which increases or decreases the number of directors of the corporation must be approved by the affirmative vote of at least two-thirds (2/3) of the entire Board of Directors; provided further, that the total number of directors at any time shall not be less than two (2)

provided further, that no decrease in the number of directors shall have the effect of shortening the term of an incumbent director. In the event of any increase or decrease in the authorized number of directors, each director then serving shall continue as a director of the class of which he is a member until the expiration of his current term, or his earlier resignation, retirement, disqualification, removal from office or death, and the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the three classes of directors so as to maintain such classes as nearly equal as possible; provided, however, that any such additional directors elected by the Board shall serve only for a term expiring at the next meeting of the shareholders called for the purpose of electing directors. Each director shall serve until his successor is elected and qualified or until his earlier resignation, retirement, disqualification, removal from office, or death.

Section 3.03 Removal

The shareholders may remove one or more directors only for cause and only by the affirmative vote of the holders of at least two-thirds (2/3) of all votes entitled to be cast in the election of such directors. If the director was elected by a voting group of shareholders, only the shareholders of that voting group may participate in the vote to remove the director. The shareholders may remove a director only at a special meeting called for the purpose of removing the director, and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the director. For purposes of this Section, "cause" shall mean only (i) conviction of a felony, (ii) declaration of unsound mind by an order of a court, (iii) gross dereliction of duty, (iv) commission of an action involving moral turpitude or (v) commission of an action which constitutes intentional misconduct or a knowing violation of law if such action results in an improper substantial personal benefit and a material injury to the corporation.

Section 3.04 Vacancies

If a vacancy occurs on the Board of Directors, the vacancy may be filled by a majority of the directors then in office, even if fewer than a quorum, or by a sole remaining director. Each director chosen in accordance with this Section shall hold office until the next election of the class for which such director shall have been chosen,

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and until such director's successor is elected and qualified, or until the director's earlier death. Even if the directors remaining in office constitute fewer than a quorum of the Board of Directors, the directors may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office. If the vacant office was held by a director elected by a voting group of shareholders, only the holders of shares of that voting group or the remaining directors elected by that voting group are entitled to vote to fill the vacancy.

Section 3.05 Compensation

Unless the Articles of Incorporation provide otherwise, the Board of Directors may determine from time to time the compensation, if any, that directors may receive for their services as directors. A director may also

serve the corporation in a capacity other than that of director and receive compensation determined by the Board of Directors for services rendered in such other capacity.

Section 3.06 Committees

The Board of Directors by resolution may create one or more committees and appoint members of the Board of Directors to serve on such committees at the discretion of the Board of Directors. Except as limited by the Code, each committee will have the authority set forth in the resolution establishing such committee.

Article IV. MEETINGS OF THE BOARD OF DIRECTORS

Section 4.01 Regular Meetings

The Board of Directors shall hold a regular meeting immediately after an annual shareholders' meeting or a special shareholders' meeting held in lieu of an annual meeting. In addition, the Board of Directors may schedule and hold other meetings at regular intervals throughout the year.

Section 4.02 Special Meetings

The Board of Directors shall hold a special meeting upon the call of the Chairman of the Board, the President or any two directors.

Section 4.03 Place of Meetings

The Board of Directors may hold meetings, both regular and special, at any place in or out of the state of Georgia. Regular meetings shall be held at the place established from time to time for regular meetings. Special meetings shall be held at the place set forth in the notice of the meeting or, if the special meeting is held in accordance with a waiver of notice of the meeting, at the place set forth in the waiver of notice.

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Section 4.04 Notice of Meetings

Unless Section 4.05 or the Articles of Incorporation provide otherwise, the corporation is not required to give notice of the date, time, place, or purpose of a regular meeting of the Board of Directors. Unless Section 4.05 or the Articles of Incorporation provide otherwise, the corporation shall give each member of the Board of Directors at least one (1) day's prior notice of the date, time, and place of a special meeting of the Board of Directors. Notices of special meetings shall comply with Section 5.01 and may be waived in accordance with Section 5.02.

Section 4.05 Notice of Certain Directors Meetings

Notwithstanding Section 4.04, the corporation shall give each member of the Board of Directors at least five (5) days prior written notice of any regular or special meeting at which any business combination transaction involving the corporation or any of its subsidiaries, including, without limitation, any merger, consolidation or sale of substantially all of its assets, is to be considered by the Board of Directors, which notice shall also state that such a transaction is to be considered and specify in reasonable detail the material terms of such transaction.

Section 4.06 Quorum

Unless the Code, the Articles of Incorporation, or these bylaws require a greater number, a quorum of the Board of Directors consists of a majority of the total number of directors that has been initially fixed in the Articles of Incorporation or that has been later prescribed by resolution of the shareholders or of the Board of Directors in accordance with Section 3.02.

Section 4.07 Vote Required for Action

(a) If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors unless the Code, the Articles of Incorporation, or these bylaws require the vote of a greater number of directors.

(b) A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless:

(i) he or she objects at the beginning of the meeting (or promptly upon his or her arrival) to holding it or transacting business at the meeting;

(ii) his or her dissent or abstention from the action taken is entered in the minutes of the meeting; or

(iii) he or she delivers written notice of his or her dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting.

The right to dissent or abstain is not available to a director who votes in favor of the action taken.

Section 4.08 Participation by Conference Telephone

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Any or all directors may participate in a meeting of the Board of Directors or of a committee of the Board of Directors through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means shall be deemed to be present in person at the meeting.

Section 4.09 Adjournments

A majority of the directors present at a meeting may adjourn the meeting from time to time. This right to adjourn exists whether or not a quorum is present at the meeting and applies to regular as well as special meetings, including any meetings that are adjourned and reconvened. If a meeting of the Board of Directors is adjourned to a different date, time, or place, the corporation is not required to give notice of the new date, time, or place or of the business to be transacted, if the new date, time, or place is announced at the meeting before adjournment. At the meeting reconvened after adjournment, the Board of Directors may transact any business that could have been transacted at the meeting that was adjourned.

Section 4.10 Action by Directors Without a Meeting

Any action required or permitted by the Code to be taken at any meeting of the Board of Directors (or a committee of the Board of Directors) may be taken without a meeting if the action is taken by all of the members of the Board of Directors (or the committee, as the case may be). The action must be evidenced by one or more written consents describing the action taken, signed by each of the directors (or each of the directors serving on the committee, as the case may be), and delivered to the corporation for inclusion in the minutes or filing with the corporate records.

Article V. MANNER OF NOTICE TO AND WAIVER OF NOTICE BY SHAREHOLDERS AND DIRECTORS

Section 5.01 Manner of Notice

(a) Whenever these bylaws require notice to be given to any shareholder or director, the notice must comply with this Section 5.01 in addition to any other section of these bylaws concerning notice and any provision in the Articles of Incorporation.

(b) Notice to shareholders shall be in writing. Notice to a director may be written or oral.

(c) Except as specified in Section 4.05, notice may be communicated in person; by telephone, telegraph, teletype, facsimile, or other form of wire or wireless communication; or by mail or private carrier. If these forms of personal notice are impracticable, notice may be communicated

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by a newspaper of general circulation in the area where published, or by radio, television, or other form of public broadcast communication. Unless otherwise provided in the Code, the Articles of Incorporation, or these bylaws, notice by facsimile transmission, telegraph, or teletype shall be deemed to be notice in writing.

(d) Written notice to shareholders, if the notice is in a comprehensible form, is effective when mailed, if mailed with first-class postage prepaid and correctly addressed to the shareholder's address shown in the corporation's current record of shareholders.

(e) Except as provided in subsection 5.01(d), written notice, if in a comprehensible form, is effective at the earliest of the following:

(i) when received, or when delivered, properly addressed, to the addressee's last known principal place of business or residence;

(ii) five (5) days after its deposit in the mail, as evidenced by the postmark, or such longer period as provided in the Articles of Incorporation or these bylaws, if mailed with first-class postage prepaid and correctly addressed; or

(iii) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

(f) Oral notice is effective when communicated if communicated in a comprehensible manner.

(g) In calculating time periods for notice, when a period of time measured in days, weeks, months, years, or other measurement of time is prescribed for the exercise of any privilege or the discharge of any duty, the first day shall not be counted but the last day shall be counted.

Section 5.02 Waiver of Notice

(a) A shareholder may waive any notice before or after the date and time stated in the notice. Except as provided in subsection 5.02(b), the waiver must be in writing, be signed by the shareholder entitled to the notice, and be delivered to the corporation for inclusion in the minutes or filing with the corporate records.

(b) A shareholder's attendance at a meeting:

(i) waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and

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(ii) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

(c) A shareholder's waiver of notice is not required to specify the business transacted or the purpose of the meeting unless required by the Code or these bylaws.

(d) A director may waive any notice before or after the date and time stated in the notice. Except as provided in paragraph (e) of this Section 5.02, the waiver must be in writing, signed by the director entitled to the notice, and delivered to the corporation for inclusion in the minutes or filing with the corporate records.

(e) A director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the director at the beginning of the meeting (or promptly upon his or her arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Article VI. OFFICERS

Section 6.01 Duties

The officers of the corporation may include a Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, President and Secretary and any other officers as may be appointed by the Board of Directors, as it determines, in its sole discretion, to be necessary or desirable. The officers will have the authority and will perform the duties as set forth in these bylaws. The other officers that are appointed will have the authority and will perform the duties as established by the Board of Directors from time to time.

Section 6.02 Appointment and Term

The Board of Directors appoints the individuals who will serve as officers of the corporation. An individual may simultaneously hold more than one office. Any officer appointed in accordance with this Article VI may appoint one or more officers or assistant officers. All officers serve at the pleasure of the Board of Directors. The Board of Directors may remove with or without cause any officer.

Section 6.03 Compensation

The Board of Directors or a committee thereof will fix the compensation, if any, of all corporate officers.

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Section 6.04 Chairman of the Board

The Chairman of the Board shall preside at all meetings of shareholders and the Board of Directors. The Chairman of the Board shall have such other powers and duties as may be delegated to him or her from time to time by the Board of Directors.

Section 6.05 Chief Executive Officer

The Chief Executive Officer shall be primarily responsible for the general management of the business affairs of the Corporation and for implementing policies and directives of the board of directors. The Chief Executive Officer shall also preside at all meetings of shareholders and the Board of Directors during the absence or disability of the Chairman of the Board. Unless the Articles of Incorporation, these bylaws, or a resolution of the Board of Directors provides otherwise, the Chief Executive Officer may execute and deliver on behalf of the corporation any contract, conveyance, or similar document not requiring approval by the Board of Directors or shareholders as provided in the Code. The Chief Executive Officer shall have any other authority and will perform any other duties that the Board of Directors may delegate to him or her from time to time.

Section 6.06 President

In the absence of the Chairman of the Board and the Chief Executive Officer, or if there is none, the President shall preside at meetings of the shareholders and Board of Directors. The president shall assume and perform the duties of the Chairman of the Board in the absence or disability of the Chairman of the Board and the Chief Executive Officer or whenever the offices of the Chairman of the Board and the Chief Executive Officer are vacant. The President will have any other authority and will perform any other duties that the Board of Directors may delegate to him or her from time to time.

Section 6.07 Chief Operating Officer

The Chief Operating Officer shall have responsibility for the day-to-day operations of the corporation and the development of the corporation's products and services. The Chief Operating Officer, in the absence or disability or at the direction of the President, shall perform all duties and exercise all powers of the President of the corporation. The Chief Financial Officer will have any other authority and will perform any other duties that the Board of Directors may delegate to him or her from time to time.

Section 6.08 Chief Financial Officer

The Chief Financial Officer shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors, Chief Executive Officer or the President. The Chief Financial Officer will have responsibility for the custody of all funds and securities belonging to the corporation and for the receipt, deposit, or disbursement of funds and securities under the direction of the Board of

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Directors. The Chief Financial Officer will cause to be maintained true accounts of all receipts and disbursements and will make reports of these to the Board of Directors, upon its request, and to the President, upon his or her request. The Chief Financial Officer will have any other authority and will perform any other duties that the Board of Directors may delegate to him or her from time to time.

Section 6.09 Secretary

The Secretary will have responsibility for preparing minutes of the acts and proceedings of all meetings of the shareholders, of the Board of Directors, and of any committees of the Board of Directors. The Secretary will have authority to give all notices required by the Code, other applicable law, or these bylaws. The Secretary will have responsibility for the custody of the corporate books, records, contracts, and other corporate documents. The Secretary will have authority to affix the corporate seal to any lawfully executed document and will sign any instruments that require his or her signature. The Secretary will authenticate records of the corporation. The Secretary will have any other authority and will perform any other duties that the Board of Directors may delegate to him or her from time to time. In the case of absence or disability of the Secretary, or at the direction of the President, any assistant secretary has the authority and may perform the duties of the Secretary.

Section 6.10 Bonds

The Board of Directors by resolution may require any or all of the officers, agents, or employees of the corporation to give bonds to the corporation, with sufficient surety or sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with any other conditions that from time to time may be required by the Board of Directors.

Article VII. SHARES

Section 7.01 Authorization and Issuance of Shares

The Board of Directors may authorize shares of any class or series provided for in the Articles of Incorporation to be issued for consideration deemed valid under the provisions of the Code. In addition, before the corporation issues the shares authorized by the Board of Directors, the Board of Directors must determine that the consideration received or to be received for shares to be issued is adequate. To the extent provided in the Articles of Incorporation, the Board of Directors will determine the preferences, limitations, and relative rights of such shares before their issuance.

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Section 7.02 Share Certificates

The interest of each shareholder may be represented by a certificate or certificates representing shares of the corporation which shall be in such form as Board of Directors may from time to time adopt. Share certificates, if any, shall be numbered consecutively, shall be in registered form shall indicate the date of issuance, the name of the corporation and that it is organized under the laws of the State of Georgia, the name of the shareholder, and the number and class of shares and the designation of the series, if any, represented by the certificate. Each certificate shall be signed by any one of the Chairman of the Board, the Chief Executive Officer, the President, a Vice President, the Secretary or the Treasurer. The corporate seal need not be affixed.

Section 7.03 Registered Owner

The corporation may treat the registered owner of any share of stock of the corporation as the person exclusively entitled to vote that share and to receive any dividend or other distribution with respect to that share and as the exclusive owner of that share for all other purposes. Accordingly, the corporation is not required to recognize any other person's equitable, or other, claim to or interest in that share, whether or not the corporation has express or other notice of the claim or interest, except as provided otherwise by law.

Section 7.04 Transfers of Shares

The Board of Directors will designate a transfer agent to transfer shares on the transfer books of the corporation when the agent is properly directed to do so. The transfer agent will keep these books at his or her office. Only the person named on a certificate, or his or her attorney-in-fact lawfully constituted by a writing, may direct the transfer agent to transfer the share represented by that certificate. Before the corporation issues a new certificate to the new owner of the share, the old certificate must be surrendered to the corporation for cancellation. In the case of a certificate claimed to have been lost, stolen, or destroyed, the person making the claim must comply with Section 7.06.

Section 7.05 Duty of Corporation to Register Transfer

Notwithstanding any provision in Section 7.04, the corporation is not under a duty to register the transfer of a share unless:

- (a) the certificate representing that share is endorsed by the appropriate person or persons;
- (b) reasonable assurance is given that the endorsement or affidavit (in the case of a lost, stolen, or destroyed certificate) is genuine and effective;

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- (c) the corporation either has no duty to inquire into adverse claims or has discharged that duty;

- (d) the requirements of any applicable law relating to the collection of taxes for the proposed transfer have been met; and

- (e) the transfer is in fact rightful or is to a bona fide purchaser.

Section 7.06 Lost, Stolen, or Destroyed Certificates

Any person claiming a share certificate has been lost, stolen, or destroyed must make an affidavit or affirmation of that fact in the manner prescribed by the Board of Directors. In addition, if the Board of Directors requires, the person must give the corporation a bond of indemnity in a form and amount, and with one or more sureties, satisfactory to the Board of Directors. Once the person has satisfactorily completed these steps, the corporation will issue an appropriate new certificate to replace the certificate alleged to have been lost, stolen, or destroyed.

Section 7.07 Record Date with Regard to Shareholder Action

The Board of Directors may fix a future date as the record date in order to determine the shareholders entitled to notice of a shareholders' meeting, to demand a special meeting, to vote, or to take any other action (except an action provided for in Section 8.02). Any future date fixed as a record date may not be more than seventy (70) days before the date on which the meeting is to be held or the action requiring a determination of shareholders is to be taken. A determination of shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting. If the Board of Directors does not fix a future date as a record date, the corporation will determine the record date in accordance with the Code.

Article VIII. DISTRIBUTIONS

Section 8.01 Authorization or Declaration

Subject to any restriction in the Articles of Incorporation, the Board of Directors from time to time in its discretion may authorize or declare and the corporation may make distributions to the shareholders in accordance with the Code.

Section 8.02 Record Date With Regard to Distributions

The Board of Directors may fix a future date as the record date in order to determine shareholders entitled to a distribution (other than one involving a purchase,

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redemption, or other reacquisition of the corporation's shares). If the Board of Directors does not fix a future date as the record date, the corporation will determine the record date in accordance with the Code.

Article IX. INDEMNIFICATION

Section 9.01 Definitions

As used in this Article, the term:

(a) "corporation" includes any domestic or foreign predecessor entity of the corporation in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

(b) "director" or "officer" means an individual who is or was a director or board-elected officer, respectively, of the corporation or who, while a director or officer of the corporation, is or was serving at the corporation's request as a director, officer, partner, trustee, employee, or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan, or other entity. A director or officer is considered to be serving an employee benefit plan at the corporation's request if his or her duties to the corporation also impose duties on, or otherwise involve services by, the director or officer to the plan or to participants in or beneficiaries of the plan. "Director" or "officer" includes, unless the context otherwise requires, the estate or personal representative of a director or officer.

(c) "disinterested director" or "disinterested officer" means a director or officer, respectively who at the time of an evaluation referred to in subsection 9.05(b) is not:

(i) A party to the proceeding; or

(ii) An individual having a familial, financial, professional, or employment relationship with the person whose advance for expenses is the subject of the decision being made with respect to the proceeding, which relationship would, in the circumstances, reasonably be expected to exert an influence on the director's or officer's judgment when voting on the decision being made.

(d) "expenses" includes counsel fees.

(e) "liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.

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(f) "party" includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

(g) "proceeding" means any threatened, pending, or completed

action, suit, or proceeding, whether civil, criminal, administrative, arbitral or investigative and whether formal or informal.

(h) "reviewing party" shall mean the person or persons making the determination as to reasonableness of expenses pursuant to Section 9.05 of this Article, and shall not include a court making any determination under this Article or otherwise.

Section 9.02 Basic Indemnification Arrangement

(a) The corporation shall indemnify an individual who is a party to a proceeding because he or she is or was a director or officer against liability incurred in the proceeding; provided, however that the corporation shall not indemnify a director or officer under this Article for any liability incurred in a proceeding in which the director or officer is adjudged liable to the corporation or is subjected to injunctive relief in favor of the corporation:

(i) For any appropriation, in violation of his or her duties, of any business opportunity of the corporation;

(ii) For acts or omissions which involve intentional misconduct or a knowing violation of law;

(iii) For the types of liability set forth in Section 14-2-832 of the Code; or

(iv) For any transaction from which he or she received an improper personal benefit.

(b) If any person is entitled under any provision of this Article to indemnification by the corporation for some portion of liability incurred by him or her, but not the total amount thereof, the corporation shall indemnify such person for the portion of such liability to which he or she is entitled.

Section 9.03 Advances for Expenses

(a) The corporation shall, before final disposition of a proceeding, advance funds to pay for or reimburse the reasonable expenses incurred by a director or officer who is a party to a proceeding because he or she is a director or officer if he or she delivers to the corporation:

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(i) A written affirmation of his or her good faith belief that his or her conduct does not constitute behavior of the kind described in subsection 9.02(a) above; and

(ii) His or her written undertaking (meeting the qualifications set forth below in subsection 9.03(b)) to repay any funds advanced if it is ultimately determined that he or she is not entitled to indemnification under this Article or the Code.

(b) The undertaking required by subsection 9.03(a)(2) above must be an unlimited general obligation of the proposed indemnitee but need not be secured and shall be accepted without reference to the financial ability of the proposed indemnitee to make repayment. If a director or officer seeks to enforce his or her rights to indemnification in a court pursuant to Section 9.04 below, such undertaking to repay shall not be applicable or enforceable unless and until there is a final court determination that he or she is not entitled to indemnification, as to which all rights of appeal have been exhausted or have expired.

Section 9.04 Court-Ordered Indemnification and Advances for Expenses

(a) A director or officer who is a party to a proceeding because he or she is a director or officer may apply for indemnification or advance for expenses to the court conducting the proceeding or to another court of competent jurisdiction. For purposes of this Article, the corporation hereby consents to personal jurisdiction and venue in any court in which is pending a proceeding to which a director or officer is a party. Regardless of any determination by the Reviewing Party as to the reasonableness of expenses, and regardless of any failure by the Reviewing Party to make a determination as to the reasonableness of expenses, such court's review shall be a de novo review. After receipt of an application and after giving any notice it considers necessary, the court shall:

(i) Order indemnification or advance for expenses if it determines that the director or officer is entitled to indemnification or advance for expenses; or

(ii) Order indemnification or advance for expenses if it determines, in view of all the relevant circumstances, that it is fair and reasonable to indemnify the director or officer, or to advance expenses to the director or officer, even if the director or officer failed to comply with the

requirements for advance of expenses, or was adjudged liable in a proceeding referred to in subsection 9.02(a)(4) above.

(b) If the court determines that the director or officer is entitled to indemnification or advance for expenses, the corporation shall pay the director's or officer's reasonable expenses to obtain court-ordered indemnification or advance for expenses.

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Section 9.05 Determination of Reasonableness of Expenses

(a) The corporation acknowledges that indemnification of a director or officer under Section 9.02 has been pre-authorized by the corporation as permitted by Section 14-2-859(a) of the Code, and that pursuant authority exercised under Section 14-2-856 of the Code, no determination need be made for a specific proceeding that indemnification of the director or officer is permissible in the circumstances because he or she has met a particular standard of conduct. Nevertheless, except as set forth in subsection 9.05(b) below, evaluation as to reasonableness of expenses of a director or officer for a specific proceeding shall be made as follows:

(i) If there are two or more disinterested directors, by the board of directors of the corporation by a majority vote of all disinterested directors (a majority of whom shall for such purpose constitute a quorum) or by a majority of the members of a committee of two or more disinterested directors appointed by such a vote; or

(ii) If there are fewer than two disinterested directors, by the board of directors (in which determination directors who do not qualify as disinterested directors may participate); or

(iii) By the shareholders, but shares owned by or voted under the control of a director or officer who at the time does not qualify as a disinterested director or disinterested officer may not be voted on the determination.

(b) Notwithstanding the requirement under subsection 9.05(a) that the Reviewing Party evaluate the reasonableness of expenses claimed by the proposed indemnitee, any expenses claimed by the proposed indemnitee shall be deemed reasonable if the Reviewing Party fails to make the evaluation required by subsection 9.05(a) within sixty (60) days following the proposed indemnitee's written request for indemnification or advance for expenses.

Section 9.06 Indemnification of Employees and Agents

The corporation may indemnify and advance expenses under this Article to an employee or agent of the corporation who is not a director or officer to the same extent and subject to the same conditions that a Georgia corporation could, without shareholder approval under Section 14-2-856 of the Code, indemnify and advance expenses to a director, or to any lesser extent (or greater extent if permitted by law) determined by the board of directors, in each case consistent with public policy.

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Section 9.07 Liability Insurance

The corporation may purchase and maintain insurance on behalf of an individual who is a director, officer, employee or agent of the corporation or who, while a director, officer, employee or agent of the corporation, serves at the corporation's request as a director, officer, partner, trustee, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan, or other entity against liability asserted against or incurred by him or her in that capacity or arising from his or her status as a director, officer, employee, or agent, whether or not the corporation would have power to indemnify or advance expenses to him or her against the same liability under this Article or the Code.

Section 9.08 Witness Fees

Nothing in this Article shall limit the corporation's power to pay or reimburse expenses incurred by a person in connection with his or her appearance as a witness in a proceeding at a time when he or she is not a party.

Section 9.09 Report to Shareholders

To the extent and in the manner required by the Code from time to time, if the corporation indemnifies or advances expenses to a director or officer in connection with a proceeding by or in the right of the corporation, the corporation shall report the indemnification or advance to the shareholders.

Section 9.10 Security for Indemnification Obligations

The corporation may at any time and in any manner, at the discretion of

the board of directors, secure the corporation's obligations to indemnify or advance expenses to a person pursuant to this Article.

Section 9.11 No Duplication of Payments

The corporation shall not be liable under this Article to make any payment to a person hereunder to the extent such person has otherwise actually received payment (under any insurance policy, agreement or otherwise) of the amounts otherwise payable hereunder.

Section 9.12 Subrogation

In the event of payment under this Article, the corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the corporation effectively to bring suit to enforce such rights.

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Section 9.13 Contract Rights.

The right to indemnification and advancement of expenses conferred hereunder to directors and officers shall be a contract right and shall not be affected adversely to any director or officer by any amendment of these bylaws with respect to any action or inaction occurring prior to such amendment; provided, however, that this provision shall not confer upon any indemnitee or potential indemnitee (in his or her capacity as such) the right to consent or object to any subsequent amendment of these bylaws.

Section 9.14 Specific Performance

In any proceeding brought by or on behalf of an officer or director to specifically enforce the provisions of this Article, the corporation hereby waives the claim or defense therein that the plaintiff or claimant has an adequate remedy at law, and the corporation shall not urge in any such proceeding the claim or defense that such remedy at law exists. The provisions of this Section 9.15, however, shall not prevent the officer or director from seeking a remedy at law in connection with any breach of the provisions of this Article.

Section 9.15 Non-exclusivity, Etc.

The rights of a director or officer hereunder shall be in addition to any other rights with respect to indemnification, advancement of expenses or otherwise that he or she may have under contract or the Georgia Business Corporation Code or otherwise.

Section 9.16 Amendments

It is the intent of the corporation to indemnify and advance expenses to its directors and officers to the full extent permitted by the Georgia Business Corporation Code, as amended from time to time. To the extent that the Georgia Business Corporation Code is hereafter amended to permit a Georgia business corporation to provide to its directors greater rights to indemnification or advancement of expenses than those specifically set forth hereinabove, this Article shall be deemed amended to require such greater indemnification or more liberal advancement of expenses to the corporation's directors and officers, in each case consistent with the Georgia Business Corporation Code as so amended from time to time. No amendment, modification or rescission of this Article, or any provision hereof, the effect of which would diminish the rights to indemnification or advancement of expenses as set forth herein shall be effective as to any person with respect to any action taken or omitted by such person prior to such amendment, modification or rescission.

Section 9.17 Severability

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To the extent that the provisions of this Article are held to be inconsistent with the provisions of Part 5 of Article 8 of the Georgia Business Corporation Code, such provisions of such Code shall govern. In the event that any of the provisions of this Article (including any provision within a single section, subsection, division or sentence) is held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions of this Article shall remain enforceable to the fullest extent permitted by law.

Article X. MISCELLANEOUS

Section 10.01 Inspection of Records

The Board of Directors may determine what corporate records, other than

those specifically required by the Code to be made open to inspection, will be made open to the right of inspection by the shareholders. In addition, the Board of Directors may fix reasonable rules not in conflict with the Code regarding the inspection of corporate records that are required by the Code or are permitted by determination of the Board of Directors to be made open to inspection. The right of inspection granted in Section 14-2-1602(c) of the Code is not available to any shareholder owning two percent (2%) or less of the shares outstanding, unless the Board of Directors in its discretion grants prior approval for the inspection to the shareholder.

Section 10.02 Fiscal Year

The Board of Directors may determine the fiscal year of the corporation and may change the fiscal year from time to time as the Board of Directors deems appropriate.

Section 10.03 Corporate Seal

If the Board of Directors determines that the corporation should have a corporate seal for the corporation, the corporate seal will be in the form the Board of Directors from time to time determines.

Section 10.04 Financial Statements

In accordance with the Code, the corporation shall prepare and provide to the shareholders such financial statements as may be required by the Code.

Section 10.05 Conflict with Articles of Incorporation

In the event that any provision of these bylaws conflicts with any provision of the Articles of Incorporation, the provision in the Articles of Incorporation will govern.

Article XI. AMENDMENTS

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Section 11.01 Power to Amend Bylaws.

Except as otherwise explicitly provided in this Section 11.01, the Bylaws may be altered, amended or repealed, and new Bylaws may be adopted, by (a) the affirmative vote of the holders of two-thirds (2/3) of the shares of stock then outstanding and entitled to vote in the election of directors, or (b) the Board of Directors of the Corporation, but any Bylaw adopted by the Board of Directors may be altered, amended, or replaced, or new Bylaws may be adopted, by the affirmative vote of the holders of two-thirds (2/3) of the shares of stock entitled to vote in the election of directors. The shareholders may prescribe, by so expressing in the action they take in amending or adopting any Bylaw or Bylaws, that the Bylaw or Bylaws so amended or adopted by them shall not be altered, amended or repealed by the Board of Directors. Notwithstanding the foregoing, Section 4.05 may not be modified, amended or repealed except by the affirmative vote of the holders of a majority of the shares of stock then outstanding and entitled to vote in the election of directors.

Article XII. CERTAIN PROVISIONS OF GEORGIA LAW

Section 12.01 Business Combinations.

All of the requirements of Article 11, Part 3, of the Code, included in Sections 14-2-1131 through 1133 (and any successor provisions thereto), shall be applicable to the corporation in connection with any business combination, as defined therein, with any interested shareholder, as defined therein.

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FORM OF
SHAREHOLDER PROTECTION RIGHTS AGREEMENT
BETWEEN
GLOBAL PAYMENTS INC.

AND
SUNTRUST BANK, ATLANTA, AS RIGHTS AGENT

_____, 2000

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FORM OF
SHAREHOLDER PROTECTION RIGHTS AGREEMENT

THIS SHAREHOLDER PROTECTION RIGHTS AGREEMENT (as amended from time to time,

this "Agreement") is made and entered into as of _____, 2000, between Global Payments Inc., a Georgia corporation (the "Company"), and SunTrust Bank, Atlanta, as rights agent (the "Rights Agent," which term shall include any successor rights agent hereunder).

W I T N E S S E T H :

WHEREAS, on _____, 2000, the Board of Directors of the Company has (a) authorized and declared a dividend of one right ("Right") in respect of each share of Common Stock (as hereinafter defined) held of record as of the Close of Business (as hereinafter defined) on, _____ 2000 (the "Record Time") and (b) as provided in Section 2.4, authorized the issuance of one Right in respect of each share of Common Stock issued after the Record Time and prior to the Separation Time (as hereinafter defined);

WHEREAS, subject to Sections 3.1, 5.1 and 5.10, each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Company (or, in certain cases, of certain other entities) pursuant to the terms and subject to the conditions set forth herein; and

WHEREAS, the Company desires to appoint the Rights Agent to act on behalf of the Company, and the Rights Agent is willing so to act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to herein;

NOW THEREFORE, in consideration of the premises and the respective agreements set forth herein, the parties hereby agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

1.1 Certain Definitions. For purposes of this Agreement, the following

terms have the meanings indicated:

"Acquiring Person" shall mean any Person who is a Beneficial Owner of 20% or more of the outstanding shares of Common Stock; provided, however, that the term "Acquiring Person" shall not include any Person (i) who is the Beneficial Owner of 20% or more of the outstanding shares of Common Stock on the date of this Agreement or who shall become the Beneficial Owner of 20% or more of the outstanding shares of Common Stock solely as a result of an acquisition by the Company of shares of Common Stock, until such time hereafter or thereafter as any such Person shall become the Beneficial Owner (other than by means of a stock dividend or stock split) of any additional shares of Common Stock, (ii) who is the Beneficial Owner of 20%, or more of the outstanding shares of Common Stock but who acquired Beneficial Ownership of shares of Common Stock without any plan or intention to seek or affect control of the Company, if such Person promptly enters into an irrevocable commitment promptly to divest, and thereafter promptly divests (without exercising or retaining any power, including voting power, with respect to such shares), sufficient shares of Common Stock (or securities convertible into, exchangeable into or exercisable for Common Stock) so that such Person ceases to be the Beneficial Owner of 20% or more of the outstanding shares of Common Stock or (iii) who Beneficially Owns shares of Common Stock consisting solely of one or more of (A) shares of Common Stock Beneficially Owned pursuant to the grant or exercise of an option granted to such Person by the Company in connection with an agreement to merge with, or acquire, the Company entered into prior to a Flip-In Date, (B) shares of Common Stock (or securities convertible into, exchangeable into or exercisable

for Common Stock) Beneficially Owned by such Person or its Affiliates or Associates at the time of grant of such option or (C) shares of Common Stock (or securities convertible into, exchangeable into or exercisable for Common Stock) acquired by Affiliates or Associates of such Person after the time of such grant which, in the aggregate, amount to less than 1% of the outstanding shares of Common Stock. In addition, the Company, any wholly owned Subsidiary of the Company and any employee stock ownership or other employee benefit plan of the Company or a wholly owned Subsidiary of the Company shall not be an Acquiring Person. Finally, notwithstanding the foregoing, Canadian Imperial Bank of Commerce and its affiliates ("CIBC") shall not be or become an Acquiring Person as the result of (i) CIBC's acquisition of Common Stock of 26.25% of the shares of the Common Stock then outstanding on a diluted basis (as determined in accordance with accounting principles generally accepted in the United States) pursuant to that certain Stock Purchase Agreement by and between the Company and CIBC dated as of November 8, 2000 or (ii) any other acquisition of Common Stock by CIBC until such time as CIBC owns more than 29.90% of the outstanding Common Stock.

"Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act"), as such Rule is in effect on the date of this Agreement.

A Person shall be deemed the "Beneficial Owner" of, and to have "Beneficial Ownership" of, and to "Beneficially Own," any securities of which such Person or any of such Person's Affiliates or Associates is or may be deemed to be the beneficial owner pursuant to Rule 13d-3 and 13d-5 under the Securities Exchange Act, as such Rules are in effect on the date of this Agreement as well as any securities as to which such Person or any of such Person's Affiliates or Associates has the right to become Beneficial Owner (whether such right is exercisable immediately or only after the passage of time or the occurrence of conditions) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, other rights (other than the Rights), warrants or options, or otherwise; provided, however, that a Person shall not be deemed the "Beneficial Owner" of, or to have "Beneficial Ownership" of, or to "Beneficially Own," any security (i) solely because such security has been tendered pursuant to a tender or exchange offer made by such Person or any of such Person's Affiliates or Associates until such tendered security is accepted for payment or exchange or (ii) solely because such Person or any of such Person's Affiliates or Associates has or shares the power to vote or direct the voting of such security pursuant to a revocable proxy given in response to a public proxy or consent solicitation made to more than ten holders of shares of a class of stock of the Company registered under Section 12 of the Securities Exchange Act and pursuant to, and in accordance with, the applicable rules and regulations under the Securities Exchange Act, except if such power (or the arrangements relating thereto) is then reportable under Item 6 of Schedule 13D under the Securities Exchange Act (or any similar provision of a comparable or successor report). Notwithstanding the foregoing, no officer or director of the Company shall be deemed to Beneficially Own any securities of any other Person by virtue of any actions such officer or director takes in such capacity. For purposes of this Agreement, any calculation of the number of shares of Common Stock outstanding at any time, including for purposes of determining the percentage of the outstanding shares of Common Stock with respect to which a Person is the Beneficial Owner, shall be made in accordance with the provisions of Rule 13d-3(d)(1) under the Securities Exchange Act.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in Atlanta, Georgia are generally authorized or obligated by law or executive order to close.

"Close of Business" on any given date shall mean 5:00 p.m. Atlanta, Georgia time on such date (or, if such date is not a Business Day, 5:00 p.m. Atlanta, Georgia time on the next succeeding Business Day).

"Common Stock" shall mean the shares of Common Stock, no par value, of the Company.

"Exchange Time" shall mean the time at which the right to exercise the Rights shall terminate pursuant to Section 3.1(c).

"Exercise Price" shall mean, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right. Until adjustment thereof in accordance with the terms hereof, the Exercise Price shall equal \$____.

"Expiration Time" shall mean the earliest of (i) the Exchange Time, (ii) the Redemption Time, (iii) _____, 2010 and (iv) the time of a merger of the Company into another corporation pursuant to an agreement entered into prior to a Flip-In Date.

"Flip-In Date" shall mean the tenth Business Day after any Stock Acquisition Date or such earlier or later date as the Board of Directors of the Company may from time to time fix by resolution adopted prior to the Flip-In Date that would otherwise have occurred.

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"Flip-Over Entity" for purposes of Section 3.2, shall mean (i) in the case of a Flip-Over Transaction or Event described in clause (i) of the definition thereof, the Person issuing any securities into which shares of Common Stock are being converted or exchanged and, if no such securities are being issued, any other party to such Flip-Over Transaction or Event and (ii) in the case of a Flip-Over Transaction or Event referred to in clause (ii) of the definition thereof, the Person receiving the greatest portion of the assets or earning power being transferred in such Flip-Over Transaction or Event; provided in all cases if such Person is a Subsidiary of another Person, the ultimate controlling Person that is not an individual shall be the Flip-Over Entity.

"Flip-Over Stock" shall mean the capital stock (or similar equity interest) with the greatest voting power in respect of the election of directors (or other Persons similarly responsible for direction of the business and affairs) of the Flip-Over Entity.

"Flip-Over Transaction or Event" shall mean a transaction or series of transactions after a Flip-In Date in which, directly or indirectly, (i) the Company shall consolidate or merge or participate in a share exchange with any other Person if, at the time of the consolidation, merger or share exchange or

at the time the Company enters into any agreement with respect to any such consolidation, merger or share exchange, the Acquiring Person Controls the Board of Directors of the Company and either (A) any term of or arrangement concerning the treatment of shares of capital stock in such consolidation, merger or share exchange relating to the Acquiring Person is not identical to the terms and arrangements relating to other holders of the Common Stock or (B) the Person with whom the transaction or series of transactions occurs is the Acquiring Person or an Affiliate or Associate of the Acquiring Person or (ii) the Company shall sell or otherwise transfer (or one or more of its Subsidiaries shall sell or otherwise transfer) assets (A) aggregating more than 50% of the assets (measured by either book value or fair market value) or (B) generating more than 50% of the operating income or cash flow, of the Company and its Subsidiaries (taken as a whole) to any Person (other than the Company or one or more of its wholly owned Subsidiaries) or to two or more such Persons which are Affiliates or Associates or otherwise acting in concert, if, at the time of the entry by the Company (or any such Subsidiary) into an agreement with respect to such sale or transfer of assets, the Acquiring Person Controls the Board of Directors of the Company. An Acquiring Person shall be deemed to "Control" the Company's Board of Directors when, following a Flip-In Date, the Persons who were directors of the Company before the Flip-In Date shall cease to constitute a majority of the Company's Board of Directors.

"Market Price" per share of any securities on any date shall mean the average of the daily closing prices per share of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.4 shall have caused the closing prices used to determine the Market Price on any Trading Days during such period of 20 Trading Days not to be fully comparable with the closing price on such date, each such closing price so used shall be appropriately adjusted in order to make it fully comparable with the closing price on such date. The closing price per share of any securities on any date shall be the last reported sale price, regular way, or, in case no such sale takes place or is quoted on such date, the average of the closing bid and asked prices, regular way, for each share of such securities, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange, Inc. or, if the securities are not listed or admitted to trading on the New York Stock Exchange, Inc., as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the securities are listed or admitted to trading or, if the securities are not listed or admitted to trading on any national securities exchange, as reported by The Nasdaq Stock Market, Inc.'s Nasdaq National Market or such other system then in use, or, if on any such date the securities are not listed or admitted to trading on any national securities exchange or quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected by the Board of Directors of the Company; provided, however, that if on any such date the securities are not listed or admitted to trading on a national securities exchange or traded in the over-the-counter market, the closing price per share of such securities on such date shall mean the fair value per share of securities on such date as determined in good faith by the Board of Directors of the Company, after consultation with a nationally recognized investment banking firm, and set forth in a certificate delivered to the Rights Agent.

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"Person" shall mean any individual, firm, partnership, association, group (as such term is used in Rule 13d-5 under the Securities Exchange Act, as such Rule is in effect on the date of this Agreement), corporation or other entity.

"Preferred Stock" shall mean the Series A Junior Participating Preferred Stock, no par value, of the Company created by the Articles of Amendment in substantially the form set forth in Exhibit B hereto, appropriately completed.

"Redemption Price" shall be an amount equal to one cent (\$0.01)

"Redemption Time" shall mean the time at which the right to exercise the Rights shall terminate pursuant to Section 5.1 hereof.

"Separation Time" shall mean the Close of Business on the earlier of (i) the tenth Business Day (or such later date as the Board of Directors of the Company may from time to time fix by resolution adopted prior to the Separation Time that would otherwise have occurred) after the date on which any Person commences a tender or exchange offer which, if consummated, would result in such Person's becoming an Acquiring Person and (ii) the Flip-In Date; provided, that if the foregoing results in the Separation Time being prior to the Record Time, the Separation Time shall be the Record Time and provided further, that if any tender or exchange offer referred to in clause (i) of this paragraph is canceled, terminated or otherwise withdrawn prior to the Separation Time without the purchase of any shares of Common Stock pursuant thereto, such offer shall be deemed, for purposes of this paragraph, never to have been made.

"Stock Acquisition Date" shall mean the first date of public announcement by the Company (by any means) that an Acquiring Person has become such.

"Subsidiary" of any specified Person shall mean any corporation or other entity of which a majority of the voting power of the equity securities or a majority of the equity interests is Beneficially Owned, directly or indirectly, by such Person.

"Trading Day," when used with respect to any securities, shall mean a day on which the New York Stock Exchange, Inc. is open for the transaction of business or, if such securities are not listed or admitted to trading on the New York Stock Exchange, Inc., a day on which the principal national securities exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if such securities are not listed or admitted to trading on any national securities exchange, a day on which The Nasdaq Stock Market, Inc.'s Nasdaq National Market or such other system then in use is open for the transaction of business or, if such securities are not listed or admitted to trading on any national securities exchange or quoted on any such system, a Business Day.

ARTICLE II

THE RIGHTS

2.1 Summary of Rights. As soon as practicable after the Record Time, the

Company will mail a letter summarizing the terms of the Rights to each holder of record of Common Stock as of the Record Time, at such holder's address as shown by the records of the Company.

2.2 Issuance of Rights Certificates; Legend. (a) Certificates for the

Common Stock issued after the Record Time but prior to the Separation Time shall evidence, in addition to the Common Stock represented by such certificate, one Right for each share of Common Stock represented thereby and shall have impressed on, printed on, written on or otherwise affixed to them the following legend:

"Until the Separation Time (as defined in the Rights Agreement referred to below), this certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Shareholder Protection Rights Agreement (as such may be amended from time to time, the "Rights Agreement"), between Global Payments Inc. (the "Company") and SunTrust Bank, Atlanta, as

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Rights Agent, the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of the Company. Under certain circumstances, as set forth in the Rights Agreement, such Rights may be redeemed, may become exercisable for securities or assets of the Company or of another entity, may be exchanged for shares of Common Stock or other securities or assets of the Company, may expire, may become void (if they are "Beneficially Owned" by an "Acquiring Person" or an Affiliate or Associate thereof, as such terms are defined in the Rights Agreement, or by any transferee of any of the foregoing) or may be evidenced by separate certificates and may no longer be evidenced by this certificate. The Company will mail or arrange for the mailing of a copy of the Rights Agreement to the holder of this certificate without charge promptly after the receipt of a written request therefor."

Certificates representing shares of Common Stock that are issued and outstanding at the Record Time shall evidence, in addition to the Common Stock represented by such certificate, one Right for each share of Common Stock evidenced thereby notwithstanding the absence of the foregoing legend.

(b) Subject to Sections 2.4 and 5.3, one Right shall be issued in respect of (i) each share of Common Stock outstanding as of the Record Time and (ii) each additional share of Common Stock that becomes outstanding (whether by original issuance or out of treasury, but other than in a transaction contemplated by Section 2.4) after the Record Time but prior to the Separation Time. To the extent provided in Section 5.3, Rights shall be issued by the Company in respect of shares of Common Stock that are issued or sold by the Company after the Separation Time.

2.3 Exercise of Rights; Separation of Rights. (a) Subject to Sections 3.1,

5.1 and 5.10 and subject to adjustment as herein set forth, each Right will entitle the holder thereof, after the Separation Time and prior to the Expiration Time, to purchase, for the Exercise Price, one thousandth (1/1000th) of a share of Preferred Stock.

(b) Until the Separation Time, (i) no Right may be exercised and (ii) each Right will be evidenced by the certificate that evidences the share of Common Stock with which it is associated (together, in the case of certificates issued

prior to the Record Time, with the letter or notice mailed to the record holder thereof pursuant to Section 2.1) and will be transferable only together with, and will be transferred by a transfer (whether with or without such letter or notice) of, such associated share of Common Stock, and the surrender for transfer of any certificates representing outstanding Common Stock will also constitute the surrender for transfer of the Rights associated with the Common Stock represented by such certificate.

(c) Subject to this Section 2.3 and to Sections 3.1, 5.1 and 5.10, after the Separation Time and prior to the Expiration Time, the Rights (i) may be exercised and (ii) may be transferred independently of shares of Common Stock. Promptly following the Separation Time, the Rights Agent will mail to each holder of record of Common Stock as of the Separation Time (other than any Person whose Rights have become void pursuant to Section 3.1(b)), at such holder's address as shown by the records of the Company (the Company hereby agreeing to furnish copies of such records to the Rights Agent for this purpose), (x) a certificate (a "Rights Certificate") in substantially the form of Exhibit A hereto appropriately completed, representing the number of Rights

held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any national securities exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage, and (y) a disclosure statement describing the Rights.

(d) Subject to Sections 3.1, 5.1 and 5.10, Rights may be exercised on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent the Rights Certificate evidencing such Rights with an Election to Exercise (an "Election to Exercise") substantially in the form attached to the Rights Certificate, duly completed, accompanied by payment by certified or official bank check or money order payable to the order of the Company, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge that may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for shares or depositary receipts (or both) in a name other than that of the holder of the Rights being exercised.

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(e) Upon receipt of a Rights Certificate, with an Election to Exercise accompanied by payment as set forth in Section 2.3(d), and subject to Sections 3.1, 5.1 and 5.10, the Rights Agent promptly will (i) (A) requisition from the Company's transfer agent(s) stock certificates evidencing such number of shares or other securities to be purchased (the Company hereby irrevocably authorizing its transfer agents to comply with all such requisitions) and (B) if the Company elects pursuant to Section 5.5 not to issue certificates representing fractional shares, requisition from the depository selected by the Company depository receipts representing the fractional shares to be purchased or requisition from the Company the amount of cash to be paid in lieu of fractional shares in accordance with Section 5.5 and (ii) after receipt of such certificates, depository receipts and/or cash, deliver the same to or upon the order of the registered holder of such Rights Certificate, registered (in the case of certificates or depository receipts) in such name or names as may be designated by such holder. In the event that the Company elects pursuant to Section 3.1(e) to issue other securities and/or assets of the Company upon exercise of the Rights, the Company will make all arrangements necessary so that such other securities and/or assets of the Company are available for distribution by the Rights Agent, if and when appropriate.

(f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.

(g) The Company covenants and agrees that it will (i) take all such action as may be necessary to ensure that all shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such shares (subject to payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered and fully paid and nonassessable; (ii) take all such action as may be necessary to comply with any applicable requirements of the Securities Act of 1933, as amended, or the Securities Exchange Act, and the rules and regulations thereunder, and any other applicable law, rule or regulation, in connection with the issuance of any shares upon exercise of Rights; and (iii) pay when due and payable any and all federal and state transfer taxes and charges that may be payable in respect of the original issuance or delivery of the Rights Certificates or of any shares issued upon the exercise of Rights, provided that the Company shall not be required to pay any transfer tax or charge that may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for shares in a name other than that of the holder of the Rights being transferred or exercised.

2.4 Adjustments to Exercise Price; Number of Rights. (a) In the event the

Company shall at any time after the Record Time and prior to the Separation Time (i) declare or pay a dividend on Common Stock payable in Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares of Common Stock, (x) the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of shares of Common Stock (the "Expansion Factor") that a holder of one share of Common Stock immediately prior to such dividend, subdivision or combination would hold thereafter as a result thereof (assuming for such purpose that the Company would issue a fraction of a share of Common Stock, as applicable, and without giving effect to any requirement that cash be paid in lieu of the issuance of any fractional share interest) and (y) each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor, and the adjusted number of Rights will be deemed to be distributed among the shares of Common Stock with respect to which the original Rights were associated (if they remain outstanding) and the shares issued in respect of such dividend, subdivision or combination, so that each such share of Common Stock will have exactly one Right associated with it. Each adjustment made pursuant to this paragraph shall be made as of the payment or effective date for the applicable dividend, subdivision or combination.

(b) In the event the Company shall at any time after the Record Time and prior to the Separation Time issue or distribute any securities or assets in respect of, in lieu of or in exchange for Common Stock (other than pursuant to a regular periodic cash dividend or a dividend paid solely in Common Stock) whether by dividend, in a reclassification or recapitalization (including any such transaction involving a merger, consolidation or share exchange), or otherwise, the Company shall make such adjustments, if any, in the Exercise Price, number of Rights and/or securities or other property purchasable upon exercise of Rights as the Board of Directors of the Company, in its sole discretion, may deem to be appropriate under the circumstances in order to adequately protect the interests of the holders of Rights generally, and the Company and the Rights Agent shall amend this Agreement as necessary to provide for such adjustments.

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(c) Each adjustment to the Exercise Price made pursuant to this Section 2.4 shall be calculated to the nearest cent. Whenever an adjustment to the Exercise Price is made pursuant to this Section 2.4, the Company shall (i) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment and (ii) promptly file with the Rights Agent and with each transfer agent for the Common Stock a copy of such certificate. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment therein and shall not be deemed to have knowledge of any such adjustment unless and until it shall have received such a certificate.

Rights Certificates shall represent the right to purchase the securities purchasable under the terms of this Agreement, including any adjustment or change in the securities purchasable upon exercise of the Rights, even though such certificates may continue to express the right to purchase the securities purchasable at the time of issuance of the initial Rights Certificates.

2.5 Date on Which Exercise is Effective. Each person in whose name any

certificate for shares is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the shares represented thereby on the date upon which the Rights Certificate evidencing such Rights was duly surrendered and payment of the Exercise Price for such Rights (and any applicable taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the stock transfer books of the Company are closed, such person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the stock transfer books of the Company are open.

2.6 Execution, Authentication, Delivery and Dating of Rights Certificates.

(a) The Rights Certificates shall be executed on behalf of the Company by its Chairman of the Board, Chief Executive Officer, President or one of its Vice Presidents, under its corporate seal reproduced thereon and attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Rights Certificates may be manual or facsimile.

Rights Certificates bearing the manual or facsimile signatures of individuals who were at the time of such signature the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the countersignature and delivery of such Rights Certificates.

Promptly after the Separation Time, the Company will notify the Rights

Agent of such Separation Time and will deliver Rights Certificates executed by the Company to the Rights Agent for countersignature, and, subject to Section 3.1(b), an authorized signatory of the Rights Agent shall manually countersign and deliver such Rights Certificates to the holders of the Rights pursuant to Section 2.3(c). No Rights Certificate shall be valid for any purpose unless manually countersigned by an authorized signatory of the Rights Agent.

(b) Each Rights Certificate shall be dated the date of countersignature thereof.

2.7 Registration, Registration of Transfer and Exchange. (a) After the

Separation Time, the Company will cause to be kept a register (the "Rights Register") in which, subject to such reasonable regulations as it may prescribe, the Company will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed "Rights Registrar" for the purpose of maintaining the Rights Register for the Company and registering Rights and transfers of Rights after the Separation Time as herein provided. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times after the Separation Time.

After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of this Section 2.7(a) and Sections 2.7(c) and 2.7(d), the Company will execute and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificate so surrendered.

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(b) Except as otherwise provided in Section 3.1(b), all Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Company, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.

(c) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder's attorney duly authorized in writing. Neither the Rights Agent nor the Company shall be obligated to take any action whatsoever with respect to the transfer of any such surrendered Rights Certificates until the registered holder shall have completed and signed the certificate contained in the form of assignment on the reverse side of such Rights Certificate and shall have provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) thereof, or the Affiliates or Associates of such Beneficial Owner (or former Beneficial Owner), as the Company shall reasonably request. As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

(d) The Company shall not be required to register the transfer or exchange of any Rights after such Rights have become void under Section 3.1(b), been exchanged under Section 3.1(c) or been redeemed under Section 5.1.

2.8 Mutilated, Destroyed, Lost and Stolen Rights Certificates. (a) If any

mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, then, subject to Sections 3.1(b), 3.1(c) and 5.1, the Company shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.

(b) If there shall be delivered to the Company and the Rights Agent prior to the Expiration Time (i) evidence to their satisfaction of the destruction, loss or theft of any Rights Certificate and (ii) such security or indemnity as may be required by them to save each of them and any of their agents harmless, then, subject to Sections 3.1(b), 3.1(c) and 5.1 and in the absence of notice to the Company or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Company shall execute and upon its request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.

(c) As a condition to the issuance of any new Rights Certificate under this Section 2.8, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Rights Agent) connected therewith.

(d) Every new Rights Certificate issued pursuant to this Section 2.8 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence an

original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and, subject to Section 3.1(b), shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.9 Persons Deemed Owners. Prior to due presentment of a Rights

Certificate (or, prior to the Separation Time, the associated Common Stock certificate) for registration of transfer, the Company, the Rights Agent and any agent of the Company or the Rights Agent may deem and treat the person in whose name such Rights Certificate (or, prior to the Separation Time, such Common Stock certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever, and neither the Company nor the Rights Agent shall be affected by any notice to the contrary. As used in this Agreement, unless the context otherwise requires, the term "holder" of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, the associated shares of Common Stock).

2.10 Delivery and Cancellation of Certificates. All Rights Certificates

surrendered upon exercise or for registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly canceled by the Rights Agent.

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The Company may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly canceled by the Rights Agent. No Rights Certificates shall be countersigned in lieu of or in exchange for any Rights Certificates canceled as provided in this Section 2.10, except as expressly permitted by this Agreement. The Rights Agent shall return all canceled Rights Certificates to the Company.

2.11 Agreement of Rights Holders. Every holder of a Right by accepting the

same consents and agrees with the Company and the Rights Agent and with every other holder of a Right that:

(a) prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated share of Common Stock;

(b) after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;

(c) prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Stock certificate) for registration of transfer, the Company, the Rights Agent and any agent of the Company or the Rights Agent may deem and treat the person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Stock certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever, and neither the Company nor the Rights Agent shall be affected by any notice to the contrary;

(d) Rights beneficially owned by certain Persons will, under the circumstances set forth in Section 3.1(b), become void;

(e) this Agreement may be supplemented or amended from time to time pursuant to Section 2.4(b) or 5.4; and

(f) notwithstanding anything in this Agreement to the contrary, neither the Company nor the Rights Agent shall have any liability to any holder of a Right or other Person as a result of the Rights Agent's inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation; provided, however, the Company must use its best efforts to have any such order, decree or ruling lifted or otherwise overturned as soon as possible.

ARTICLE III

ADJUSTMENTS TO THE RIGHTS IN
THE EVENT OF CERTAIN TRANSACTIONS

3.1 Flip-In. (a) In the event that prior to the Expiration Time a Flip-In

Date shall occur, except as provided in this Section 3.1, each Right shall constitute the right to purchase from the Company, upon exercise thereof in accordance with the terms hereof (but subject to Section 5.10), that number of

shares of Common Stock having an aggregate Market Price on the Stock Acquisition Date equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in order to protect the interests of the holders of Rights generally in the event that on or after such Stock Acquisition Date an event of a type analogous to any of the events described in Section 2.4(a) or (b) shall have occurred with respect to the Common Stock).

(b) Notwithstanding the foregoing, any Rights that are or were Beneficially Owned on or after the Stock Acquisition Date by an Acquiring Person or an Affiliate or Associate thereof or by any transferee, direct or indirect, of any of the foregoing shall become void and any holder of such Rights (including transferees) shall thereafter have no right to exercise or transfer such Rights under any provision of this Agreement. If any Rights Certificate is presented for assignment or exercise and the Person presenting the same will not complete the

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certification set forth at the end of the form of assignment or notice of election to exercise and provide such additional evidence of the identity of the Beneficial Owner and its Affiliates and Associates (or former Beneficial Owners and their Affiliates and Associates) as the Company shall reasonably request, then the Company shall be entitled conclusively to deem the Beneficial Owner thereof to be an Acquiring Person or an Affiliate or Associate thereof or a transferee of any of the foregoing and accordingly will deem the Rights evidenced thereby to be void and not transferable or exercisable.

(c) The Board of Directors of the Company may, at its option, at any time after a Flip-In Date and prior to the time that an Acquiring Person becomes the Beneficial Owner of more than 50% of the outstanding shares of Common Stock, elect to exchange all (but not less than all) the then-outstanding Rights (other than Rights that have become void pursuant to the provisions of Section 3.1(b)) for shares of Common Stock at an exchange ratio of one share of Common Stock per Right (appropriately adjusted in order to protect the interests of holders of Rights generally in the event that after the Separation Time an event of a type analogous to any of the events described in Section 2.4(a) or (b) shall have occurred with respect to the Common Stock) (such exchange ratio, as adjusted from time to time, being hereinafter referred to as the "Exchange Ratio").

Immediately upon the action of the Board of Directors of the Company electing to exchange the Rights, without any further action and without any notice, the right to exercise the Rights will terminate and each Right (other than Rights that have become void pursuant to Section 3.1(b)) will thereafter represent only the right to receive a number of shares of Common Stock equal to the Exchange Ratio. Promptly after the action of the Board of Directors of the Company electing to exchange the Rights, the Company shall give notice thereof (specifying the steps to be taken to receive shares of Common Stock in exchange for Rights) to the Rights Agent and the holders of the Rights (other than Rights that have become void pursuant to Section 3.1(b)) outstanding immediately prior thereto by mailing such notice in accordance with Section 5.9.

Each Person in whose name any certificate for shares is issued upon the exchange of Rights pursuant to this Section 3.1(c) or Section 3.1(e) shall for all purposes be deemed to have become the holder of record of the shares represented thereby on, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered and payment of any applicable taxes and other governmental charges payable by the holder was made; provided, however, that if the date of such surrender and payment is a date upon which the stock transfer books of the Company are closed, such Person shall be deemed to have become the record holder of such shares on, and such Certificate shall be dated, the next succeeding Business Day on which the stock transfer books of the Company are open.

(d) Whenever the Company shall become obligated under Section 3.1(a) or (c) to issue shares of Common Stock upon exercise of or in exchange for Rights, the Company, at its option, may substitute therefor shares of Preferred Stock, at a ratio of one thousandth (1/1000th) of a share of Preferred Stock for each share of Common Stock so issuable.

(e) In the event that there shall not be sufficient treasury shares or authorized but unissued shares of Common Stock or Preferred Stock of the Company to permit the exercise or exchange in full of the Rights in accordance with Section 3.1(a) or (c), the Company shall either (i) call a meeting of shareholders seeking approval to cause sufficient additional shares to be authorized (provided that if such approval is not obtained the Company will take the action specified in clause (ii) of this sentence) or (ii) take such action as shall be necessary to ensure and provide, to the extent permitted by applicable law and any agreements or instruments in effect on the Stock Acquisition Date to which it is a party, that each Right shall thereafter constitute the right to receive, (x) at the Company's option, either (A) in return for the Exercise Price, cash, debt or equity securities or other assets (or a combination thereof) having a fair value equal to twice the Exercise Price, or (B) without payment of consideration (except as otherwise required by applicable law), cash, debt or equity securities or other assets (or a

combination thereof) having a fair value equal to the Exercise Price, or (y) if the Board of Directors of the Company elects to exchange the Rights in accordance with Section 3.1(c), debt or equity securities or other assets (or a combination thereof) having a fair value equal to the product of the Market Price of a share of Common Stock on the Flip-In Date times the Exchange Ratio in effect on the Flip-In Date, where in any case set forth in (x) or (y) above the fair value of such debt or equity securities or other assets shall be as determined in good faith by the Board of Directors of the Company, after consultation with a nationally recognized investment banking firm.

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3.2 Flip-Over. (a) Prior to the Expiration Time, the Company shall not

enter into any agreement with respect to, consummate or permit to occur any Flip-Over Transaction or Event unless and until it shall have entered into a supplemental agreement with the Flip-Over Entity, for the benefit of the holders of the Rights (other than holders of Rights that have become void pursuant to Section 3.1(b)), providing that, upon consummation or occurrence of the Flip-Over Transaction or Event (i) each Right (other than Rights that have become void pursuant to Section 3.1(b)) shall thereafter constitute the right to purchase from the Flip-Over Entity, upon exercise thereof in accordance with the terms hereof, that number of shares of Flip-Over Stock of the Flip-Over Entity having an aggregate Market Price on the date of consummation or occurrence of such Flip-Over Transaction or Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in order to protect the interests of the holders of Rights generally (other than holders of Rights that have become void pursuant to Section 3.1(b)) in the event that after such date of consummation or occurrence an event of a type analogous to any of the events described in Section 2.4(a) or (b) shall have occurred with respect to the Flip-Over Stock) and (ii) the Flip-Over Entity shall thereafter be liable for, and shall assume, by virtue of such Flip-Over Transaction or Event and such supplemental agreement, all the obligations and duties of the Company pursuant to this Agreement. The provisions of this Section 3.2 shall apply to successive Flip-Over Transactions or Events.

(b) Prior to the Expiration Time, unless the Rights will be redeemed pursuant to Section 5.1 in connection therewith, the Company shall not enter into any agreement with respect to, consummate or permit to occur any Flip-Over Transaction or Event if at the time thereof there are any rights, warrants or securities outstanding or any other arrangements, agreements or instruments that would eliminate or otherwise diminish in any material respect the benefits intended to be afforded by this Rights Agreement to the holders of Rights upon consummation of such transaction.

ARTICLE IV

THE RIGHTS AGENT

4.1 General. (a) The Company hereby appoints the Rights Agent to act as

agent for the Company in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent, its directors, officers, employees and agents for, and to hold each of them harmless against, any loss, liability, or expense, incurred without gross negligence, bad faith or willful misconduct on the part of the Rights Agent or such other indemnified party, for anything done or suffered or omitted to be done by the Rights Agent in connection with the acceptance and administration of this Agreement or the exercise or performance of its duties hereunder, including the costs and expenses of defending against any claim of liability. The indemnity provided in this Section 4.1(a) shall survive the expiration of the Rights and the termination of this Agreement.

(b) The Rights Agent shall be fully protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement or the exercise or performance of its duties hereunder in reliance upon any certificate for securities purchasable upon exercise of Rights, Rights Certificate, certificate for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper person or persons.

4.2 Merger or Consolidation or Change of Name of Rights Agent. (a) Any

Person into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent

is a party, or any corporation succeeding to the shareholder services business of the Rights Agent or any successor Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such Person would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4. In case at the time such successor Rights Agent

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succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

(b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent. The Rights Agent undertakes the duties and ----- obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Company), and the advice or opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken, suffered or omitted by it in good faith and in accordance with such advice or opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a person believed by the Rights Agent to be the Chairman of the Board, the Chief Executive Officer, the President or any Vice President, the Chief Financial Officer, the Treasurer or any Assistant Treasurer or the Secretary or any Assistant Secretary of the Company and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken, suffered or omitted in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent will be liable hereunder only for its own gross negligence, bad faith or willful misconduct.

(d) The Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for securities purchasable upon exercise of Rights or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Company only.

(e) The Rights Agent will not be under any responsibility in respect of the validity of any provision of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any certificate for securities purchasable upon exercise of Rights or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1(b)) or any adjustment required under any provision of this Agreement or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.4 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any securities purchasable upon exercise of Rights or any Rights or as to whether any securities purchasable upon exercise of Rights will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and nonassessable.

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(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any person believed by the Rights Agent to be the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, or any Vice President or the Secretary or any Assistant Secretary or the Treasurer or any Assistant Treasurer of the Company, and to apply to such persons for advice or instructions in connection with its duties, and it shall not be liable for any action taken, suffered or omitted by it in good faith in accordance with instructions of any such person, or for any delay in acting while awaiting instructions. Any application by the Rights Agent for written instructions from the Company may, at the option of the Rights Agent, set forth in writing any action proposed to be taken, suffered or omitted by the Rights Agent under this Agreement and the date on or after which such action shall be taken or such omission shall be effective. The Rights Agent shall not be liable for any action taken by, or omission of, the Rights Agent in accordance with a proposal included in any such application on or after the date specified in such application (which date shall not be less than five Business Days after the date any officer of the Company actually receives such application, unless any such officer shall have consented in writing to an earlier date) unless, prior to taking any such action (or the effective date in the case of an omission), the Rights Agent shall have received written instructions in response to such application specifying the action to be taken, suffered or omitted.

(h) The Rights Agent and any shareholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Stock, Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other Person.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct, provided the Rights Agent was not grossly negligent in the selection and continued employment thereof.

(j) The Rights Agent undertakes only the express duties and obligations imposed on it by this Agreement and no implied duties or obligations shall be read into this Agreement against the Rights Agent.

(k) Anything in this Agreement to the contrary notwithstanding, in no event shall the Rights Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits).

(l) No provision of this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

4.4 Change of Rights Agent. The Rights Agent may resign and be discharged

from its duties under this Agreement upon 90 days notice (or such lesser notice as is acceptable to the Company) in writing mailed to the Company and to each transfer agent of Common Stock by registered or certified mail, and to the holders of the Rights in accordance with Section 5.9. The Company may remove the Rights Agent upon 30 days notice in writing, mailed to the Rights Agent and to each transfer agent of the Common Stock by registered or certified mail, and to the holders of the Rights in accordance with Section 5.9. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Company will appoint a successor to the Rights Agent. If the Company fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate for inspection by the Company), then the holder of

any Rights may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be (a) a corporation organized and doing business under the laws of the United States or of the State of Georgia or any other State of the United States, in good standing, which is authorized under

such laws to exercise the powers of the Rights Agent contemplated by this Agreement and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least \$100,000,000 or (b) an Affiliate of a corporation described in the immediately preceding clause (a). After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Stock, and mail a notice thereof in writing to the holders of the Rights. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

ARTICLE V

MISCELLANEOUS

5.1 Redemption. (a) The Board of Directors of the Company may, at its

option, at any time prior to the close of business on the Flip-In Date elect to redeem all (but not less than all) of the then outstanding Rights at the Redemption Price and the Company, at its option, may pay the Redemption Price, either in cash or shares of Common Stock or other securities of the Company deemed by the Board of Directors of the Company, in the exercise of its sole discretion, to be at least equivalent in value to the Redemption Price.

(b) Immediately upon the action of the Board of Directors of the Company electing to redeem the Rights (or, if the resolution of the Board of Directors of the Company electing to redeem the Rights states that the redemption will not be effective until the occurrence of a specified future time or event, upon the occurrence of such future time or event), without any further action and without any notice, the right to exercise the Rights will terminate and each Right will thereafter represent only the right to receive the Redemption Price in cash or securities, as determined by the Board of Directors. Promptly after the Rights are redeemed, the Company shall give notice of such redemption to the Rights Agent and the holders of the then outstanding Rights by mailing such notice in accordance with Section 5.9.

5.2 Expiration. The Rights and this Agreement shall expire at the

Expiration Time and no Person shall have any rights pursuant to this Agreement or any Right after the Expiration Time, except, if the Rights are exchanged, as provided in Section 3.1.

5.3 Issuance of New Rights Certificates. Notwithstanding any of the

provisions of this Agreement or of the Rights to the contrary, the Company may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change in the number or kind or class of shares of stock purchasable upon exercise of Rights made in accordance with the provisions of this Agreement. In addition, in connection with the issuance or sale of shares of Common Stock by the Company following the Separation Time and prior to the Redemption Time or Expiration Time pursuant to the terms of securities convertible or redeemable into shares of Common Stock or to options, in each case issued or granted prior to, and outstanding at, the Separation Time, the Company shall issue to the holders of such shares of Common Stock, Rights Certificates representing the appropriate number of Rights in connection with the issuance or sale of such shares of Common Stock; provided, however, in each case, (i) no such Rights Certificate shall be issued, if, and to the extent that, the Company shall be advised by counsel that such issuance would create a significant risk of material adverse tax consequences to the Company or to the Person to whom such Rights Certificates would be issued, (ii) no such Rights Certificates shall be issued if, and to the extent that, appropriate adjustment shall have otherwise been made in lieu of the issuance thereof, and (iii) the Company shall have no obligation to distribute Rights Certificates to any Acquiring Person or Affiliate or Associate of an Acquiring Person or any transferee of any of the foregoing.

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5.4 Supplements and Amendments. The Company and the Rights Agent may

from time to time supplement or amend this Agreement without the approval of any holders of Rights (i) prior to the Close of Business on the Flip-In Date, in any respect and (ii) after the Close of Business on the Flip-In Date, to make any changes that the Company may deem necessary or desirable and that shall not materially adversely affect the interests of the holders of Rights generally (other than an Acquiring Person or an Affiliate or an Associate of an Acquiring

Person) or in order to cure any ambiguity or to correct or supplement any provision contained herein that may be inconsistent with any other provisions herein or otherwise defective. The Rights Agent will duly execute and deliver any supplement or amendment hereto requested by the Company upon receipt of a certificate from the Company that such supplement or amendment satisfies the terms of the preceding sentence. Notwithstanding anything contained in this Agreement to the contrary, no supplement or amendment that changes the rights and duties of the Rights Agent under this Agreement shall be effective without the consent of the Rights Agent.

5.5 Fractional Shares. If the Company elects not to issue certificates

representing fractional shares upon exercise of Rights, the Company shall, in lieu thereof, in the sole discretion of the Board of Directors, either (a) evidence such fractional shares by depositary receipts issued pursuant to an appropriate agreement between the Company and a depositary selected by it, providing that each holder of a depositary receipt shall have all of the rights, privileges and preferences to which such holder would be entitled as a beneficial owner of such fractional share, or (b) sell such shares on behalf of the holders of Rights and pay to the registered holder of such Rights the appropriate fraction of price per share received upon such sale.

5.6 Rights of Action. Subject to the terms of this Agreement (including

Section 3.1(b)), rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights; and any holder of any Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, such holder's right to exercise such holder's Rights in the manner provided in such holder's Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of, the obligations of any Person subject to this Agreement.

5.7 Holder of Rights Not Deemed a Shareholder. No holder, as such, of any

Rights shall be entitled to vote, receive dividends or be deemed for any purpose the holder of shares or any other securities which may at any time be issuable on the exercise of such Rights, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights, as such, any of the rights of a shareholder of the Company or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in Section 5.8), or to receive dividends or subscription rights, or otherwise, until such Rights shall have been exercised or exchanged in accordance with the provisions hereof.

5.8 Notice of Proposed Actions. In case the Company shall propose after

the Separation Time and prior to the Expiration Time (i) to effect or permit occurrence of any Flip-Over Transaction or Event or (ii) to effect the liquidation, dissolution or winding up of the Company, then, in each such case, the Company shall give to each holder of a Right, in accordance with Section 5.9, a notice of such proposed action, which shall specify the date on which such Flip-Over Transaction or Event, liquidation, dissolution, or winding up is to take place, and such notice shall be so given at least 20 Business Days prior to the date of the taking of such proposed action.

5.9 Notices. Notices or demands authorized or required by this Agreement

to be given or made by the Rights Agent or by the holder of any Rights to or on the Company shall be sufficiently given or made if delivered or sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

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Global Payments Inc.
Four Corporate Square
Atlanta, Georgia 30329
Attention: Secretary

Any notice or demand authorized or required by this Agreement to be given or made by the Company or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered or sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

SunTrust Bank, Atlanta

P.O. Box 4625
Atlanta, Georgia 30302-4625
Attention: Department Manager

Notices or demands authorized or required by this Agreement to be given or made by the Company or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Common Stock. Any notice that is mailed in the manner herein provided shall be deemed given on the third Business Day after mailing, whether or not the holder receives the notice. Failure to give a notice pursuant to the provisions of this Agreement shall not affect the validity of any action taken hereunder.

5.10 Suspension of Exercisability. To the extent that the Company

determines in good faith that some action will or need be taken pursuant to Section 2.3(g) or Section 3.1 or otherwise to comply with federal or state securities laws, the Company may suspend the exercisability of the Rights for 90 days and any additional period that may be reasonable in order to take such action or comply with such laws. In the event of any such suspension, the Company shall issue as promptly as practicable a public announcement stating that the exercisability or exchangeability of the Rights has been temporarily suspended. Notice thereof pursuant to Section 5.9 shall not be required.

5.11 Costs of Enforcement. The Company agrees that if the Company or

any other Person the securities of which are purchasable upon exercise of Rights fails to fulfill any of its obligations pursuant to this Agreement, then the Company or such Person will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder in actions to enforce such holder's rights pursuant to any Rights or this Agreement.

5.12 Successors. All the covenants and provisions of this Agreement by

or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

5.13 Benefits of this Agreement. Nothing in this Agreement shall be

construed to give to any Person other than the Company, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement and this Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the holders of the Rights.

5.14 Determination and Actions by the Board of Directors, etc. The

Board of Directors of the Company shall have the exclusive power and authority to administer this Agreement and to exercise all rights and powers specifically granted to the Board of Directors of the Company or to the Company, or as may be necessary or advisable in the administration of this Agreement, including, without limitation, the right and power to (i) interpret the provisions of this Agreement and (ii) make all determinations deemed necessary or advisable for the administration of this Agreement. All such actions, calculations, interpretations and determinations (including, for purposes of clause (y) below, all omissions with respect to the foregoing) which are done or made by the Board of Directors of the Company, in good faith, shall (x) be final, conclusive and binding on the Company, the Rights Agent, the holders of the Rights and all other parties, and (y) not subject the Board of Directors of the Company to any liability to the holders of the Rights.

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5.15 Descriptive Headings. Descriptive headings appear herein for

convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

5.16 Governing Law. THIS AGREEMENT AND EACH RIGHT ISSUED HEREUNDER

SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF GEORGIA AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF SUCH STATE APPLICABLE TO CONTRACTS TO BE MADE AND PERFORMED ENTIRELY WITHIN SUCH STATE.

5.17 Counterparts. This Agreement may be executed in any number of

counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

5.18 Severability. If any term or provision of this Agreement or the

application thereof to any circumstance shall, in any jurisdiction and to any

extent, be invalid or unenforceable, such term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions hereof or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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

GLOBAL PAYMENTS INC.

By:

Name:
Title:

SUNTRUST BANK, ATLANTA, as Rights Agent

By:

Name:
Title:

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EXHIBIT A

(Form of Rights Certificate)

Certificate No. R- _____ Rights

THE RIGHTS ARE SUBJECT TO REDEMPTION OR MANDATORY EXCHANGE, AT THE OPTION OF THE COMPANY, ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT (AS DEFINED BELOW). RIGHTS BENEFICIALLY OWNED BY ACQUIRING PERSONS OR AFFILIATES OR ASSOCIATES THEREOF (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) OR TRANSFEREES OF ANY OF THE FOREGOING WILL BE VOID.

Rights Certificate

GLOBAL PAYMENTS INC.

This certifies that _____, or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Protection Rights Agreement, dated as of _____, 2000 (as amended from time to time, the "Rights Agreement"), between Global Payments Inc., a Georgia corporation (the "Company"), and SunTrust Bank, Atlanta, as rights agent (the "Rights Agent," which term shall include any successor rights agent under the Rights Agreement), to purchase from the Company at any time after the Separation Time (as such term is defined in the Rights Agreement) and prior to the Close of Business on _____, 2010, one thousandth (1/1000) of a fully paid share of Series A Junior Participating Preferred Stock, no par value (the "Preferred Stock"), of the Company (subject to adjustment as provided in the Rights Agreement) at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate with the Form of Election to Exercise duly executed at the principal office of the Rights Agent. The Exercise Price shall initially be \$_____ per Right and shall be subject to adjustment in certain events as provided in the Rights Agreement.

In certain circumstances described in the Rights Agreement, the Rights evidenced hereby may entitle the registered holder thereof to purchase securities of an entity other than the Company or securities or assets of the Company other than Preferred Stock, all as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Rights Certificates. Copies of the Rights Agreement are on file at the principal office of the Company and are available without cost upon written request. Capitalized terms used in this Rights Certificate and not otherwise defined herein shall have the meanings ascribed to such terms in the Rights Agreement.

This Rights Certificate, with or without other Rights Certificates, upon surrender at the office of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, each Right evidenced by this Certificate may be (a) redeemed by the Company under certain circumstances, at its option, at a redemption price of \$0.01 per Right, or (b) exchanged by the Company under certain circumstances, at its option, for one share of Common Stock or one thousandth (1/1000) of a share of Preferred Stock per Right (or, in certain cases, other securities or assets of the Company), subject in each case to adjustment in certain events as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of any securities which may at any time be issuable on the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights

of a shareholder of the Company or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised or exchanged as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Company.

Date: _____

ATTEST: GLOBAL PAYMENTS INC.

Secretary By: _____

Countersigned:
SUNTRUST BANK, ATLANTA

By: _____
Authorized Officer

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[Form of Reverse Side of Rights Certificate]

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer this Rights Certificate.)

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto

(Please print name and address of transferee)

this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ attorney-in-fact, to transfer the within Rights Certificate on the books of the within-named company, with full power of substitution.

Dated: _____, ____.

Signature Guaranteed: _____
Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever)

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934.

(To be completed if true)

The undersigned hereby represents, for the benefit of the Company and all holders of Rights and shares of Common Stock, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement).

Signature

NOTICE

In the event the certification set forth above is not completed in connection with a purported assignment, the Company will deem the Beneficial Owner of the Rights evidenced by the enclosed Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement) or a transferee of any of the foregoing and accordingly will deem the Rights evidenced by such Rights Certificate to be void and not transferable or exercisable.

[To be attached to each Rights Certificate]
FORM OF ELECTION TO EXERCISE

(To be executed if holder desires to exercise the Rights Certificate.)

TO: GLOBAL PAYMENTS INC.

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the shares of Series A Junior Participating Preferred Stock issuable upon the exercise of such Rights and requests that certificates for such shares be issued in the name of and delivered to:

Name: _____
Address: _____
Social Security or other Taxpayer ID No.: _____

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

Name: _____
Address: _____
Social Security or other Taxpayer ID No.: _____

Dated: _____, _____

Signature Guaranteed:

Signature
(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever)

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934.

(To be completed if true)

The undersigned hereby represents, for the benefit of the Company and all holders of Rights and shares of Common Stock, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement).

Signature

NOTICE

In the event the certification set forth above is not completed in connection with a purported assignment, the Company will deem the Beneficial Owner of the Rights evidenced by the enclosed Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement) or a

transferee of any of the foregoing and accordingly will deem the Rights evidenced by such Rights Certificate to be void and not transferable or exercisable.

EXHIBIT B

APPENDIX A
TO
THE ARTICLES OF INCORPORATION
OF
GLOBAL PAYMENTS INC.

DESIGNATING THE PREFERENCES, LIMITATIONS AND RELATIVE RIGHTS OF SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

There is hereby designated, out of the authorized but unissued shares of Preferred Stock of the Corporation, a series thereof, and the number of shares, voting powers, designation, preferences, and relative, participating, optional, and other special rights, and the qualifications, limitations, and restrictions thereof, of the shares of such series (in addition to those set forth in the Articles of Incorporation which are applicable to the Preferred Stock of all series), shall be as follows:

1. Series A Junior Participating Preferred Stock. There is hereby

established a series of Preferred Stock, no par value per share, of the Corporation, and the designation and certain terms, powers, preferences and other rights of the shares of such series, and certain qualifications, limitations and restrictions thereon, are hereby fixed as follows:

(i) The distinctive serial designation of this series shall be "Series A Junior Participating Preferred Stock" (hereinafter called "this Series"). Each share of this Series shall be identical in all respects with the other shares of this Series except as to the dates from and after which dividends thereon shall be cumulative.

(ii) The number of shares in this Series shall initially be 20,000 which number may from time to time be increased or decreased (but not below the number then outstanding) by the Board of Directors. Shares of this Series purchased by the Corporation shall be canceled and shall revert to authorized but unissued shares of Preferred Stock undesignated as to series. Shares of this Series may be issued in fractional shares, which fractional shares shall entitle the holder, in proportion to such holder's fractional share, to all rights of a holder of a whole share of this Series.

(iii) The holders of full or fractional shares of this Series shall be entitled to receive, when and as declared by the Board of Directors, but only out of funds legally available therefor, dividends, (A) on each date that dividends or other distributions (other than dividends or distributions payable in Common Stock of the Corporation) are payable on or in respect of Common Stock comprising part of the Reference Package (as defined below), in an amount per whole share of this Series equal to the aggregate amount of dividends or other distributions (other than dividends or distributions payable in Common Stock of the Corporation) that would be payable on such date to a holder of the Reference Package and (B) on the last day of March, June, September and December in each year, in an amount per whole share of this Series equal to the excess (if any) of \$1.00 over the aggregate dividends paid per whole share of this Series during the three-month period ending on such last day. Each such dividend shall be paid to the holders of record of shares of this Series on the date, not exceeding 60 days preceding such dividend or distribution payment date, fixed for that purpose by the Board of Directors in advance of payment of each particular dividend or distribution. Dividends on each full and each fractional share of this Series shall be cumulative from the date such full or fractional share is originally issued; provided that any such full or fractional share originally issued after a dividend record date and on or prior to the dividend payment date to which such record date relates shall not be entitled to receive the dividend payable on such dividend payment date or any amount in respect of the period from such original issuance to such dividend payment date.

The term "Reference Package" shall initially mean 1000 shares of Common Stock, no par value ("Common Stock"), of the Corporation. In the event the Corporation shall at any time (A) declare or pay a dividend on any Common

Stock payable in Common Stock, (B) subdivide any Common Stock or (C) combine any Common Stock into a smaller number of shares, then and in each such case the Reference Package after such event shall be the Common Stock that a holder of the Reference Package immediately prior to such event would hold thereafter as a result thereof.

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Holders of shares of this Series shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of full cumulative dividends, as herein provided, on this Series.

So long as any shares of this Series are outstanding, no dividend (other than a dividend in Common Stock or in any other stock ranking junior to this Series as to dividends and upon liquidation) shall be declared or paid or set aside for payment or other distribution declared or made upon the Common Stock or upon any other stock ranking junior to this Series as to dividends or upon liquidation, nor shall any Common Stock nor any other stock of the Corporation ranking junior to or on a parity with this Series as to dividends or upon liquidation be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation (except by conversion into or exchange for stock of the Corporation ranking junior to this Series as to dividends and upon liquidation), unless, in each case, the full cumulative dividends (including the dividend to be due upon payment of such dividend, distribution, redemption, purchase or other acquisition) on all outstanding shares of this Series shall have been, or shall contemporaneously be, paid.

(iv) In the event of any merger, consolidation, reclassification or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of this Series shall at the same time be similarly exchanged or changed in an amount per whole share equal to the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, that a holder of the Reference Package would be entitled to receive as a result of such transaction.

(v) In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the holders of full and fractional shares of this Series shall be entitled, before any distribution or payment is made on any date to the holders of the Common Stock or any other stock of the Corporation ranking junior to this Series upon liquidation, to be paid in full an amount per whole share of this Series equal to the greater of (A) \$1.00 or (B) the aggregate amount distributed or to be distributed prior to such date in connection with such liquidation, dissolution or winding up to a holder of the Reference Package (such greater amount being hereinafter referred to as the "Liquidation Preference"), together with accrued dividends to such distribution or payment date, whether or not earned or declared. If such payment shall have been made in full to all holders of shares of this Series, the holders of shares of this Series as such shall have no right or claim to any of the remaining assets of the Corporation.

In the event the assets of the Corporation available for distribution to the holders of shares of this Series upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to the first paragraph of this Section (v), no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series upon such liquidation, dissolution or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series, ratably in proportion to the full distributable, amounts for which holders of all such parity shares are respectively entitled upon such liquidation, dissolution or winding up.

Upon the liquidation, dissolution or winding up of the Corporation, the holders of shares of this Series then outstanding shall be entitled to be paid out of assets of the Corporation available for distribution to its shareholders all amounts to which such holders are entitled pursuant to the first paragraph of this Section (v) before any payment shall be made to the holders of Common Stock or any other stock of the Corporation ranking junior upon liquidation to this Series.

For the purposes of this Section (v), the consolidation or merger of, or binding share exchange by, the Corporation with any other corporation shall not be deemed to constitute a liquidation, dissolution or winding up of the corporation.

(vi) The shares of this Series shall not be redeemable.

(vii) In addition to any other vote or consent of shareholders required by law or by the Certificate of Incorporation of the Corporation, each whole share of this Series shall, on any matter, vote as a class with any other capital stock comprising part of the Reference Package and voting on such matter and shall have the number of votes thereon that a holder of the Reference

Package would have.

FORM OF

LEASE AGREEMENT

Between

NATIONAL DATA CORPORATION,
a Delaware corporation,
as Landlord

And

GLOBAL PAYMENTS INC.,
a Georgia corporation,
as Tenant

Dated: _____, 2000

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hereby rent and lease from Landlord, for the purposes set forth in Section 8 hereof, the following described space (hereinafter called the "Premises"): 85,188 rentable square feet of space comprising the lobby and the 1st, 2nd, 3rd and 4th floors of a 5-story building commonly known as Building I of National Data Plaza (the "Building") [but excluding those portions thereof that are to constitute Common Area pursuant to Paragraph 2 of the Basic Lease Provisions] located on the real property described in Exhibit "A" attached hereto (the

"Property"). The Building comprises part of a 2 building office complex currently known as National Data Plaza (together with any and all improvements now or hereafter located thereon and together with any additional land and/or buildings which Landlord hereinafter acquires and makes a part of such office complex, the "Project"). The Premises shall be prepared for Tenant's occupancy in the manner and subject to the provisions of Exhibit "B" attached hereto and

made a part of hereof. Landlord and Tenant agree that the number of rentable square feet described above has been confirmed and conclusively agreed upon by the parties. Tenant shall also have the non-exclusive right, in common with other tenants of the Project, to use all parking lots, sidewalks, entranceways, roadways and other such Common Areas and facilities as are located from time to time on the Property and intended for the use and enjoyment of such tenants and their respective employees, guests and invitees (the "Common Area") [which right shall include, without limitation, the non-exclusive right to use, without additional charge, (i) the cafeteria to be located on the first (1st) floor of Building II of National Data Plaza ("Building II"), and the conference rooms on the 1st floor of said Building II on a first come, first served basis, as scheduled through Landlord's scheduling coordinator who shall be designated by Landlord to Tenant from time to time, and the base rent payable by Tenant with respect to the rentable square feet in Building II allocated to Tenant pursuant to Paragraph 2 of the Basic Lease Provisions is intended to and shall constitute the sole and exclusive compensation from Tenant to Landlord for the use of such cafeteria and Building II conference room space by Tenant].

2. Lease Term. Tenant shall have and hold the Premises for a term ("Term")

commencing on _____, 2000 (the "Commencement Date"), and ending at midnight on the third (3rd) anniversary of (i) the day immediately preceding the Commencement Date, if the Commencement Date is the first day of a calendar month, or (ii) the day immediately preceding the first day of the first full calendar month following the Commencement Date, if the Commencement Date is not the first day of a calendar month (the "Expiration Date"), unless sooner terminated or extended as hereinafter provided. Promptly following the Commencement Date, Landlord and Tenant shall, upon the request of either party, enter into a letter agreement in the form attached hereto as Exhibit "C",

specifying the Commencement Date, the Expiration Date, the exact number of rentable square feet contained within the Premises and the exact amount of Base Rent payable hereunder for the first Lease Year (as defined in Section 4 below).

3. Base Rent. Tenant shall pay to Landlord, at NDC Real Estate Department,

National Data Plaza, Building II, Atlanta, Georgia 30329, Attn: Director of Real Estate, or at such other place as Landlord shall designate in writing to Tenant, annual base rent ("Base Rent")

in the amounts set forth in the Basic Lease Provisions. The term "Lease Year", as used in the Basic Lease Provisions and throughout this Lease, shall mean each and every consecutive twelve (12) month period during the Term of this Lease, with the first such twelve (12) month period commencing on the Commencement Date; provided, however, if the Commencement Date occurs other than on the first day of a calendar month, the first Lease Year shall be that partial month plus the first full twelve (12) full calendar months thereafter.

4. Rent Payment. The Base Rent for each Lease Year shall be payable in

equal monthly installments, due on the first day of each calendar month, in advance, in legal tender of the United States of America, without abatement, demand, deduction or offset whatsoever, except as may be expressly provided in this Lease. One full monthly installment of Base Rent shall be due and payable on the date of execution of this Lease by Tenant for the first month's Base Rent and a like monthly installment of Base Rent shall be due and payable on or before the first day of each calendar month following the Commencement Date during the Term hereof; provided, that if the Commencement Date should be a date other than the first day of a calendar month, the monthly Base Rent installment paid on the date of execution of this Lease by Tenant shall be prorated to that partial calendar month, and the excess shall be applied as a credit against the next monthly Base Rent installment. Tenant shall pay, as Additional Rent, any and all other sums due from Tenant under this Lease, if any (the term "Rent", as used herein, means all Base Rent, Additional Rent and all other amounts payable hereunder from Tenant to Landlord).

5. Late Charge. Other remedies for non-payment of Rent notwithstanding, if

any monthly installment of Base Rent or Additional Rent is not received by Landlord on or before the fifth (5th) business day after the same is due, or if

any payment due Landlord by Tenant which does not have a scheduled due date is not received by Landlord on or before the tenth (10th) business day following the date Tenant was invoiced, a late charge of three percent (3%) percent of such past due amount shall be immediately due and payable as Additional Rent and interest shall accrue from the date past due until paid at the lower of ten percent (10.0%) per annum or the highest rate permitted by applicable law.

6. Partial Payment. No payment by Tenant or acceptance by Landlord of an amount less than the Rent herein stipulated shall be deemed a waiver of any other Rent due. No partial payment or endorsement on any check or any letter accompanying such payment of Rent shall be deemed an accord and satisfaction, but Landlord may accept such payment without prejudice to Landlord's right to collect the balance of any Rent due under the terms of this Lease or any late charge assessed against Tenant hereunder.

7. Construction of this Agreement. No failure of Landlord to exercise any power given Landlord hereunder, or to insist upon strict compliance by Tenant of his obligations hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof. TIME IS OF THE ESSENCE OF THIS LEASE.

8. Use of Premises.

(a) Tenant shall use and occupy the Premises for general office and administrative purposes (including the right to use the 1st floor as a computer room with raised floors to accommodate cabling) and for no other purpose. The Premises shall not be used for any illegal purpose, nor in violation of any valid regulation of any governmental body, nor in any manner to create any nuisance or trespass, nor in any manner to vitiate the insurance or increase the rate of insurance on the Premises or the Building.

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(b) Tenant shall not cause or permit the receipt, storage, use, location or handling on the Property (including the Building and Premises) of any product, material or merchandise which is explosive, highly inflammable, or a "hazardous or toxic material," as that term is hereafter defined. "Hazardous or toxic material" shall include all materials or substances which have been determined to be hazardous to health or the environment, including, without limitation hazardous waste (as defined in the Resource Conservation and Recovery Act); hazardous substances (as defined in the Comprehensive Emergency Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act); gasoline or any other petroleum product or by-product or other hydrocarbon derivative; toxic substances, (as defined by the Toxic Substances Control Act); insecticides, fungicides or rodenticide, (as defined in the Federal Insecticide, Fungicide, and Rodenticide Act); asbestos and radon and substances determined to be hazardous under the Occupational Safety and Health Act or regulations promulgated thereunder. Notwithstanding the foregoing, Tenant shall not be in breach of this provision as a result of the presence in the Premises of de minimis amounts of hazardous or toxic materials which are in compliance with all applicable laws, ordinances and regulations and are customarily present in a general office use (e.g., copying machine chemicals and kitchen cleansers).

9. Definitions. "Landlord," as used in this Lease, shall include the party named in the first paragraph hereof, its representatives, assigns and successors in title to the Premises. "Tenant" shall include the party named in the first paragraph hereof, its heirs and representatives, and, if this Lease shall be validly assigned or sublet, shall also include Tenant's assignees or subtenants, as to the Premises, or portion thereof, covered by such assignment or sublease. "Landlord" and "Tenant" include male and female, singular and plural, corporation, partnership, limited liability company (and the officers, members, partners, employees or agents of any such entities) or individual, as may fit the particular parties.

10. Repairs By Landlord. Tenant, by taking possession of the Premises, shall accept and shall be held to have accepted the Premises as suitable for the use intended by this Lease. Landlord shall not be required, after possession of the Premises has been delivered to Tenant, to make any repairs or improvements to the Premises, except as set forth in this Lease. Except for damage caused by casualty and condemnation (which shall be governed by Section 28 and 29 below), and subject to normal wear and tear, Landlord shall (i) maintain or cause to be maintained in good repair the Premises, the Common Area and the exterior walls, roof, foundation and structural portions of the Building, and the central portions of the Building's mechanical, electrical, plumbing and HVAC systems, and (ii) maintain or cause the maintenance of such elements of Building II as are necessary to ensure Tenant's reasonable use and enjoyment of the cafeteria and the conference rooms on the first (1st) floor thereof as contemplated by this Lease, provided any such repairs contemplated by parts (i) and (ii) hereof are not necessitated by the negligence or willful misconduct of Tenant, Tenant's

invitees or anyone in the employ or control of Tenant (in which case such repairs shall be performed by Landlord at Tenant's expense).

11. Repairs By Tenant. Subject to Landlord's provision of janitorial

services in accordance with Section 20 hereof, Tenant shall keep the Premises in a neat and clean condition. Tenant shall further, at its own cost and expense, repair or restore any damage or injury to all or any part of the Building or any other part of the Project caused by Tenant or Tenant's agents, employees, invitees, licensees or contractors, including but not limited to any repairs or replacements necessitated by (i) the construction or installation of improvements to the Premises by or on behalf of Tenant, and (ii) the moving of any property into or out of the Premises. If

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Tenant fails to make such repairs or replacements promptly, Landlord may, at its option and following five (5) business days prior written notice to Tenant, make the repairs and replacements and the reasonable and actual costs of such repair or replacements shall be charged to Tenant as Additional Rent and shall become due and payable by Tenant with the monthly installment of Base Rent next due hereunder.

12. Alterations and Improvements. Tenant shall not make or allow to be

made any alterations, physical additions or improvements in or to the Premises without first obtaining in writing Landlord's written consent for such alterations or additions, which consent may be granted or withheld in the sole, unfettered discretion of Landlord (if the alterations will affect the Building structure or systems or will be visible from outside the Premises), but which consent shall not be unreasonably withheld, delayed or conditioned (if the alterations will not affect the Building structure or systems and will not be visible from outside the Premises).

13. "Gross" Nature of Lease. The parties acknowledge and agree that this

Lease is a "full service" lease, and that the base rents specified in Paragraph 4 of the Basic Lease Provisions are "gross" to Landlord. Notwithstanding the foregoing, Landlord and Tenant hereby agree that (i) any increases in ad valorem real property taxes and insurance costs applicable or allocable to the Project for any calendar year or portion thereof during the Term over such costs budgeted for the Project for calendar year 2000, as shown on the budget attached hereto as Exhibit "F" attached hereto and incorporated herein, shall be passed

through to and paid for by Tenant on a prorata basis, with Tenant being responsible for reimbursement to Landlord of Tenant's Share of any such increases, and (ii) Tenant shall be responsible for reimbursement to Landlord for its prorata share of any electricity costs for the Building in excess of that budgeted for the Building for the fiscal year or calendar year in question pursuant to said Exhibit "F". Any amounts owing from Tenant to Landlord

pursuant to the immediately preceding sentence shall be due and payable within ten (10) business days of receipt of an invoice therefor from Landlord, together with reasonable back up documentation (and such amounts due from Tenant shall constitute Additional Rent hereunder).

14. Intentionally Omitted.

15. Acceptance and Waiver. Landlord shall not be liable to Tenant, or its

officers, agents, employees, guests or invitees, for any damage caused to any of them due to the Building or any part or appurtenances thereof being improperly constructed or being or becoming out of repair, or arising from the leaking of gas, water, sewer or steam pipes, or from electricity, but Tenant, by moving into the Premises and taking possession thereof, shall accept, and shall be held to have accepted the Premises as suitable for the purposes for which the same are leased, and shall accept and shall be held to have accepted the Building and every appurtenances thereof, and Tenant by said act waives any and all defects therein; provided, however, that this Section shall not apply to any damages or injury caused by or resulting from the negligence or willful misconduct of Landlord.

16. Signs. Tenant shall not paint or place signs, placards, or other

advertisement of any character upon the windows of the Building except with the consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned, and Tenant shall place no signs upon the outside walls, Common Area or the roof of the Building. Landlord shall provide and maintain as part of the Common Area directional/identification signage between the Building and Building II substantially in the same location and manner as exists as of the date hereof.

17. Advertising. Landlord may advertise the Premises as being "For Rent"

at any

time within twelve (12) months prior to the expiration, cancellation or termination of this Lease for any reason and during any such periods may exhibit the Premises to prospective tenants upon at least twenty-four (24) hours prior written notice.

18. Removal of Fixtures. If Tenant is not in default hereunder, Tenant

may, prior to the expiration of the Term of this Lease, or any extension thereof, remove any trade fixtures and equipment which it has placed in the Premises at its expense which can be removed without significant damage to the Premises, provided Tenant repairs all damage to the Premises caused by such removal. In addition, upon the expiration or earlier termination of this Lease, Tenant shall, at its expense, remove from the Building such telephone, computer, telecommunication and other cabling installed in connection with the Work, the Additional Work, or any future alterations performed by Tenant, as Landlord may, at its option, require to be removed by Tenant by written notice given at any time and from time to time prior to the expiration or earlier termination of this Lease, and Tenant shall repair any damage to the Building caused by such removal.

19. Entering Premises. Landlord may enter the Premises at reasonable

hours, provided that Landlord's entry shall not unreasonably interrupt Tenant's business operations: (a) to make repairs, perform maintenance and provide other services described in Section 20 below (no prior notice is required to provide routine services) which Landlord is obligated to make to the Premises or the Building pursuant to the terms of this Lease; (b) to inspect the Premises to see that Tenant is complying with all of the terms and conditions of this Lease and with the rules and regulations hereof; (c) to remove from the Premises any articles or signs kept or exhibited therein in violation of the terms hereof; (d) to run pipes, conduits, ducts, wiring, cabling or any other mechanical, electrical, plumbing or HVAC equipment through the areas behind the walls, below the floors or above the drop ceilings; and (e) to exercise any other right or perform any other obligation that Landlord has under this Lease. Landlord shall be allowed to take all material into and upon the Premises that may be required to make any repairs, improvements and additions, or any alterations, without in any way being deemed or held guilty of trespass and without constituting a constructive eviction of Tenant. The Rent reserved herein shall not abate while said repairs, alterations or additions are being made and Tenant shall not be entitled to maintain a set-off or counterclaim for damages against Landlord by reason of loss from interruption to the business of Tenant because of the prosecution of any such work. All such repairs, decorations, additions and improvements shall be done during ordinary business hours, or, if any such work is at the request of Tenant to be done during any other hours, the Tenant shall pay all overtime and other extra costs.

20. Services.

(a) Tenant shall have access to the Premises 24 hours a day, seven days a week, provided that the "normal business hours" of the Buildings shall be from 7:00 A.M. to 6:00 P.M. EST, Monday through Friday (excluding nationally recognized bank holidays). Landlord shall furnish the following services on a 24 hours a day, 7 days a week basis during the Term, except as limited or otherwise noted below:

(i) Elevator service for passenger and delivery needs;

(ii) Air conditioning and heat during normal business hours in keeping with levels and standards maintained in similar office buildings in the Atlanta, Georgia, metropolitan area (and in any event consistent with that maintained in Building II); provided that air conditioning and heat shall be provided to the first (1st) floor of Building I on a 24 hours a day, 7 days a week basis;

(iii) Hot and cold running water for all restrooms and lavatories;

(iv) Soap, paper towels, and toilet tissue for public restrooms;

(v) Janitorial service during normal business hours Monday through Thursday, and on 1 weekend night, in keeping with the standards generally maintained in similar office buildings in the Atlanta, Georgia, metropolitan area;

(vi) Custodial, electrical and mechanical maintenance services during normal business hours;

(vii) Electric power for lighting and outlets not in

excess of a total of 10 watts per rentable square foot of the Premises at 100% connected load;

(viii) Replacement of Building standard lamps and ballasts as needed during normal business hours;

(ix) Repairs and maintenance as described in Section 10 of this Lease during normal business hours;

(x) General management, including supervision, inspections, recordkeeping, accounting, leasing and related management functions during normal business hours;

(xi) Mail delivery during normal business hours through the common mailroom located in the Building in the manner currently provided; provided, however, that notwithstanding the "full service" nature of this Lease or any provisions hereof to the contrary, the reasonable and actual cost of labor and supplies associated with the operation of said mailroom (including all operating expenses except postage) shall be divided between Landlord and Tenant on a 60/40 basis (i.e., Tenant shall be responsible for 40% of such cost), and Tenant's postage (including courier, express mail and the like) shall be separately metered. Tenant shall be billed by Landlord monthly for such postage and such share of other costs, with payment due from Tenant to Landlord within ten (10) days of receipt of each such monthly invoice (which invoices shall be accompanied by copies of supporting documentation evidencing Tenant's postage), and such amounts due from Tenant shall constitute Additional Rent hereunder. Notwithstanding the foregoing, Landlord and Tenant agree to cooperate in good faith to reapportion the allocation of such operating expenses at the beginning of each fiscal year of Landlord's during the Term based on volume of Tenant's usage during the immediately preceding fiscal year (or portion thereof); and

(xii) Security guard service during normal business hours substantially in the manner currently provided.

(b) Tenant shall have no right to any services in excess of those provided herein. If Tenant uses services in an amount or for a period in excess of that provided for herein, then Landlord reserves the right to: charge Tenant as Additional Rent hereunder a reasonable sum as reimbursement for the direct and actual cost of such added services; and/or charge Tenant for the cost of any additional equipment or facilities or modifications thereto, necessary to provide the additional services.

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(c) Landlord shall not be liable for any damages directly or indirectly resulting from the interruption in any of the services described above unless and to the extent resulting from the negligence or willful misconduct of Landlord or its agents, employees or contractors, nor shall any such interruption entitle Tenant to any abatement of Rent except as expressly set forth herein, or any right to terminate this Lease. Landlord shall use all reasonable efforts to furnish uninterrupted services as required above. Notwithstanding anything to the contrary contained herein, if Tenant cannot reasonably use (and actually ceases to use) all or any material portion of the Premises for Tenant's intended business operations by reason of any interruption in services to be provided by Landlord as a result of the acts or omissions of Landlord, its agents or employees, and such interruption continues for five (5) or more consecutive business days, then Base Rent due under this Lease shall be abated starting with the day immediately succeeding such five (5) business day period for that portion of the Premises that Tenant is unable (and actually ceases) to use for Tenant's intended business operations until such services are restored to the Premises. Tenant shall not be entitled to the rent abatement right set forth above if the service interruption is caused by the act or omission of Tenant, its agents or employees.

21. Indemnities. Tenant does hereby indemnify and save harmless Landlord

against all claims for damages to persons or property anywhere in the Building or on the Property to the extent caused by the negligence or willful misconduct of Tenant, its agents or employees or which occur in the Premises (or arise out of actions taking place in the Premises) except to the extent such damage is caused by the negligence or willful misconduct of Landlord, its agents or employees. Landlord does hereby indemnify and hold Tenant harmless against all claims for damaged persons or property to the extent caused by the negligence or willful misconduct of Landlord, its agents or employees. The indemnities set forth hereinabove shall include the application to pay reasonable expenses actually incurred by the indemnified party, including, without limitation, reasonable, actually incurred attorneys' fees. The indemnities contained herein do not override the waivers contained in Section 22(e) below.

22. Tenant's Insurance; Waivers.

(a) Tenant further covenants and agrees that from and after the date of delivery of the Premises from Landlord to Tenant, Tenant will carry and maintain, at its sole cost and expense, the following types of insurance, in the amounts specified and in the form hereinafter provided for:

(i) Liability Insurance in the Commercial General Liability form (or reasonable equivalent thereto) covering the Premises and Tenant's use thereof against claims for personal injury or death, property damage and product liability occurring upon, in or about the Premises, such insurance to be written on an occurrence basis (not a claims made basis), to be in combined single limits amounts not less than \$3,000,000 and to have general aggregate limits of not less than \$5,000,000 for each policy year. The insurance coverage required under this Section 22(a)(i) shall, in addition, extend to any liability of Tenant arising out of the indemnities provided for in Section 21 and, if necessary, the policy shall contain a contractual endorsement to that effect. The general aggregate limits under the Commercial General Liability insurance policy or policies must apply separately to the Premises and to Tenant's use thereof (and not to any other location or use of Tenant) and such policy shall contain an endorsement to that effect. The certificate of insurance evidencing the Commercial General Liability form of policy shall specify all endorsements required herein and shall specify on the face thereof that the limits of such policy applies separately to the Premises.

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(ii) Insurance covering all trade fixtures, merchandise and personal property from time to time in, on or upon the Premises, and alterations, additions or changes made by Tenant pursuant to Section 10, in an amount not less than one hundred percent (100%) of their full replacement value from time to time during the Term, providing protection against perils included within the standard form of "all-risks" fire and casualty insurance policy, together with insurance against sprinkler damage, vandalism and malicious mischief. Any policy proceeds from such insurance shall be held in trust by Tenant's insurance company for the repair, construction and restoration or replacement of the property damaged or destroyed (and shall be released to the party who is required to restore the damaged property in question pursuant to the terms hereof, and if no such party is so designated herein, then to Tenant) unless this Lease shall cease and terminate under the provisions of Section 28 of this Lease (in which case they will be distributed to Landlord to the extent allocable to damage to improvements or alterations made to the Premises, and to Tenant to the extent allocable to damage to Tenant's trade fixtures, merchandise and personal property).

(iii) Workers' Compensation and Employer's Liability insurance affording statutory coverage and containing statutory limits with the Employer's Liability portion thereof to have minimum limits of \$100,000.00.

(iv) Business Interruption Insurance equal to not less than fifty percent (50%) of the estimated gross earnings (as defined in the standard form of business interruption insurance policy) of Tenant at the Premises which insurance shall be issued on an "all risks" basis (or its equivalent).

(b) All policies of the insurance provided for in Section 22(a) shall be issued in form acceptable to Landlord by insurance companies with a rating and financial size of not less than A-X in the most current available "Best's Insurance Reports", and licensed to do business in the state in which Landlord's Building is located. Each and every such policy:

(i) shall, with respect to the commercial general liability insurance required above, name Landlord (as well as any mortgagee of Landlord and any other party reasonably designated by Landlord) as an additional insured.

(ii) shall be delivered to each of Landlord and any such other parties in interest within thirty (30) days after delivery of possession of the Premises to Tenant and thereafter within thirty (30) days prior to the expiration of each such policy, and, as often as any such policy shall expire or terminate. Renewal or additional policies shall be procured and maintained by Tenant in like manner and to like extent;

(iii) shall contain a provision that the insurer will give to Landlord and such other parties in interest at least thirty (30) days notice in writing in advance of any material change, cancellation, termination or lapse, or the effective date of any reduction in the amounts of insurance; and

(iv) shall be written as a primary policy which does not contribute to and is not in excess of coverage which Landlord may carry.

(c) Any insurance provided for in Section 22(a) may be maintained by means of a policy or policies of blanket insurance, covering additional items or locations or insureds, provided, however, that:

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(i) with respect to the commercial general liability insurance required above, Landlord and any other parties in interest from time to time

designated by Landlord to Tenant shall be named as an additional insured thereunder as its interest may appear;

(ii) the coverage afforded Landlord and any such other parties in interest will not be reduced or diminished by reason of the use of such blanket policy of insurance;

(iii) any such policy or policies [except any covering the risks referred to in Section 22(a)(i)] shall specify therein (or Tenant shall furnish Landlord with a written statement from the insurers under such policy specifying) the amount of the total insurance allocated to the Tenant's improvements and property more specifically detailed in Section 22(a); and

(iv) the requirements set forth in this Section 22 are otherwise satisfied.

(d) Landlord shall maintain at all times during the Term of this Lease, with such deductible as Landlord in its sole judgment determines advisable, insurance on the "All-Risk" or equivalent form on a Replacement Cost Basis against loss or damage to the Building. Such insurance shall be in the amount of 80% of the replacement value of the Building (excluding all fixtures and property required to be insured by Tenant under this Lease). Landlord shall also maintain at all times during the Term commercial general liability insurance with limits at least equal to the amount as Tenant is required to maintain pursuant to Section 22(a)(i) of this Lease.

(e) Notwithstanding anything to the contrary set forth hereinabove, Landlord and Tenant do hereby waive any and all claims against one another for damage to or destruction of real or personal property to the extent such damage or destruction can be covered by "all risks" property insurance of the types described above. Each party shall also be responsible for the payment of any deductible amounts required to be paid under the applicable "all risks" fire and casualty insurance carried by the party whose property is damaged. These waivers shall apply if the damage would have been covered by a customary "all risks" insurance policy, even if the party fails to obtain such coverage. The intent of this provision is that each party shall look solely to its insurance with respect to property damage or destruction which can be covered by "all risks" insurance of the types described above.

23. Governmental Requirements. Tenant shall, at its own expense, _____ promptly comply with all requirements of any legally constituted governmental or public authority made necessary by reason of any unique use by Tenant of the Premises (as opposed to office and administrative uses generally), including, without limitation, the Americans with Disabilities Act (the "ADA"). Landlord shall otherwise cause the Buildings and Common Area to be in compliance with all applicable laws, regulations and ordinances, including the ADA.

24. Intentionally Omitted.

25. Assignment and Subletting. Tenant may not, without the prior _____ written consent of Landlord, which consent may be withheld by Landlord in its sole, unfettered discretion, assign this Lease or any interest hereunder, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. In the event that Tenant is a corporation or entity other than an individual, any transfer of a majority or controlling interest in Tenant (whether by stock transfer, merger, operation of law or otherwise) shall be considered an assignment for

purposes of this paragraph and shall require Landlord's prior written consent. Consent to one assignment or sublease shall not destroy or waive this provision, and all later assignments and subleases shall likewise be made only upon the prior written consent of Landlord. Subtenants or assignees shall become liable to Landlord for all obligations of Tenant hereunder, without relieving Tenant's liability hereunder and, in the event of any default by Tenant under this Lease, Landlord may, at its option, but without any obligation to do so, elect to treat such sublease or assignment as a direct Lease with Landlord and collect rent directly from the subtenant. In addition, upon any request by Tenant for Landlord's consent to an assignment or sublease, Landlord may elect to terminate this Lease and recapture all of the Premises (in the event of an assignment request) or the applicable portion of the Premises (in the event of a subleasing request); provided, however, if Landlord notifies Tenant that Landlord elects to exercise this recapture right, Tenant may, within five (5) business days of its receipt of Landlord's notice, notify Landlord that Tenant withdraws its request to sublease or assign, in which case Tenant shall continue to lease all of the Premises, subject to the terms of this Lease and Landlord's recapture notice shall be null and void. If Tenant desires to assign or sublease, Tenant must provide written notice to Landlord describing the proposed transaction in detail and providing all documentation (including detailed financial information for the proposed assignee or subtenant) reasonably necessary to let Landlord evaluate the proposed transaction. Landlord shall notify Tenant within thirty

(30) days of its receipt of such notice whether Landlord elects to exercise its recapture right and, if not, whether Landlord consents to the requested assignment or sublease. If Landlord fails to respond within such thirty (30) day period, Landlord will be deemed not to have elected to recapture and not to have consented to the assignment or sublease. If Landlord does consent to any assignment or sublease request and the assignee or subtenant pays to Tenant an amount in excess of the Rent due under this Lease (after deducting Tenant's reasonable, actual expenses in obtaining such assignment or sublease), Tenant shall pay 50% of such excess to Landlord as and when the monthly payments are received by Tenant. Notwithstanding anything to the contrary contained in this Section 25, Tenant may assign or sublet its rights and obligations under this Lease without Landlord's prior consent to a successor corporation into which or with which Tenant is merged or consolidated or which acquired all or substantially all of Tenant's assets and property, provided that such successor corporation assumes substantially all of the obligations and liabilities of Tenant hereunder.

26. Tenant Default/Landlord Remedies.

(a) Tenant Default. If Tenant shall default in the payment of Rent herein

reserved when due and fails to cure such default within five (5) business days after written notice of such default is given to Tenant by Landlord; or if Tenant shall be in default in performing any of the terms or provisions of this Lease other than the provisions requiring the payment of Rent, and fails to cure such default within thirty (30) days after written notice of such default is given to Tenant by Landlord or, if such default cannot be cured within thirty (30) days, Tenant shall not be in default if Tenant promptly commences and diligently proceeds the cure to completion as soon as possible and in all events within sixty (60) days; or if Tenant is adjudicated a bankrupt; or if a permanent receiver is appointed for Tenant's Property and such receiver is not removed within ninety (90) days after written notice from Landlord to Tenant to obtain such removal; or if, whether voluntarily or involuntarily, Tenant takes advantage of any debtor relief proceedings under any present or future law, whereby the Rent or any part thereof, is, or is proposed to be, reduced or payment thereof deferred; or if Tenant's effects should be levied upon or attached and such levy or attachment is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof; then, and in any of said events, Landlord, at its option, may exercise any or all of the remedies set forth in Section 26(b) below.

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(b) Landlord Remedies. Upon the occurrence of any default set forth in

Section 26 above which is not cured by Tenant within the applicable cure period provided therein, if any, Landlord may exercise all or any of the following remedies:

(i) terminate this Lease by giving Tenant written notice of termination, in which event this Lease shall terminate on the date specified in such notice and all rights of Tenant under this Lease shall expire and terminate as of such date, Tenant shall remain liable for all obligations under this Lease up to the date of such termination and Tenant shall surrender the Premises to Landlord on the date specified in such notice, and if Tenant fails to so surrender, Landlord shall have the right, without notice, to enter upon and take possession of the Premises and to expel and remove Tenant and its effects without being liable for prosecution or any claim of damages therefor;

(ii) terminate this Lease as provided in the immediately preceding subsection and recover from Tenant all damages Landlord may incur by reason of Tenant's default, including without limitation, the then present value of (1) the total Rent which would have been payable hereunder by Tenant for the period beginning with the day following the date of such termination and ending with the Expiration Date of the term as originally scheduled hereunder, minus (2) the aggregate reasonable rental value of the Premises for the same period (as determined by a real estate broker licensed in the State of Georgia, who has at least ten (10) years experience, immediately prior to the date in question evaluating commercial office space, taking into account all relevant factors including, without limitation, the length of the remaining Term, the then current market conditions in the general area, the likelihood of reletting for a period equal to the remainder of the Term, net effective rates then being obtained by landlords for similar type space in similar buildings in the general area, vacancy levels in the general area, current levels of new construction in the general area and how that would affect vacancy and rental rates during the period equal to the remainder of the Term and inflation), plus (3) the costs of recovering the Premises, and all other expenses incurred by Landlord due to Tenant's default, including, without limitation, reasonable attorneys' fees actually incurred, plus (4) the unpaid Rent earned as of the date of termination, plus interest, all of which sum shall be immediately due and payable by Tenant to Landlord;

(iii) without terminating this Lease, and without notice to Tenant, Landlord may in its own name, but as agent for Tenant enter into and take

possession of the Premises and re-let the Premises, or a portion thereof, as agent of Tenant, upon any terms and conditions as Landlord may deem necessary or desirable (Landlord shall have no obligation to attempt to re-let the Premises or any part thereof). Upon any such re-letting, all rentals received by Landlord from such re-letting shall be applied first to the costs incurred by Landlord in accomplishing any such re-letting, and thereafter shall be applied to the Rent owed by Tenant to Landlord during the remainder of the term of this Lease and Tenant shall pay any deficiency between the remaining Rent due hereunder and the amount received by such re-letting as and when due hereunder;

(iv) allow the Premises to remain unoccupied and collect Rent from Tenant as it becomes due; or

(v) pursue such other remedies as are available at law or in equity.

27. Landlord Default/Tenant Remedies. Landlord shall not be in default

unless it fails to perform the obligations required of it by this Lease within thirty (30) days after written notice from Tenant specifying which obligation Landlord has failed to perform; provided, however, that if the nature of the specified obligation is such that more than thirty (30) days are

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reasonably required to complete its cure, then Landlord shall not be in default if it commences to cure within said thirty (30) day period and thereafter diligently prosecutes the same to completion. As to Landlord's maintenance and repair obligations hereunder, if Landlord has not cured or commenced to cure a maintenance or repair default set forth in said notice within said thirty (30) day period, Tenant, may, at its option, cure such default. If Tenant elects to cure said default, Tenant shall, prior to commencement of said work, provide to Landlord a specific description of the work to be performed by Tenant and the name of Tenant's contractor. Any materials used shall be of equal or better quality than currently exists in the Building and Tenant's contractor shall be adequately insured and of good reputation. Landlord shall reimburse Tenant for the reasonable, actual cost of said cure upon receipt of adequate bills or other supporting evidence substantiating said cost, less any amounts otherwise reimbursable to Tenant under any insurance policies carried by Tenant.

28. Destruction or Damage.

(a) If the Building or the Premises are totally destroyed by storm, fire, earthquake, or other casualty, or damaged to the extent that, in Landlord's reasonable opinion the damage cannot be restored within one hundred eighty (180) days of the date Landlord provides Tenant written notice of Landlord's reasonable estimate of the time necessary to restore the damage, or if the damage is not covered by standard "all risks" property insurance and as a result Landlord elects not to restore such damage, Landlord or Tenant shall have the right to terminate this Lease effective as of the date of such destruction or damage by written notice to the other on or before thirty (30) days following Landlord's notice described in the next sentence and Rent shall be accounted for as between Landlord and Tenant as of that date. Landlord shall provide Tenant with notice within forty-five (45) days following the date of the damage of the estimated time needed to restore, and whether the loss is covered by Landlord's insurance coverage (and if not, whether Landlord nevertheless elects to restore).

(b) If the Premises are damaged by any such casualty or casualties but neither party is entitled to or neither party elects to terminate this Lease as provided in subparagraph (a) above, this Lease shall remain in full force and effect, Landlord shall notify Tenant in writing within forty-five (45) days of the date of the damage that the damage will be restored (and will include Landlord's good faith estimate of the date the restoration will be complete), in which case Rent shall abate as to any portion of the Premises which is not usable, and Landlord shall restore the Premises to substantially the same condition as before the damage occurred as soon as practicable, whereupon full Rent shall recommence.

29. Eminent Domain. If the whole of the Building or Premises, or such

portion thereof as will make the Building or Premises unusable in the reasonable judgment of Landlord and Tenant, cooperating together reasonably and in good faith, for their intended purposes, is condemned or taken by any legally constituted authority for any public use or purpose, then in either of said events, Landlord or Tenant may terminate this Lease by written notice to the other and the Term hereby granted shall cease from that time when possession thereof is taken by the condemning authorities, and Rent shall be accounted for as between Landlord and Tenant as of that date. If a portion of the Building or Premises is so taken, but not such amount as will make the Premises unusable in the reasonable judgment of Landlord and Tenant, cooperating together reasonably and in good faith, for the purposes herein leased, or if neither Landlord nor Tenant elect to terminate this Lease as aforesaid, this Lease shall continue in full force and effect and the Rent shall be reduced prorata in proportion to the

amount of the Premises so taken. Tenant shall have no right or claim to any part of any award made to or received by Landlord for such condemnation or taking, and all awards for such condemnation or taking shall be made solely to

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Landlord. Tenant shall, however, have the right to pursue any separate award that does not reduce the award to which Landlord is entitled.

30. Service of Process. Except as otherwise provided by law, Tenant hereby

appoints as its agent to receive the service of all dispossessory or distraint proceedings and notices thereunder, the person in charge of or occupying the Premises at the time of such proceeding or notice; and if no person be in charge or occupying the Premises, then such service may be made by attaching the same to the front entrance of the Premises.

31. Mortgagee's Rights.

(a) Tenant agrees that this Lease shall be subject and subordinate (i) to any mortgage, deed to secure debt or other security interest now encumbering the Property and to all advances which may be hereafter made, to the full extent of all debts and charges secured thereby and to all renewals or extensions of any part thereof, and to any mortgage, deed to secure debt or other security interest which any owner of the Property may hereafter, at any time, elect to place on the Property; (ii) to any assignment of Landlord's interest in the leases and rents from the Building or Property which includes the Lease which now exists or which any owner of the Property may hereafter, at any time, elect to place on the Property; and (iii) to any Uniform Commercial Code Financing Statement covering the personal property rights of Landlord or any owner of the Property which now exists or any owner of the Property may hereafter, at any time, elect to place on the foregoing personal property (all of the foregoing instruments set forth in (i), (ii) and (iii) above being hereafter collectively referred to as "Security Documents"). Tenant agrees upon request of the holder of any Security Documents ("Holder") to hereafter execute any documents which the counsel for Landlord or Holder may deem necessary to evidence the subordination of the Lease to the Security Documents.

(b) In the event of a foreclosure pursuant to any Security Documents, Tenant shall at the election of the Landlord, thereafter remain bound pursuant to the terms of this Lease as if a new and identical Lease between the purchaser at such foreclosure ("Purchaser"), as landlord, and Tenant, as tenant, had been entered into for the remainder of the Term hereof and Tenant shall attorn to the Purchaser upon such foreclosure sale and shall recognize such Purchaser as the Landlord under the Lease. Such attornment shall be effective and self-operative without the execution of any further instrument on the part of any of the parties hereto. Tenant agrees, however, to execute and deliver at any time and from time to time, upon the request of Landlord or of Holder, any instrument or certificate that may be necessary or appropriate in any such foreclosure proceeding or otherwise to evidence such attornment.

(c) If the Holder of any Security Document or the Purchaser upon the foreclosure of any of the Security Documents shall succeed to the interest of Landlord under the Lease, such Holder or Purchaser shall have the same remedies, by entry, action or otherwise for the non-performance of any agreement contained in the Lease, for the recovery of Rent or for any other default or event of default hereunder that Landlord had or would have had if any such Holder or Purchaser had not succeeded to the interest of Landlord.

(d) Tenant hereby acknowledges that if the interest of Landlord hereunder is covered by an assignment of Landlord's interest in Lease, Tenant shall pay all Rent due and payable under the Lease directly to the Holder of the assignment of Landlord's interest in Lease upon notification of the exercise of the rights thereunder by the Holder thereof.

(e) Notwithstanding anything to the contrary set forth in this Section 31, the

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Holder of any Security Documents shall have the right, at any time, to elect to make this Lease superior and prior to its Security Document. No documentation, other than written notice to Tenant, shall be required to evidence that the Lease has been made superior and prior to such Security Documents, but Tenant hereby agrees to execute any documents reasonably requested by Landlord or Holder to acknowledge that the Lease has been made superior and prior to the Security Documents.

(f) Notwithstanding anything to the contrary contained in this Section 31, Tenant's subordination of the Lease to any Security Documents currently encumbering the Premises is conditioned upon Landlord obtaining a subordination, non-disturbance and attornment agreement substantially in the form attached hereto as Exhibit G and made a part hereof (an "SNDA") from the

Holder of any such Security Documents, which SNDA Tenant must execute simultaneously with the execution of this Lease.

(g) Notwithstanding anything to the contrary contained in this Section 31, this Lease and all rights of Tenant hereunder shall only be subject and subordinate to the lien and security title of any Security Documents created after the date hereof provided that the Holder of said Security Documents executes and delivers an SNDA. Tenant shall promptly execute such SNDA upon Landlord's or such Holder's request.

32. Tenant's Estoppel. Tenant shall, from time to time, upon not less than -----

ten (10) days prior written request by Landlord, execute, acknowledge and deliver to Landlord a written statement certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), the dates to which the Rent has been paid, that Tenant is not in default hereunder and has no offsets or defenses against Landlord under this Lease, and whether or not to the best of Tenant's knowledge Landlord is in default hereunder (and if so, specifying the nature of the default), it being intended that any such statement delivered pursuant to this paragraph may be relied upon by a prospective purchaser of Landlord's interest or by a mortgagee of Landlord's interest or assignee of any security deed upon Landlord's interest in the Premises.

33. Attorney's Fees and Homestead. If either party exercises any of the -----

remedies provided to it under this Lease as a result of the other party's failure to comply with its obligations, or if either party brings any action to enforce its rights under this Lease, the defaulting party shall be obligated to reimburse the non-defaulting party, on demand, for all costs and expenses, including reasonable attorneys' fees and court costs, actually incurred in connection therewith. Tenant waives all homestead rights and exemptions which he may have under any law against any obligations owing under this Lease and Tenant hereby assigns to Landlord his homestead and exemption.

34. Parking. No rights to specific parking spaces are granted under this -----

Lease; however, subject to Landlord's rights pursuant to the last sentence of this Section 34, Tenant shall be entitled, without charge, to use up to 3 spaces per each 1,000 rentable square feet of space in the Premises in the parking facilities located on the Property. All parking spaces provided to Tenant shall be unreserved and are to be used by Tenant, its employees and invitees in common with the other tenants of the Building and their employees and invitees. Subject to Tenant's rights herein, Landlord reserves the right to build improvements upon, reduce the size of, relocate, reconfigure, eliminate, and/or make alterations or additions to such parking facilities at any time.

35. Intentionally Omitted

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36. Waste Disposal. -----

(a) All normal trash and waste (i.e., waste that does not require special handling pursuant to subparagraph (b) below) shall be disposed of through the janitorial service provided by Landlord.

(b) Tenant shall be responsible for the removal and disposal of any waste deemed by any governmental authority having jurisdiction over the matter to be hazardous or infectious waste or waste requiring special handling, such removal and disposal to be in accordance with any and all applicable governmental rules, regulations, codes, orders or requirements. Tenant agrees to separate and mark appropriately all waste to be removed and disposed of through the janitorial service pursuant to (a) above and hazardous, infectious or special waste to be removed and disposed of by Tenant pursuant to this subparagraph (b). Tenant hereby indemnifies and holds harmless Landlord from and against any loss, claims, demands, damage or injury Landlord may suffer or sustain as a result of Tenant's failure to comply with the provisions of this subparagraph (b).

37. Surrender of Premises. Whenever under the terms hereof Landlord is -----

entitled to possession of the Premises, Tenant at once shall surrender the Premises and the keys thereto to Landlord in the same condition as on the Commencement Date hereof, natural wear and tear and casualty and condemnation only excepted, and Tenant shall remove all of its personalty therefrom and shall, if directed to do so by Landlord, remove all improvements and restore the Premises to its original condition prior to the construction of any improvements which have been made therein by or on behalf of Tenant subsequent to the Commencement Date; provided, however, that in connection with any alterations or improvement made by or on behalf of Tenant in accordance with Section 12 hereof, Tenant shall only be required to remove any such alterations or improvement and restore the Premises if Landlord shall have conditioned its consent to such

alterations or improvement on such removal and restoration occurring at the expiration of this Lease. Tenant's obligation to observe or perform these covenants shall survive the expiration or other termination of the Term of this Lease. If the last day of the Term of this Lease or any renewal falls on Sunday or a legal holiday, this Lease shall expire on the business day immediately preceding.

38. Cleaning Premises. Upon vacating the Premises, Tenant agrees to return the Premises to Landlord broom clean and in the same condition when Tenant's possession commenced, natural wear and tear, casualty and condemnation excepted.

39. No Estate In Land. This contract shall create the relationship of landlord and tenant between Landlord and Tenant; no estate shall pass out of Landlord; Tenant has only a usufruct, not subject to levy or sale, and not assignable by Tenant except with Landlord's consent.

40. Cumulative Rights. All rights, powers and privileges conferred hereunder upon the parties hereto shall be cumulative but not restrictive to those given by law.

41. Paragraph Titles; Severability. The paragraph titles used herein are not to be considered a substantive part of this Lease, but merely descriptive aids to identify the paragraph to which they refer. If any paragraph or provision herein is held invalid by a court of competent jurisdiction, all other paragraphs or severable provisions of this Lease shall not be affected thereby, but shall remain in full force and effect.

42. Damage or Theft of Personal Property. All personal property brought into the

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Premises shall be at the risk of the Tenant only and Landlord shall not be liable for theft thereof or any damage thereto occasioned by any acts of co-tenants, or other occupants of the Building, or any other person, except, with respect to damage to the Premises, as may be occasioned by the negligent or willful act of the Landlord, its employees and agents.

43. Holding Over. In the event Tenant remains in possession of the Premises after the expiration of the Term hereof, or of any renewal term, with Landlord's written consent, Tenant shall be a tenant at will and such tenancy shall be subject to all the provisions hereof, except that the monthly rental shall be at 150% of the monthly Base Rent payable hereunder upon such expiration of the Term hereof, or of any renewal term. In the event Tenant remains in possession of the Premises after the expiration of the Term hereof, or any renewal term, without Landlord's written consent, Tenant shall be a tenant at sufferance and may be evicted by Landlord without any notice, but Tenant shall be obligated to pay rent for such period that Tenant holds over without written consent at the same rate provided in the previous sentence and shall also be liable for any and all other damages Landlord suffers as a result of such holdover including, without limitation, the loss of a prospective tenant for such space. There shall be no renewal of this Lease by operation of law or otherwise. Nothing in this Section shall be construed as a consent by Landlord for any holding over by Tenant after the expiration of the Term hereof, or any renewal term.

44. Intentionally omitted.

45. Building Allowance and Tenant Finishes.

(a) Landlord will provide to Tenant an allowance (as the same may be reduced as of the date hereof as hereinafter provided, the "Allowance") of \$345,000.00 to be applied to the cost of the Work and Additional Work described in Exhibit "B". For purposes hereof, the cost of the Work and Additional Work

shall be deemed to include, but not be limited to, the cost of the Preliminary Plans, the Plans and Specifications, all permits and all tenant buildout relating thereto. To the extent any of the Work is or has been performed by Landlord prior to the date hereof, the cost thereof (as reasonably evidenced to Tenant) shall be applied against and shall reduce the Allowance remaining as of the date hereof on a dollar for dollar basis. Tenant and Landlord agree that all costs of the Work and Additional Work in excess of such Allowance which are requested by Tenant and approved by Landlord shall be paid by Tenant to Landlord as follows: twenty-five (25%) percent of Tenant's estimated costs prior to the commencement of the Work, fifty percent (50%) of Tenant's estimated costs within five (5) business days of Landlord's notice to Tenant that fifty percent (50%) of the Work is complete and the balance of actual costs within five (5) business days of "Substantial Completion" (as hereinafter defined). The amount due for

each installment shall be set forth in a written invoice from Landlord. Should Tenant fail to pay for such excess costs when due as herein provided, such amount due shall accrue interest at the annual rate of ten (10.0%) percent from the date such payment is due until paid and the failure to pay such amount when due shall be a default, subject to the provisions of Section 26.

(b) The Work Letter attached hereto as Exhibit "B", and executed by

Landlord and Tenant, is hereby made a part of this Lease, and its provisions shall control in the event of a conflict with the provisions contained in this Lease.

46. Rules and Regulations. The rules and regulations in regard to the

Building, annexed hereto, and all reasonable rules and regulations which Landlord may hereafter, from time to time, adopt and promulgate for the government and management of said Building, are hereby

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made a part of this Lease and shall, during the said term, be observed and performed by Tenant, his agents, employees and invitees, and enforced by Landlord in a non-discriminatory manner.

47. Quiet Enjoyment. Tenant, upon payment in full of the required Rent and

full performance of the terms, conditions, covenants and agreements contained in this Lease, shall peaceably and quietly have, hold and enjoy the Premises during the term hereof. Landlord shall not be responsible for the acts or omissions of any other tenant, Tenant or third party that may interfere with Tenant's use and enjoyment of the Premises.

48. Entire Agreement. This Lease contains the entire agreement of the

parties and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect.

49. Limitation of Liability. Landlord's obligations and liability with

respect to this Lease shall be limited solely to Landlord's interest in the Building, as such interest is constituted from time to time, and neither Landlord nor any partner of Landlord, or any officer, director, shareholder, or partner of any partner of Landlord, shall have any personal liability whatsoever with respect to this Lease.

50. Submission of Agreement. Submission of this Lease to Tenant for

signature does not constitute a reservation of space or an option to acquire a right of entry. This Lease is not binding or effective until execution by and delivery to both Landlord and Tenant.

51. Authority. Each of the persons executing this Lease on behalf of

Tenant does hereby personally represent and warrant that Tenant is a duly organized and validly existing corporation, that Tenant is qualified to do business in the State of Georgia, that Tenant has full right, power and authority to enter into this Lease, and that each person signing on behalf of Tenant is authorized to do so.

52. Intentionally omitted.

53. Broker Disclosure. Landlord represents that it has dealt with no broker in connection with this Lease. Landlord agrees that, if any broker makes a claim for a commission based upon the actions of Landlord, Landlord shall indemnify, defend and hold Tenant harmless from any such claim. Tenant represents that it has dealt with no broker in connection with the Lease. Tenant agrees that, if any other broker makes a claim for a commission based upon the actions of Tenant, Tenant shall indemnify, defend and hold Landlord harmless from any such claim.

54. Notices. Any notice which is required or permitted to be given by

either party under this Lease shall be in writing and must be given only by certified mail, return receipt requested, by hand delivery or by nationally recognized overnight courier service at the addresses set forth below. Any such notice shall be deemed given on the date sent or deposited for delivery in accordance with one of the permitted methods described above. The time period for responding to any such notice shall begin on the date the notice is actually received, but refusal to accept delivery or inability to accomplish delivery because the party can no longer be found at the then current notice address, shall be deemed receipt. Either party may change its notice address by notice to the other party in accordance with the terms of this Section 54. The following are the initial notice addresses for each party:

Landlord's Notice Address: National Data Corporation
National Data Plaza
Atlanta, Georgia 30329-2010
Attention: Director of Real Estate

With a copy to: National Data Corporation
National Data Plaza
Atlanta, Georgia 30329-2010
Attention: Corporate Secretary

Tenant's Notice Address: Global Payments Inc.
4 Corporate Square
Atlanta, Georgia 30329
Attention: Real Estate

With a copy to: Global Payments Inc.
4 Corporate Square
Atlanta, Georgia 30329
Attention: Corporate Secretary

55. Force Majeure. In the event of a strike, lockout, labor trouble, civil

commotion, an act of God, or any other event beyond Landlord's control (a "force
majeure event") which results in the Landlord being unable to timely perform its
obligations hereunder to repair the Premises, provide services, or complete Work
(as provided in Exhibit "B"), so long as Landlord diligently proceeds to perform
such obligations after the end of the force majeure event, Landlord shall not be
in breach hereunder, this Lease shall not terminate, and Tenant's obligation to
pay any Base Rent, Additional Rent, or any other charges and sums due and
payable shall not be excused.

56. Special Stipulations. The Special Stipulations, if conflicting, if

any, attached hereto as Exhibit "D" are modifications to the terms of this

Lease and such Special Stipulation shall control in the event of any conflict
with the other provisions of this Lease or any exhibits hereto.

IN WITNESS WHEREOF, the parties herein have hereunto set their hands and
seals, the day and year first above written.

LANDLORD:
NATIONAL DATA CORPORATION

By: _____
Title: _____

Attest: _____
Title: _____

(CORPORATE SEAL)

TENANT:
GLOBAL PAYMENTS INC., a Georgia
corporation

By: _____
Title: _____

Attest: _____
Title: _____

(CORPORATE SEAL)

RULES AND REGULATIONS

1. The sidewalks, entry passages, corridors, halls, elevators and
stairways shall not be obstructed by Tenants or used by them for any purpose
other than those of ingress and egress. The floors, skylights and windows that
reflect or admit light into any place in said building shall not be covered or
obstructed by Tenants. The toilets, drains and other water apparatus shall not
be used for any other purpose than those for which they were constructed and no

sweepings, rubbish or other obstructing substances shall be thrown therein.

2. No advertisement or other notice shall be inscribed, painted or affixed on any part of the outside or inside of said building, except upon the doors, and of such order, size and style, and at such places, as shall be approved and designated by Landlord. Interior signs on doors will be ordered for tenants by Landlord, the cost thereof to be charged to and paid for by Tenants.

3. Tenant shall not do or permit to be done in its Premises, or bring or keep anything therein, which shall in any way increase the rate of insurance carried by Landlord on the Building, or on the Property, or obstruct or interfere with the rights of other tenants or in any way injure or annoy them, or violate any applicable laws, codes or regulations. Tenants, agents, employees or invitees shall maintain order in the Premises and the Building, shall not make or permit any improper noise in the Premises or the Building or interfere in any way with other tenants, tenants or those having business with them. Nothing shall be thrown by tenants, their clerks or servants, out of the windows or doors, or down the passages or skylights of the Building. No rooms shall be occupied or used as sleeping or lodging apartments at any time. No part of the Building shall be used or in any way appropriated for gambling, immoral or other unlawful practices, and no intoxicating liquor or liquors shall be sold in the Building.

4. Tenants shall not employ any persons other than the janitors of Landlord (who will be provided with pass-keys into the offices) for the purpose of cleaning or taking charge of the Premises, except as may be specifically provided otherwise in the Lease.

5. No animals, birds, bicycles or other vehicles shall be allowed in the offices, halls, corridors, elevators or elsewhere in the Building, without the approval of Landlord.

6. No connections shall be made in the electric wires or gas or electric fixtures, without the consent in writing on each occasion of Landlord. All glass, locks and trimmings in or upon the doors and windows of the Building shall be kept whole and, when any part thereof shall be broken by Tenant or Tenant's agent, the same shall be immediately replaced or repaired by Tenant (subject to Tenant's compliance with Section 12 of the Lease) and put in order under the direction and to the satisfaction of Landlord, or its agents, and shall be kept whole and in good repair. Tenants shall not injure, overload, or deface the Building, the woodwork or the walls of the Premises, nor carry on upon the Premises any noxious, noisy or offensive business.

7. A reasonable number of keys will be furnished tenants without charge. No additional locks or latches shall be put upon any door without the written consent of Landlord. tenants, at the termination of their Lease, shall return to Landlord all keys to doors in the Building.

8. The use of burning fluid, camphene, benzine, kerosene or anything except gas or electricity, for lighting the Premises, is prohibited. No offensive gases or liquids will be

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permitted.

9. All wiring and cabling work shall be done only by contractors approved in advance by Landlord and Landlord shall have the right to have all such work supervised by Building engineering/maintenance personnel.

10. Landlord has security personnel for the Buildings, and every person entering or leaving the Buildings may be questioned by such personnel as to the visitor's business in the Buildings and shall sign his or her name on a form provided by the Buildings for so registering such persons. Landlord shall have no liability with respect to breaches of the Buildings security, if any.

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EXHIBIT "A"

PROPERTY

[INSERT LEGAL DESCRIPTION]

EXHIBIT "B"

(WORK LETTER)

To induce Tenant to enter into the Lease (to which this Exhibit B is attached) and in consideration of the mutual covenants hereinafter contained, Landlord and Tenant agree as follows:

1. Landlord shall build out the 2/nd/ floor of the Premises substantially

in accordance with the preliminary plans and specifications and/or preliminary floor plans set forth on Exhibit B attached hereto and incorporated herein (the

"Preliminary Plans"; the work contemplated by the Preliminary Plans being referred to herein as the "Work"). Tenant shall otherwise accept the Premises in their AS IS condition. Within thirty (30) days after the date of the Lease, Landlord shall prepare and submit to Tenant a set of plans and specifications and/or construction drawings (collectively, the "Plans and Specifications") based on the Preliminary Plans. Tenant shall have five (5) business days after receipt of the Plans and Specifications in which to review and to give to Landlord written notice of its approval of the Plans and Specifications or its requested changes to the Plans and Specifications. Tenant shall have no right to request any changes to the Plans and Specifications which would materially alter either the Premises or the exterior appearance or basic nature of the Building, as the same are contemplated by the Preliminary Plans. If Tenant fails to approve or request changes to the Plans and Specifications by five (5) business days after its receipt thereof, then Tenant shall be deemed to have approved the Plans and Specifications and the same shall thereupon be final. If Tenant requests any changes to the Plans and Specifications, Landlord shall make those changes which are reasonably requested by Tenant and shall within ten (10) days of its receipt of such request submit the revised portion of the Plans and Specifications to Tenant. Tenant may not thereafter disapprove the revised portions of the Plans and Specifications unless Landlord has unreasonably failed to incorporate reasonable comments of Tenant and, subject to the foregoing, the Plans and Specifications, as modified by said revisions, shall be deemed to be final upon the submission of said revisions to Tenant. Tenant shall at all times in its review of the Plans and Specifications, and of any revisions thereto, act reasonably and in good faith. After Tenant has approved the Plans and Specifications or the Plans and Specifications have otherwise been finalized pursuant to the procedures set forth hereinabove, any subsequent changes to the Plans and Specifications requested by Tenant shall be at Tenant's sole cost and expense and subject to Landlord's written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall use reasonable speed and diligence to "Substantially Complete" the Work.

2. Any other work desired by Tenant, and approved by Landlord (which approval shall not be unreasonably withheld), shall be performed by Landlord or Landlord's contractors, unless Landlord otherwise consents in writing. If Tenant desires any work in addition to the Work described in Section 1 hereof ("Additional Work"), Tenant shall submit to Landlord or Landlord's agent (at Tenant's sole cost and expense) the necessary drawings, plans and specifications for the Additional Work within five (5) days of the date of the Lease. Prior to commencing any such Additional Work requested by Tenant, Landlord or Landlord's agent shall submit to Tenant a written estimate of the cost of such Additional Work. If Tenant shall fail to approve said estimate within seven (7) days from the receipt thereof, the same shall be deemed disapproved in all respects by Tenant and Landlord shall not be authorized to proceed thereon. If Tenant desires any changes in the Additional Work after having approved the initial plans and

cost estimate, Tenant shall be required to sign such field order changes requested by Landlord or Landlord's contractors or agents to evidence any such change desired by Tenant. Tenant acknowledges that no cost estimate will be given for any changes in the Additional Work after the initial cost estimate has been approved by Tenant, and Tenant shall be responsible for any and all costs associated with any such change. The Allowance shall be applied toward the cost of the Work and the excess, if any, toward the Additional Work. Any costs of the Work and Additional Work in excess of the Allowance specified in the Lease shall be due and payable from Tenant to Landlord as provided in Section 45 of the Lease.

3. For purposes of this Lease, the term "Substantial Completion" (or any variation thereof) shall mean completion of construction of the Work in accordance with the Plans and Specifications, subject only to Punchlist items established as hereinafter set forth, so that Tenant can lawfully occupy and conduct its business on the 2nd/ floor of the Premises, as established by the delivery by Landlord to Tenant of a certificate of occupancy (or temporary certificate of occupancy or its equivalent) for the 2nd/ floor of the Premises issued by the appropriate governmental authority, if a certificate is so required by a governmental authority (and if it is not so required, then "Substantial Completion" shall be evidenced by a Certificate of Substantial Completion on standard AIA Form G-704 certified by Landlord's architect). If the Substantial Completion of the Work by Landlord is delayed due to any act or omission of Tenant or Tenant's representatives, including any delays by Tenant in the submission of plans, drawings, specifications or other information or in approving any drawings or estimates or in giving any authorization or approval, the Work shall be deemed Substantially Completed on the date when they would have been Substantially Complete but for such delay. Upon Substantial Completion of the Work, a representative of Landlord and a representative of Tenant together shall inspect the Work and generate a punchlist of defective or uncompleted items relating to the completion of the Work (the "Punchlist"), which Punchlist shall be incorporated into the certificate to be executed and delivered by each of the parties upon such Substantial Completion in the form attached hereto as Exhibit "E" (the "Completion Certificate"). Landlord shall, within a reasonable time after the Punchlist is prepared and agreed upon by

Landlord and Tenant (and such certificate is executed and delivered by tenant as aforesaid), complete such incomplete work and remedy such defective work as is set forth on the Punchlist. All construction work performed by Landlord shall be deemed approved by Tenant in all respects except for items of said work which are not completed or do not conform to the Plans and Specifications and which are included on the Punchlist upon the execution and delivery of the Completion Certificate.

EXHIBIT "C"

INITIAL ACKNOWLEDGMENT, ACCEPTANCE AND AMENDMENT

Tenant hereby acknowledges that the Premises demised pursuant to the Lease to which this Exhibit "C" is attached (the "Lease"), and all tenant finish items to be completed by the Landlord, or Landlord's contractors, have been satisfactorily completed in every respect, except for the Work to be performed pursuant to Exhibit B to the Lease, and Tenant hereby accepts said Premises in its current "AS IS" condition (notwithstanding such work to be performed pursuant to Exhibit B to the Lease) and sufficient for the uses intended as set forth in the Lease. Possession of the Premises is hereby delivered to Tenant, and any damages to walls, ceilings, floors or existing work, except for any damages caused by Landlord or Landlord's contractors in completing the Work, shall be the sole responsibility of Tenant.

If any improvements or tenant finishes are to be constructed or installed by Tenant or Tenant's contractors, as previously approved by Landlord, Tenant hereby agrees to indemnify and hold harmless Landlord from and against any claims, demands, loss or damage Landlord may suffer or sustain as a result of such work by Tenant or Tenant's contractors, including, without limitation, any claim of lien which may be filed against the Premises as a result of such work by Tenant's contractors or representatives. In the event any such claim of lien is filed against Landlord's property by any contractor, laborer or materialman performing work on the Premises at Tenant's direction, Tenant agrees to cause such lien to be discharged, by payment of the claim or bond, within ten (10) days of receipt of demand by Landlord.

Tenant and Landlord hereby further acknowledge and agree as follows:

1. The Commencement Date (as defined in the Lease) is _____, 2000.
2. The exact rentable square feet contained within the Premises is 87,708 square feet.
3. The initial Base Rent payable under the Lease is \$1,723,462.20, payable in equal monthly installments as provided in the Lease.
4. Rent under the Lease will commence as of the Commencement Date.
5. This Acknowledgment, Acceptance and Amendment, when executed by Landlord and Tenant, shall be attached to and shall become a part of the Lease. If any provision contained herein conflicts with any provision of the Lease, the provisions hereof shall supersede and control, and the Lease shall be deemed modified and amended to conform with the provisions hereof.
6. Other agreements or modifications:

IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands and seals, this _____ day of _____, 2000.

TENANT:

LANDLORD:

GLOBAL PAYMENTS INC.

NATIONAL DATA CORPORATION

By: _____
Title: _____

By: _____
Title: _____

Attest: _____
Title: _____

Attest: _____
Title: _____

[CORPORATE SEAL]

[CORPORATE SEAL]

EXHIBIT "D"

SPECIAL STIPULATIONS

None.

EXHIBIT "E"

WORK COMPLETION ACKNOWLEDGMENT,
ACCEPTANCE AND AMENDMENT

Tenant hereby acknowledges that the Premises demised pursuant to the Lease to which this Exhibit "E" is attached (the "Lease"), and all tenant finish items to be completed by the Landlord, or Landlord's contractors, including, without limitation, the Work to be performed by Landlord in accordance with Exhibit "B" of the Lease, have been satisfactorily completed in every respect, except for the punchlist items set forth below, and Tenant hereby accepts said Premises and Work as substantially complete and ready for the uses intended as set forth in the Lease. Landlord shall complete the punchlist items, if any, as soon as is reasonably possible. Possession of the second floor of the Premises is hereby delivered to Tenant, and any damages to walls, ceilings, floors or existing work therein, except for any damages caused by Landlord or Landlord's contractors in completing any punchlist items, shall be the sole responsibility of Tenant.

If any improvements or tenant finishes are to be constructed or installed by Tenant or Tenant's contractors, as previously approved by Landlord, Tenant hereby agrees to indemnify and hold harmless Landlord from and against any claims, demands, loss or damage Landlord may suffer or sustain as a result of such work by Tenant or Tenant's contractors, including, without limitation, any claim of lien which may be filed against the Premises as a result of such work by Tenant's contractors or representatives. In the event any such claim of lien is filed against Landlord's property by any contractor, laborer or materialman performing work on the Premises at Tenant's direction, Tenant agrees to cause such lien to be discharged, by payment of the claim or bond, within thirty (30) days of receipt of demand by Landlord.

Tenant and Landlord hereby further acknowledge and agree as follows:

1. The following punch list items are all that remain to be completed by Landlord or Landlord's contractor:

2. This Acknowledgment, Acceptance and Amendment, when executed by Landlord and Tenant, shall be attached to and shall become a part of the Lease. If any provision contained herein conflicts with any provision of the Lease, the provisions hereof shall supersede and control, and the Lease shall be deemed modified and amended to conform with the provisions hereof.

3. Other agreements or modifications:

IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands and seals, this _____ day of _____, 20__.

TENANT:

LANDLORD:

GLOBAL PAYMENTS INC.

NATIONAL DATA CORPORATION

By: _____
Title: _____

By: _____
Title: _____

Attest: _____
Title: _____

Attest: _____
Title: _____

[CORPORATE SEAL]

[CORPORATE SEAL]

EXHIBIT "F"

	Annual Budget -----	RSF ---	Price per RSF -----
Building I	\$ 836,825	208,071	\$ 4.02
Building II	\$ 870,293	208,071	\$ 4.18
Admin Services	\$1,000,144	208,071	\$ 4.81
Property Tax	\$ 171,883	208,071	\$ 0.83
Insurance	\$ 183,252	208,071	\$ 0.88
	-----		-----
Full Service	\$3,062,397	208,071	\$14.72
Premium Electric	\$ 310,000	208,071	\$ 1.49
Premium Security	\$ 716,578	208,071	\$ 3.44
	-----		-----
Total Rent	\$4,088,975	208,071	\$19.65
	-----		-----

- Notes:
1. Building I Property Tax is \$56,452
 2. Building II Property Tax is \$115,431
 3. Building I Insurance is \$87,961
 4. Building II Insurance is \$95,291

EXHIBIT "G"

FORM OF SNDA

FORM OF
TRANSITION SUPPORT AGREEMENT

This TRANSITION SUPPORT AGREEMENT is executed and made effective as of _____, 2000, between National Data Corporation, a Delaware corporation ("NDC"), and Global Payments Inc., a Georgia corporation ("Global Payments").

BACKGROUND

A. The Board of Directors of NDC has determined that it is in the best interests of NDC and its shareholders for NDC to transfer and assign to Global Payments the capital stock of National Data Payment Systems, Inc., Global Payment Holding Company, NDC Holdings (UK) Ltd., Merchant Services U.S.A. and their respective subsidiaries (the "NDC eCommerce Subsidiaries") that hold all of the assets and liabilities that currently constitute NDC's eCommerce business and a 0.85% general partnership interest in GPS Holding Limited Partnership as a contribution to the capital of Global Payments and to receive in exchange therefor shares of Global Payments common stock, and to thereafter make a distribution (the "Distribution") to the holders of NDC common stock of all of the outstanding shares of Global Payments common stock at the rate of eight-tenths (0.8) of a share of Global Payments common stock for every one share of NDC common stock outstanding pursuant to a Distribution Agreement, dated as of the date hereof, between NDC and Global Payments (the "Distribution Agreement");

B. The parties intend that the agreements contained herein will be effective at the Effective Time (as defined in the Distribution Agreement); and

C. The parties hereto deem it to be appropriate and in the best interests of the parties that they provide certain services to each other on the terms and conditions set forth herein;

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

ARTICLE I

Description of Services.

(a) NDC shall, subject to the terms and provisions of this Agreement:

(i) provide Global Payments with general services of a financial, technical, commercial, administrative and/or advisory nature as set forth on Exhibits A _____ through _____ hereto and (ii) render such other specific services as Global Payments may from time to time reasonably request, subject to NDC's sole discretion and its being in a position to supply such additional services at the time of such request.

(b) Global Payments shall, subject to the terms and provisions of this Agreement: (i) provide NDC with services as set forth on Exhibit hereto and (ii) _____

render such other services as NDC may from time to time reasonably request, subject to Global Payments' sole discretion and its being in a position to supply such additional services at the time of the request.

Each of NDC and Global Payments, as the case may be, shall use commercially reasonable efforts to provide the services described in the exhibits hereto and to transition from using the services provided by the other under this Agreement on or prior to the termination of the term for the provision of such services. Additionally, each of NDC and Global Payments agree that they shall use commercially reasonable efforts to assist, as necessary, in the development of the respective transition plans described in the exhibits hereto and shall provide assistance and training to the other as may be necessary to assure a smooth and orderly transition.

2. Consideration for Services. Global Payments shall pay NDC for all the _____ services described on Exhibits A through _____ and NDC shall pay Global Payments for all the services described on Exhibit ____ at the rates specified in _____ each such exhibit.

3. Terms of Payment. Except as otherwise set forth on a particular _____ exhibit hereto, within fifteen (15) business days after the end of each month during the term of this Agreement, each party providing services pursuant to

this Agreement ("Provider") will submit a written invoice to the party receiving such services ("Recipient") for service fees for the immediately preceding month together with an accounting of the charges for the immediately preceding month's services. Recipient agrees to pay Provider all costs allocated to it in accordance with this Agreement and all other charges that Provider is entitled to charge pursuant to this Agreement by wire transfer to a bank account designated by Provider electronically at the time of Recipient's receipt of an invoice as provided in this Section 3. If any portion of an amount due to Provider under this Agreement is subject to a dispute between the parties, Recipient shall nonetheless pay and remit to Provider on the date such amount is due all amounts not disputed in good faith by Recipient. Interest shall accrue at a rate of 8% per annum on any amounts not received by Provider within one (1) business day after receipt by Receiver of the invoice. The amount of any monthly service fee shall be prorated to correspond with the portion of a given month for which services were actually rendered.

4. Method of Payment. All amounts payable by Global Payments and NDC for

the services rendered by the other pursuant to their Agreement shall be remitted to NDC or Global Payments, as the case may be, in United States dollars in the form of a wire transfer.

5. WARRANTIES. THIS IS A SERVICE AGREEMENT. EXCEPT AS EXPRESSLY STATED

IN THIS AGREEMENT, THERE ARE NO EXPRESS WARRANTIES OR GUARANTIES, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE AND FITNESS FOR A PARTICULAR PURPOSE.

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6. Liability; Indemnification; Dispute Resolution.

(a) In no event shall either NDC or Global Payments have any liability, whether based on contract, tort (including, without limitation, negligence), warranty or any other legal or equitable grounds, for any punitive, consequential, special, indirect or incidental loss or damage suffered by the other arising from or related to this Agreement, including without limitation, loss of data, profits, interest or revenue, or interruption of business, even if the party providing the services hereunder is advised of the possibility of such losses or damages.

(b) The limitations set forth in Section 6(a) above shall not apply to liabilities which may arise as the result of willful misconduct or gross negligence of the party providing the services hereunder.

(c) Effective as of the date of this Agreement, Global Payments shall indemnify, defend and hold harmless NDC and its affiliates and their respective directors, officers, employees and agents (the "NDC Indemnitees") from and against any and all damage, loss, liability and expense (including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any and all actions or threatened actions) ("Indemnifiable Losses") incurred or suffered by any of the NDC Indemnitees arising from, related to or associated with (i) NDC's furnishing or failure to furnish the services provided for in this Agreement, other than liabilities arising out of the willful misconduct or gross negligence of the NDC Indemnitees and (ii) the gross negligence or willful misconduct of Global Payments in furnishing or failing to furnish the services to be provided by Global Payments in this Agreement, provided however, in no event shall Global Payments be

obligated to indemnify the NDC Indemnitees (taken together) under this Section 6(c) for Indemnifiable Losses arising out of Global Payments' gross negligence in an amount in excess of three times the service fee charged for the category of service related to the Indemnifiable Loss in the month in which the act or failure to act by Global Payments that gave rise to such Indemnifiable Loss occurs.

(d) Effective as of the date of this Agreement, NDC shall indemnify, defend and hold harmless Global Payments and its affiliates and their respective directors, officers, employees and agents (the "Global Payments Indemnitees") from and against any and all Indemnifiable Losses incurred or suffered by any of the Global Payments Indemnitees arising from, related to or associated with (i) Global Payments' furnishing or failure to furnish the services provided for in this Agreement, other than liabilities arising out of the willful misconduct or gross negligence of the Global Payments Indemnitees, and (ii) the gross negligence or willful misconduct of NDC in furnishing or failing to furnish the services to be provided by NDC to Global Payments in this Agreement, provided

however, in no event shall NDC be obligated to indemnify the Global Payments

Indemnitees (taken together) under this Section 6(d) for Indemnifiable Losses arising out of NDC's gross negligence in an amount in excess of three times the service fee charged for the category of service related to the Indemnifiable Loss in the month in which the act or failure to act by NDC that gave rise to such Indemnifiable Loss occurs.

(e) Any disputes arising under this Agreement shall be resolved in accordance with Section 15.02 of the Distribution Agreement.

7. Termination.

(a) Each category of service provided under this Agreement shall terminate at the end of the period set forth on the Exhibit describing such service.

(b) Notwithstanding Section 7(a) above, except as otherwise set forth on a particular exhibit hereto, either NDC or Global Payments may, at its option, upon no less than sixty (60) days prior written notice to the other (or such other period as the parties may mutually agree in writing or provide with respect to any services in any Exhibit hereto), direct the other to no longer provide a particular category of service.

(c) Notwithstanding Sections 7(a) and 7(b) above, except as otherwise set forth on a particular exhibit, this Agreement may be terminated in its entirety in accordance with the following:

(i) Upon written agreement of the parties;

(ii) By either Global Payments or NDC for material breach by the other of any of the terms hereof if the breach is not cured within thirty (30) calendar days after written notice of breach is delivered to the breaching party;

(iii) By either Global Payments or NDC, upon written notice to the other if the other shall become insolvent or shall make an assignment of substantially all of its assets for the benefit of creditors, or shall be placed in receivership, reorganization, liquidation or bankruptcy;

(iv) By NDC, upon written notice to Global Payments, if, for any reason, the ownership or control of Global Payments or any of Global Payments' operations, becomes vested in, or is made subject to the control or direction of, any direct competitor of NDC, but such termination shall be applicable only with respect to services provided by NDC to the portion of Global Payments' businesses that has been affected by the change in control.

(v) By Global Payments, upon written notice to NDC, if for any reason, the ownership or control of NDC or any of NDC's operations becomes vested in, or is made subject to the control or direction of, any direct competitor of Global Payments, but such termination shall be applicable only with respect to services provided by Global Payments to the portion of NDC's business that has been affected by the change in control.

(d) Upon any termination pursuant to Sections 7(b) and 7(c) above, NDC and Global Payments shall be compensated for all services performed to the date of termination in

accordance with the provisions of this Agreement, and NDC and Global Payments, as the case may be, will consider hiring certain employees of the other identified by the other prior to the termination to the extent that NDC or Global Payments, as the case may be, does not contract with third parties to provide the services rendered by NDC or Global Payments pursuant to this Agreement.

8. Amendment. This Agreement may be modified or amended only by the

agreement of the parties hereto in writing, duly executed by the authorized representatives of each party.

9. Force Majeure. Any delays in or failure of performance by NDC or

Global Payments shall not constitute a default hereunder if and to the extent such delay or failure of performance is caused by occurrences beyond the reasonable control of NDC or Global Payments, as the case may be, including, but not limited to: acts of God or the public enemy; compliance with any order or request of any governmental authority; acts of war; riots or strikes or other concerted acts of personnel; or any other causes beyond the reasonable control of NDC or Global Payments, whether or not of the same class or kind as those specifically named above.

10. Assignment. This Agreement shall not be assignable by either party

hereto without the prior written consent of the other party hereto; provided, however, that either party may assign its rights, but not its obligations, under this Agreement in connection with the transfer of all or substantially all of

the assets of the business of such party to which this Agreement relates. When duly assigned in accordance with the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the assignee.

11. Confidentiality. Each party (as "Receiving Party") shall hold and

cause its directors, officers, employees, agents, consultants and advisors to hold, in strict confidence, unless compelled to disclose by judicial or administrative process or, in the opinion of its counsel, by other requirements of law, all information concerning the other party (as "Disclosing Party") (except to the extent that such information can be shown to have been (a) in the public domain through no fault of the Receiving Party (b) later lawfully acquired after the Effective Time on a non-confidential basis from other sources by the Receiving Party, or (c) was independently developed by the Receiving Party, as shown by the written business records of the Receiving Party, without use of any other information subject to the terms of this Agreement), and neither party shall release or disclose such information to any other person, except its auditors, attorneys, financial advisors, bankers and other consultants and advisors who shall be advised of the provisions of this Section 11 and be bound by them.

12. Notices. All notices and communications under this Agreement shall be

deemed to have been given (a) when received, if such notice or communication is delivered by hand delivery or overnight courier, and (b) three (3) business days after mailing or upon receipt, if earlier, if such notice or communication is sent by United States registered or certified mail, return receipt requested, first class postage prepaid. All notices and communications, to be effective, must be properly addressed to the party to whom the same is directed at its address as follows:

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If to NDC, to:

National Data Corporation
National Data Plaza
Atlanta, Georgia 30329-2010
Attention: General Counsel

If to Global Payments, to:

Global Payments Inc.
4 Corporate Boulevard, N.E.
Atlanta, Georgia 30329-2010
Attention: General Counsel

Either party may, by written notice delivered to the other party in accordance with this Section 12, change the address to which delivery of any notice shall thereafter be made.

13. Waiver. The failure of either party at any time or times to enforce

or require performance of any provision hereof shall in no way operate as a waiver or affect the right of such party at a later time to enforce the same.

14. Severability. The provisions of this Agreement are severable and

should any provision hereof be void or unenforceable under any applicable law, such provision shall not affect or invalidate any other provision of this Agreement, which shall continue to govern the relative rights and duties of the parties as though such void or unenforceable provision were not a part hereof.

15. Third Party Agreements. NDC and Global Payments recognize that

certain technology support services described in the exhibits hereto are provided by third party contractors under specific third party agreements ("Third Party Agreements"). NDC and Global Payments further recognize that the Third Party Agreements may have been entered into by either NDC or Global Payments and that the other receives technology support services as a result of the Third Party Agreements. NDC and Global Payments shall use their respective commercially reasonable efforts to cause the third party providers to continue to provide the technology support to the other under the terms of the Third Party Agreements as in effect as at the Effective Time.

16. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN

ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA.

17. Counterparts. This Agreement may be executed in separate

counterparts, each of which, when so executed, shall be deemed to be an original and all of which, when taken together, shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

NATIONAL DATA CORPORATION

By: _____
Name:
Title:

GLOBAL PAYMENTS INC.

By: _____
Name:
Title:

EXHIBIT A

TAX SERVICES

1. Services. NDC will provide tax services as described on Schedule A-1

attached to this Exhibit A.

2. Cost. Global Payments shall pay NDC for the above services at the

rates set forth on Schedule A-1, on a monthly basis; provided however, that if

any employee(s) of NDC performing any service(s) listed on Schedule A-1 attached
to this Exhibit A is hired by Global Payments to perform such service(s) for

Global Payments after the Effective Date, the rate for such service(s) shown on
Schedule A-1 attached to this Exhibit A shall be reduced by the corresponding

decrease in costs to NDC (including salaries, benefits and target bonuses for
such employee(s)) resulting from Global Payments' employment of such
employee(s).

APPROVED:

NATIONAL DATA CORPORATION

By: _____

GLOBAL PAYMENTS INC.

By: _____

SCHEDULE A-1

Tax Department Services

Beginning on the Distribution Date and continuing through March 31, 2001, unless Global Payments shall sooner request that they be terminated, NDC shall continue to provide for Global Payments those tax department services that NDC's tax department has historically performed for NDC as a whole, including its eCommerce business. Such services shall include, but not be limited to, the following:

Tax compliance and tax planning services related to the preparation of the May 31, 2000 federal, state, and foreign income tax returns.

Tax compliance services related to the preparation of any real and personal property tax returns as needed.

Assistance with the preparation of any sales tax returns if needed.
(eCommerce sales tax returns are currently prepared directly by eCommerce staff)

Assistance related to any federal and state income tax, sales tax or property tax audits.

Assistance with tax planning related to acquisitions or divestitures.

NDC shall cause its employees and contractors performing the tax services described on this Schedule A-1 to maintain reasonably accurate records as to the portion of their time spent on tax matters for Global Payments. Each month Global Payments shall pay NDC for such services an amount equal to NDC's Fully Loaded Cost, as such term is defined below, for a fraction of such employee or contractor, which fraction shall equal the fraction of such employee's or contractor's time devoted to matters for Global Payments during the month, plus reimbursement of all out of pocket costs paid to third parties in connection with the performance of such services.

Fully Loaded Cost means the allocable portion of the wages, employee benefits, incentives and other payments to NDC employees and contractors, including occupancy costs related to such employees and contractors and the allocable portions of any direct variable cost and fixed operating cost incurred by NDC in supplying the services all determined in a manner consistent with NDC's historical cost accounting practices.

Global Payments may terminate this Agreement with respect to any or all services being performed by NDC's tax department for Global Payments pursuant to this Schedule A-1 upon not less than sixty (60) days advance notice given as provided in this Agreement. Following the effective date of Global Payments' election to terminate all or

any portion of the services to be provided pursuant to this Schedule A-1, NDC shall have no further obligation to Global Payments to provide any of the services so terminated.

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EXHIBIT B

SUPPORT SERVICES

1. Services. NDC will provide those support services of the types set

forth in the Service Level Agreement attached hereto as Schedule B-1 to this Exhibit B.
- -----

2. Cooperation. Global Payments and NDC shall cooperate in the temporary

use of space by the other at their respective headquarters sites as described in Schedule B-1 to this Exhibit B.

APPROVED:

NATIONAL DATA CORPORATION

By: _____

GLOBAL PAYMENTS INC.

By: _____

SCHEDULE B-1

Stock Option Support

Beginning on the Distribution Date and continuing for a period of six (6) months, NDC shall provide the services of Ms. B.J. Purcell, or any successor to Ms. B.J. Purcell at NDC for the purpose of handling recordkeeping regarding stock options granted or to be granted by Global Payments to its employees, officers, directors or consultants. Such services shall include, but not be limited to, the following:

NDC shall cause the employee or contractor performing such stock option support services to maintain reasonably accurate records as to the portion of such person's time devoted to handling matters for Global Payments. As compensation for such services, Global Payments shall reimburse NDC for a portion of NDC's Fully Loaded Cost, as such term is defined below, for such individual or individuals equal to the fraction of such person or person's time

devoted to handling such matters for Global Payments, plus reimbursement for all out of pocket costs paid to third parties in connection with the performance of such services by Global Payments.

Fully Loaded Cost means the allocable portion of the wages, employee benefits, incentives and other payments to NDC employees and contractors, including occupancy costs related to such employees and contractors and the allocable portions of any direct variable cost and fixed operating cost incurred by NDC in supplying the services all determined in a manner consistent with NDC's historical cost accounting practices.

Office Sharing Moves

On a temporary basis, following the Distribution Date and for so long as reasonably necessary to accommodate moves of employees and equipment located at the NDC headquarters site, from space to be occupied by the other party under the lease of space by Global Payments, at NDC's headquarters site (the "Headquarters Lease"), certain employees and equipment of NDC may be required to remain in portions of the premises leased by Global Payments pursuant to the Headquarters Lease and certain of the employees and equipment of Global Payments may be required to remain in portions of NDC's premises not leased by Global Payments.

NDC shall reasonably cooperate with the occupancy by Global Payments' employees and equipment of portions of the site not leased to Global Payments and shall provide reasonable cooperation in connection with the removal of such employees and equipment to portions of the site leased by Global Payments. Global Payments shall reasonably cooperate with the occupancy by NDC employees and equipment of portions of the premises leased by Global Payments pursuant to the Headquarters Lease and shall provide reasonable cooperation with the removal of such employees and equipment from

such portions of the site in coordination with moves of Global Payments employees and equipment from portions of the site not leased by Global Payments.

Each of NDC and Global Payments shall be responsible for its employees and equipment occupying portions of the headquarters site to be primarily occupied by the other under the terms of the Headquarters Lease.

Neither NDC nor Global Payments shall be obligated to pay any rent or other charge with respect to the occupancy of its employees or equipment under the terms of this Schedule B-1; provided however, that each of NDC and Global Payments shall be responsible for any damages to the other or the other's property caused by its employees and equipment or the removal of its employees and equipment from space occupied on a temporary basis under the terms of this Schedule B-1.

EXHIBIT C

LEASING AND LEASE ADMINISTRATION SERVICES

1. Services. NDC will provide leasing and lease administration services

as described on Schedule C-1 attached to this Exhibit C.

2. Cost. Global Payments shall pay NDC for the above services at the

rates set forth on Schedule C-1.

APPROVED:

NATIONAL DATA CORPORATION

By: _____

GLOBAL PAYMENTS INC.

By: _____

SCHEDULE C-1

Leasing Services

Beginning on the Distribution Date and continuing for a period of twelve

(12) months, NDC will assist Global Payments in connection with the negotiation of leases, lease modifications, lease renewals, lease amendments and such other similar leasing matters as may be reasonably requested by Global Payments from time to time.

The foregoing twelve (12) month term shall be automatically renewed for successive twelve (12) month periods beginning on each anniversary of the Distribution Date, provided that Global Payments shall have the right to cancel these services effective upon the expiration of any twelve (12) month term then in effect by written notice given, if at all, no less than ninety (90) days prior to the expiration of such (12) month term.

The annual fee for these services shall be \$119,000.00, paid in monthly installments of \$9,916.67. Global Payments shall also reimburse NDC for reasonable and actual travel expenses incurred by NDC in providing these services.

Lease Administration Services

Beginning on the Distribution Date and continuing for a period of twelve (12) months, NDC will assist Global Payments in the administration of Global Payments' facility leases and subleases (other than the Headquarters Lease). Such services shall include preparing rent schedules, maintaining a database of Global Payments' leases and subleases, performing operating costs reconciliations and performing such other similar services as may be reasonably requested by Global Payments from time to time.

The foregoing twelve (12) month term shall be automatically renewed for successive twelve (12) month periods beginning on each anniversary of the Distribution Date, provided that Global Payments shall have the right to cancel these services effective upon the expiration of any twelve (12) month term then in effect by written notice given, if at all, no less than ninety (90) days prior to the expiration of such (12) month term.

The annual fee for these services shall be \$60,000, and will be billed within thirty (30) days after the end of the applicable twelve (12) month period; provided, however, that such fee shall be reduced (not below zero) on a dollar for dollar basis for each dollar of commission rebates received by NDC from Cushman & Wakefield in connection with any of the leases, lease modifications, lease renewals, lease amendments or other leasing matters referred to above in the "Leasing Services" section of this Schedule C-1.

EXHIBIT D

USE OF SPACE IN DON MILLS ONTARIO CANADA

1. Services. Global Payments will provide to NDC or a subsidiary of NDC use of

certain space in the office leased by Global Payments in Don Mills Ontario as described on Schedule D-1 attached to this Exhibit D.

2. Cost. NDC shall pay Global Payments for the use of such space as described on

Schedule D-1.

APPROVED:

NATIONAL DATA CORPORATION

By: _____

GLOBAL PAYMENTS, INC.

By: _____

SCHEDULE D-1

Use of Office Space

Beginning on the Distribution Date, NDC or a subsidiary of NDC ("Occupant")

may continue to occupy a portion of the space currently leased by Global Payment Systems, LLC ("GPS") in One and Three Concord Gate, Don Mills Ontario Canada (the "Leased Premises"). The portion of the Leased Premises that shall be used by Occupant shall consist of approximately 2,000 rentable square feet of space in the Leased Premises currently associated with NDC's operation of computers located there. Occupant's use of such space shall be for the purpose of continuing the operation of computers and providing office space for NDC personnel involved in the operation and maintenance of such computers. NDC's use of such space shall commence on the Distribution Date and shall terminate at midnight on the expiration date of GPS's lease of the Leased Premises (the "Lease") unless the Lease is terminated earlier in accordance with its terms.

Occupant's right to occupy a portion of the Leased Premises is expressly subject to all terms of the Lease. NDC agrees to assume all obligations of GPS, as "Tenant" under its lease of such space, with respect to the space used by Occupant under the terms of this Agreement.

Any act or omission by Occupant that would constitute a default under the Lease shall, subject to the same notice and cure provisions provided in the Lease, be deemed a default by NDC under this Exhibit D. In addition, any failure

by NDC to pay the fees provided for in this Exhibit D when due or any failure by

NDC to perform any other obligations required under this Exhibit D and the

continuance of such failure for five (5) days following notice from GPS to NDC of such failure, shall be deemed a default under this Exhibit D. Any such

default by NDC shall entitle GPS to exercise any and all remedies available to "Landlord" under the Lease or any other remedies available at law or in equity under the laws of the Country of Canada, Province of Ontario.

NDC hereby agrees to indemnify and hold GPS harmless with regard to Occupant's use of a portion of the Leased Premises as provided herein to the same extent that GPS is required to indemnify and hold the Landlord harmless with respect to such space. NDC agrees to obtain and maintain during the period that Occupant occupies any portion of the Leased Premises pursuant to this Exhibit D insurance in the same amounts and of the same types (including any

required waiver of subrogation provisions or endorsements) required to be carried by GPS, as "Tenant" under the Lease, with regard to the Leased Premises.

Upon the expiration or earlier termination of Occupant's right to occupy a portion of the Leased Premises pursuant to this Exhibit D, NDC shall return such

portion of the Leased Premises to GPS in the condition required by the Lease, normal wear and tear damage by casualty or condemnation excepted.

Fee for Use of Space

NDC shall pay to GPS for the use of the space pursuant to this Exhibit D, a

base amount equal to \$62,400 (Canadian) per year, payable in advance in monthly installments of Five Thousand Two Hundred One and Sixty-Seven One Hundredths Canadian Dollars (\$5,201.67) each due and payable on or before the first day of each calendar month commencing on the Distribution Date through the expiration and termination of NDC's right to occupy the space pursuant to this Exhibit D,

with appropriate pro rations for partial months. NDC will also pay as an additional fee (i) NDC's pro rata share (based on the 2,000 rentable square feet that may be used by Occupant compared to the total rentable square footage of the Leased Premises) of (a) all Occupancy Costs (as defined in the Lease) and (b) cost for outside vendors and service providers engaged by GPS to provide janitorial, security or other services to the Leased Premises as a whole, and (ii) any amounts due under the Lease for separate or "other charges" (such as excess electrical, overtime, HVAC, damage expenses, etc.) and incurred at Occupant's request or otherwise allocable or attributable to the portion of the Leased Premises used by Occupant. All such additional fees shall be payable to GPS at the time and in the same manner such payments are due under the Lease, or as otherwise reasonably required by GPS from time to time.

GLOBAL PAYMENTS INC.
AMENDED AND RESTATED 2000 LONG-TERM INCENTIVE PLAN

ARTICLE 1
PURPOSE

1.1 GENERAL. The purpose of the Global Payments Inc. 2000 Long-Term

Incentive Plan (the "Plan") is to promote the success, and enhance the value, of Global Payments Inc. (the "Company"), by linking the personal interests of its employees, officers and directors to those of Company shareholders and by providing its employees, officers and directors with an incentive for outstanding performance. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of employees, officers and directors upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent. Accordingly, the Plan permits the grant of incentive awards from time to time to selected employees, officers, and directors.

ARTICLE 2
EFFECTIVE DATE

2.1 EFFECTIVE DATE. The Plan shall be effective as of the date upon which

it shall be approved by the shareholders of the Company (the "Effective Date").

ARTICLE 3
DEFINITIONS

3.1 DEFINITIONS. When a word or phrase appears in this Plan with the

initial letter capitalized, and the word or phrase does not commence a sentence, the word or phrase shall generally be given the meaning ascribed to it in this Section or in Section 1.1 unless a clearly different meaning is required by the context. The following words and phrases shall have the following meanings:

(a) "Award" means any Option, Stock Appreciation Right, Restricted Stock Award, Performance Share Award, Dividend Equivalent Award, or Other Stock-Based Award, or any other right or interest relating to Stock or cash, granted to a Participant under the Plan.

(b) "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award.

(c) "Board" means the Board of Directors of the Company.

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

(f) "Committee" means the committee of the Board described in Article 4.

(g) "Company" means Global Payments Inc., a Georgia corporation.

(h) "Covered Employee" means a covered employee as defined in Code Section 162(m)(3).

(i) "Disability" shall mean any illness or other physical or mental condition of a Participant that renders the Participant incapable of performing his customary and usual duties for the Company, or any medically determinable illness or other physical or mental condition resulting from a bodily injury, disease or mental disorder which, in the judgment of the Committee, is permanent and continuous in nature. The Committee may require such medical or other evidence as it deems necessary to judge the nature and permanency of the Participant's condition. Notwithstanding the above, with respect to an Incentive Stock Option, Disability shall mean Permanent and Total Disability as defined in Section 22(e)(3) of the Code.

(j) "Dividend Equivalent" means a right granted to a Participant under Article 11.

(k) "Effective Date" has the meaning assigned such term in Section 2.1.

(l) "Fair Market Value", on any date, means (i) if the Stock is listed on a securities exchange or is traded over the Nasdaq National Market, the closing sales price on such exchange or over such system on such date or, in the absence of reported sales on such date, the closing sales price on the immediately preceding date on which sales were reported, or (ii) if the Stock is not listed on a securities exchange or traded over the Nasdaq

National Market, the mean between the bid and offered prices as quoted by Nasdaq for such date, provided that if it is determined that the fair market value is not properly reflected by such Nasdaq quotations, Fair Market Value will be determined by such other method as the Committee determines in good faith to be reasonable.

(m) "Incentive Stock Option" means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

(n) "Non-Qualified Stock Option" means an Option that is not an Incentive Stock Option.

(o) "Option" means a right granted to a Participant under Article 7 of the Plan to purchase Stock at a specified price during specified time periods. An Option may be either an Incentive Stock Option or a Non-Qualified Stock Option.

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(p) "Other Stock-Based Award" means a right, granted to a Participant under Article 12, that relates to or is valued by reference to Stock or other Awards relating to Stock.

(q) "Parent" means a corporation which owns or beneficially owns a majority of the outstanding voting stock or voting power of the Company. For Incentive Stock Options, the term shall have the same meaning as set forth in Code Section 424(e).

(r) "Participant" means a person who, as an employee, officer or director of the Company or any Parent or Subsidiary, has been granted an Award under the Plan.

(s) "Performance Share" means a right granted to a Participant under Article 9, to receive cash, Stock, or other Awards, the payment of which is contingent upon achieving certain performance goals established by the Committee.

(t) "Plan" means the Global Payments Inc. 2000 Long-Term Incentive Plan, as amended from time to time.

(u) "Restricted Stock Award" means Stock granted to a Participant under Article 10 that is subject to certain restrictions and to risk of forfeiture.

(v) "Retirement" in the case of an employee means termination of employment with the Company, a Parent or Subsidiary after attaining a total combination of age and years of service of at least 70; provided, however, that a termination of employment prior to age 60 shall not constitute Retirement for purposes of the Plan unless the Participant shall have given 12 months advance written notice to the Company of his or her intent to retire, or the Company shall have expressly waived such prior notice. "Retirement" in the case of a non-employee director of the Company means retirement of the director in accordance with the provisions of the Company's bylaws as in effect from time to time or the failure to be re-elected or re-nominated as a director.

(w) "Stock" means the no par value common stock of the Company and such other securities of the Company as may be substituted for Stock pursuant to Article 14.

(x) "Stock Appreciation Right" or "SAR" means a right granted to a Participant under Article 8 to receive a payment equal to the difference between the Fair Market Value of a share of Stock as of the date of exercise of the SAR over the grant price of the SAR, all as determined pursuant to Article 8.

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(y) "Subsidiary" means any corporation, limited liability company, partnership or other entity of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company. For Incentive Stock Options, the term shall have the meaning set forth in Code Section 424(f).

(z) "1933 Act" means the Securities Act of 1933, as amended from time to time.

(aa) "1934 Act" means the Securities Exchange Act of 1934, as amended from time to time.

ARTICLE 4
ADMINISTRATION

4.1 COMMITTEE. The Plan shall be administered by a committee (the

"Committee") appointed by the Board (which Committee shall consist of two or more directors) or, at the discretion of the Board from time to time, the Plan may be administered by the Board. It is intended that the directors appointed to serve on the Committee shall be "non-employee directors" (within the meaning of Rule 16b-3 promulgated under the 1934 Act) and "outside directors" (within the meaning of Code Section 162(m) and the regulations thereunder). However, the mere fact that a Committee member shall fail to qualify under either of the foregoing requirements shall not invalidate any Award made by the Committee which Award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of, the Board. During any time that the Board is acting as administrator of the Plan, it shall have all the powers of the Committee hereunder, and any reference herein to the Committee (other than in this Section 4.1) shall include the Board.

4.2 ACTION BY THE COMMITTEE. For purposes of administering the Plan, the

following rules of procedure shall govern the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, and acts approved unanimsously in writing by the members of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Parent or Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan. No member of the Committee shall be liable for any action or determination made in good faith, and members of the Committee shall be entitled to indemnification and reimbursement from time to time for expenses incurred in defense of such good faith action or determination.

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4.3 AUTHORITY OF COMMITTEE. The Committee has the exclusive power,

authority and discretion to:

(a) Designate Participants;

(b) Determine the type or types of Awards to be granted to each Participant;

(c) Determine the number of Awards to be granted and the number of shares of Stock to which an Award will relate;

(d) Determine the terms and conditions of any Award granted under the Plan, including but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, based in each case on such considerations as the Committee in its sole discretion determines;

(e) Accelerate the vesting or lapse of restrictions of any outstanding Award, based in each case on such considerations as the Committee in its sole discretion determines;

(f) Determine whether, to what extent, and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Stock, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(g) Prescribe the form of each Award Agreement, which need not be identical for each Participant;

(h) Decide all other matters that must be determined in connection with an Award;

(i) Establish, adopt or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(j) Make all other decisions and determinations that may be required under the Plan or as the Committee deems necessary or advisable to administer the Plan; and

(k) Amend the Plan or any Award Agreement as provided herein.

4.4. DECISIONS BINDING. The Committee's interpretation of the Plan, any

determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

ARTICLE 5
SHARES SUBJECT TO THE PLAN

5.1. NUMBER OF SHARES. Subject to adjustment as provided in Section 14.1,

the aggregate number of shares of Stock reserved and available for Awards or which may be used to provide a basis of measurement for or to determine the value of an Award, such as with a SAR or Performance Share Award, shall be 6,000,000 shares, plus an annual increase to be added on the last day of the Company's fiscal year in each year, beginning in 2001 and ending in 2005, equal to the lesser of (i) 2,000,000 shares or (ii) the number of shares necessary to bring the total number of shares available for future grants under the Plan to 3.5% of the fully diluted shares outstanding on such date (i.e., that number of shares determined by the Company as of such date for calculating diluted earnings per share). Not more than 15% of the total authorized shares may be granted as Awards of Restricted Stock or unrestricted Stock Awards..

5.2. LAPSED AWARDS. To the extent that an Award is canceled, terminates,

expires or lapses for any reason, any shares of Stock subject to the Award will again be available for the grant of an Award under the Plan and shares subject to SARs or other Awards settled in cash will be available for the grant of an Award under the Plan.

5.3. STOCK DISTRIBUTED. Any Stock distributed pursuant to an Award may

consist, in whole or in part, of authorized and unissued Stock, treasury Stock or Stock purchased on the open market.

5.4. LIMITATION ON AWARDS. Notwithstanding any provision in the Plan to

the contrary (but subject to adjustment as provided in Section 14.1), the maximum number of shares of Stock with respect to one or more Options and/or SARs that may be granted during any one calendar year under the Plan to any one Participant shall be 400,000. The maximum fair market value (measured as of the date of grant) of any Awards other than Options and SARs that may be received by any one Participant (less any consideration paid by the Participant for such Award) during any one calendar year under the Plan shall be \$5,000,000.

ARTICLE 6
ELIGIBILITY

6.1. GENERAL. Awards may be granted only to individuals who are employees,

officers or directors of the Company or a Parent or Subsidiary.

ARTICLE 7
STOCK OPTIONS

7.1. GENERAL. The Committee is authorized to grant Options to Participants

on the following terms and conditions:

(a) EXERCISE PRICE. The exercise price per share of Stock under an

Option shall be determined by the Committee.

(b) TIME AND CONDITIONS OF EXERCISE. The Committee shall determine

the time or times at which an Option may be exercised in whole or in part. The Committee also shall determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised. The Committee may waive any exercise provisions at any time in whole or in part based upon factors as the Committee may determine in its sole discretion so that the Option becomes exercisable at an earlier date.

(c) PAYMENT. The Committee shall determine the methods by which the

exercise price of an Option may be paid, the form of payment, including, without limitation, cash, shares of Stock, or other property (including "cashless exercise" arrangements), and the methods by which shares of Stock shall be delivered or deemed to be delivered to Participants; provided,

however, that if shares of Stock are used to pay the exercise price of an Option, such shares must have been held by the Participant for at least six months.

(d) EVIDENCE OF GRANT. All Options shall be evidenced by a written

Award Agreement between the Company and the Participant. The Award Agreement shall include such provisions, not inconsistent with the Plan, as may be specified by the Committee.

7.2. INCENTIVE STOCK OPTIONS. The terms of any Incentive Stock Options

granted under the Plan must comply with the following additional rules:

(a) EXERCISE PRICE. The exercise price per share of Stock shall be

set by the Committee, provided that the exercise price for any Incentive Stock Option shall not be less than the Fair Market Value as of the date of the grant.

(b) EXERCISE. In no event may any Incentive Stock Option be

exercisable for more than ten years from the date of its grant.

(c) LAPSE OF OPTION. An Incentive Stock Option shall lapse under the

earliest of the following circumstances; provided, however, that the Committee may, prior to the lapse of the Incentive Stock Option under the circumstances described in paragraphs (3), (4) and (5) below, provide in writing that the Incentive Stock Option will extend until a later date, but if an Incentive

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Stock Option is exercised after the dates specified in paragraphs (3), (4) and (5) below, it will automatically become a Non-Qualified Stock Option:

(1) The Incentive Stock Option shall lapse as of the option expiration date set forth in the Award Agreement.

(2) The Incentive Stock Option shall lapse ten years after it is granted, unless an earlier time is set in the Award Agreement.

(3) If the Participant terminates employment for any reason other than as provided in paragraph (4) or (5) below, the Incentive Stock Option shall lapse, unless it is previously exercised, three months after the Participant's termination of employment.

(4) If the Participant terminates employment by reason of his Disability, the Incentive Stock Option shall lapse, unless it is previously exercised, one year after the Participant's termination of employment.

(5) If the Participant dies while employed, or during the three-month period described in paragraph (3) or during the one-year period described in paragraph (4) and before the Option otherwise lapses, the Incentive Stock Option shall lapse one year after the Participant's death. Upon the Participant's death, any exercisable Incentive Stock Options may be exercised by the Participant's beneficiary, determined in accordance with Section 13.6.

Unless the exercisability of the Incentive Stock Option is accelerated as provided in Article 13, if a Participant exercises an Incentive Stock Option after termination of employment, the Incentive Stock Option may be exercised only with respect to the shares that were otherwise vested on the Participant's termination of employment.

(d) INDIVIDUAL DOLLAR LIMITATION. The aggregate Fair Market Value

(determined as of the time an Award is made) of all shares of Stock with respect to which Incentive Stock Options are first exercisable by a Participant in any calendar year may not exceed \$100,000.00.

(e) TEN PERCENT OWNERS. No Incentive Stock Option shall be granted to

any individual who, at the date of grant, owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary unless the exercise price per share of such Option is at least 110% of the Fair Market Value per share of Stock at the date of grant and the Option expires no later than five years after the date of grant.

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(f) EXPIRATION OF INCENTIVE STOCK OPTIONS. No Award of an Incentive Stock Option may be made pursuant to the Plan after the day immediately prior to the tenth anniversary of the Effective Date.

(g) RIGHT TO EXERCISE. During a Participant's lifetime, an Incentive Stock Option may be exercised only by the Participant or, in the case of the Participant's Disability, by the Participant's guardian or legal representative.

(h) DIRECTORS. The Committee may not grant an Incentive Stock Option to a non-employee director. The Committee may grant an Incentive Stock Option to a director who is also an employee of the Company or Parent or Subsidiary but only in that individual's position as an employee and not as a director.

ARTICLE 8
STOCK APPRECIATION RIGHTS

8.1. GRANT OF SARs. The Committee is authorized to grant SARs to Participants on the following terms and conditions:

(a) RIGHT TO PAYMENT. Upon the exercise of a Stock Appreciation Right, the Participant to whom it is granted has the right to receive the excess, if any, of:

(1) The Fair Market Value of one share of Stock on the date of exercise; over

(2) The grant price of the Stock Appreciation Right as determined by the Committee, which shall not be less than the Fair Market Value of one share of Stock on the date of grant in the case of any SAR related to an Incentive Stock Option.

(b) OTHER TERMS. All awards of Stock Appreciation Rights shall be evidenced by an Award Agreement. The terms, methods of exercise, methods of settlement, form of consideration payable in settlement, and any other terms and conditions of any Stock Appreciation Right shall be determined by the Committee at the time of the grant of the Award and shall be reflected in the Award Agreement.

ARTICLE 9
PERFORMANCE SHARES

9.1. GRANT OF PERFORMANCE SHARES. The Committee is authorized to grant Performance Shares to Participants on such terms and conditions as may be selected by the Committee. The Committee shall have the complete discretion to

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determine the number of Performance Shares granted to each Participant. All Awards of Performance Shares shall be evidenced by an Award Agreement.

9.2. RIGHT TO PAYMENT. A grant of Performance Shares gives the Participant rights, valued as determined by the Committee, and payable to, or exercisable by, the Participant to whom the Performance Shares are granted, in whole or in part, as the Committee shall establish at grant or thereafter. The Committee shall set performance goals and other terms or conditions to payment of the Performance Shares in its discretion which, depending on the extent to which they are met, will determine the number and value of Performance Shares that will be paid to the Participant.

9.3. OTHER TERMS. Performance Shares may be payable in cash, Stock, or other property, and have such other terms and conditions as determined by the Committee and reflected in the Award Agreement.

ARTICLE 10
RESTRICTED STOCK AWARDS

10.1. GRANT OF RESTRICTED STOCK. The Committee is authorized to make Awards of Restricted Stock to Participants in such amounts and subject to such terms and conditions as may be selected by the Committee. All Awards of

Restricted Stock shall be evidenced by a Restricted Stock Award Agreement.

10.2. ISSUANCE AND RESTRICTIONS. Restricted Stock shall be subject to

such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock or the right to receive dividends on the Restricted Stock). These restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, upon the satisfaction of performance goals or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

10.3. FORFEITURE. Except as otherwise determined by the Committee at the

time of the grant of the Award or thereafter, upon termination of employment during the applicable restriction period or upon failure to satisfy a performance goal during the applicable restriction period, Restricted Stock that is at that time subject to restrictions shall be forfeited and reacquired by the Company; provided, however, that the Committee may provide in any Award Agreement that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of terminations resulting from specified causes, and the Committee may in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Stock.

10.4. CERTIFICATES FOR RESTRICTED STOCK. Restricted Stock granted under

the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing shares of Restricted Stock are registered in the name of the

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Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

ARTICLE 11
DIVIDEND EQUIVALENTS

11.1 GRANT OF DIVIDEND EQUIVALENTS. The Committee is authorized to grant

Dividend Equivalents to Participants subject to such terms and conditions as may be selected by the Committee. Dividend Equivalents shall entitle the Participant to receive payments equal to dividends with respect to all or a portion of the number of shares of Stock subject to an Award, as determined by the Committee. The Committee may provide that Dividend Equivalents be paid or distributed when accrued or be deemed to have been reinvested in additional shares of Stock, or otherwise reinvested.

ARTICLE 12
OTHER STOCK-BASED AWARDS

12.1. GRANT OF OTHER STOCK-BASED AWARDS. The Committee is authorized,

subject to limitations under applicable law, to grant to Participants such other Awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to shares of Stock, as deemed by the Committee to be consistent with the purposes of the Plan, including without limitation shares of Stock awarded purely as a "bonus" and not subject to any restrictions or conditions, convertible or exchangeable debt securities, other rights convertible or exchangeable into shares of Stock, and Awards valued by reference to book value of shares of Stock or the value of securities of or the performance of specified Parents or Subsidiaries. The Committee shall determine the terms and conditions of such Awards.

ARTICLE 13
PROVISIONS APPLICABLE TO AWARDS

13.1. STAND-ALONE, TANDEM, AND SUBSTITUTE AWARDS. Awards granted under

the Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution for, any other Award granted under the Plan. If an Award is granted in substitution for another Award, the Committee may require the surrender of such other Award in consideration of the grant of the new Award. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

13.2. EXCHANGE PROVISIONS. The Committee may at any time offer to

exchange or buy out any previously granted Award for a payment in cash, Stock, or another Award (subject to Section 14.1), based on the terms and conditions the Committee determines and communicates to the Participant at the time the

offer is made, and after taking into account the tax, securities and accounting effects of such an exchange.

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13.3. TERM OF AWARD. The term of each Award shall be for the period as

determined by the Committee, provided that in no event shall the term of any Incentive Stock Option or a Stock Appreciation Right granted in tandem with the Incentive Stock Option exceed a period of ten years from the date of its grant (or, if Section 7.2(e) applies, five years from the date of its grant).

13.4. FORM OF PAYMENT FOR AWARDS. Subject to the terms of the Plan and

any applicable law or Award Agreement, payments or transfers to be made by the Company or a Parent or Subsidiary on the grant or exercise of an Award may be made in such form as the Committee determines at or after the time of grant, including without limitation, cash, Stock, other Awards, or other property, or any combination, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case determined in accordance with rules adopted by, and at the discretion of, the Committee.

13.5. LIMITS ON TRANSFER. No right or interest of a Participant in any

unexercised or restricted Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a Parent or Subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a Parent or Subsidiary. No unexercised or restricted Award shall be assignable or transferable by a Participant other than by will or the laws of descent and distribution or, except in the case of an Incentive Stock Option, pursuant to a domestic relations order that would satisfy Section 414(p) (1) (A) of the Code if such Section applied to an Award under the Plan; provided, however, that the Committee may (but need not) permit other transfers where the Committee concludes that such transferability (i) does not result in accelerated taxation, (ii) does not cause any Option intended to be an incentive stock option to fail to be described in Code Section 422(b), and (iii) is otherwise appropriate and desirable, taking into account any factors deemed relevant, including without limitation, state or federal tax or securities laws applicable to transferable Awards.

13.6. BENEFICIARIES. Notwithstanding Section 13.5, a Participant may, in

the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights under the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives the Participant, payment shall be made to the Participant's estate. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

13.7. STOCK CERTIFICATES. All Stock certificates delivered under the Plan

are subject to any stop-transfer orders and other restrictions as the Committee deems

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necessary or advisable to comply with federal or state securities laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Stock is listed, quoted, or traded. The Committee may place legends on any Stock certificate to reference restrictions applicable to the Stock.

13.8. ACCELERATION UPON DEATH OR DISABILITY. Notwithstanding any other

provision in the Plan or any Participant's Award Agreement to the contrary, upon the Participant's death or Disability during his employment or service as a director, all outstanding Options, Stock Appreciation Rights, and other Awards in the nature of rights that may be exercised shall become fully exercisable and all restrictions on outstanding Awards shall lapse. Any Option or Stock Appreciation Rights Awards shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Agreement. To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Section 7.2(d), the excess Options shall be deemed to be Non-Qualified Stock Options.

13.9. ACCELERATION FOR ANY OTHER REASON. The Committee may in its sole

discretion at any time determine that all or a portion of a Participant's Options, Stock Appreciation Rights, and other Awards in the nature of rights that may be exercised shall become fully or partially exercisable, and/or that all or a part of the restrictions on all or a portion of the outstanding Awards shall lapse, in each case, as of such date as the Committee may, in its sole discretion, declare. The Committee may discriminate among Participants and among Awards granted to a Participant in exercising its discretion pursuant to this Section 13.9.

13.10 EFFECT OF ACCELERATION. If an Award is accelerated under Section

13.9, the Committee may, in its sole discretion, provide (i) that the Award will expire after a designated period of time after such acceleration to the extent not then exercised, (ii) that the Award will be settled in cash rather than Stock, (iii) that the Award will be assumed by another party to a transaction giving rise to the acceleration or otherwise be equitably converted in connection with such transaction, or (iv) any combination of the foregoing. The Committee's determination need not be uniform and may be different for different Participants whether or not such Participants are similarly situated.

13.11 RETIREMENT. Notwithstanding any other provision in the Plan or any

Participant's Award Agreement to the contrary, upon the Participant's Retirement (as defined in Section 3.1), all outstanding Options, Stock Appreciation Rights, and other Awards in the nature of rights that may be exercised shall become fully exercisable and all restrictions on outstanding Awards shall lapse. Any Options or Stock Appreciation Rights held by the Participant shall remain exercisable until the earlier of (i) the original expiration date of the Option, or (ii) the fifth anniversary of the Participant's Retirement. To the extent that this provision causes any Incentive Stock Options to fail to meet the requirements of Code Section 422, such Options shall be deemed to be Non-Qualified Stock Options.

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13.12. PERFORMANCE GOALS. The Committee may determine that any Award

granted pursuant to this Plan to a Participant (including, but not limited to, Participants who are Covered Employees) shall be determined solely on the basis of (a) the achievement by the Company or a Parent or Subsidiary of a specified target return, or target growth in return, on equity or assets, (b) the Company's stock price, (c) the Company's total shareholder return (stock price appreciation plus reinvested dividends) relative to a defined comparison group or target over a specific performance period, (d) the achievement by a business unit of the Company, Parent or Subsidiary of a specified target, or target growth in, revenue, profit contribution, net income, EBIT, EBITDA or earnings per share, (e) the achievement by a business unit of the Company, Parent or Subsidiary of a specified target, or target growth in, operating income and or margin percentage of revenue, or (f) any combination of the goals set forth in (a) through (e) above. Further, the performance goal may be stated in terms of a dollar amount, a percentage increase, a target percentage or as an amount or percent of change over time. If an Award is made on such basis, the Committee has the right for any reason to reduce (but not increase) the Award, notwithstanding the achievement of a specified goal. If an Award is made on such basis, the Committee shall establish goals prior to the beginning of the period for which such performance goal relates (or such later date as may be permitted under Code Section 162(m) or the regulations thereunder). Any payment of an Award granted with performance goals shall be conditioned on the written certification of the Committee in each case that the performance goals and any other material conditions were satisfied.

13.13. TERMINATION OF EMPLOYMENT. Whether military, government or other

service or other leave of absence shall constitute a termination of employment shall be determined in each case by the Committee at its discretion, and any determination by the Committee shall be final and conclusive. A termination of employment shall not occur in a circumstance in which a Participant transfers from the Company to one of its Parents or Subsidiaries, transfers from a Parent or Subsidiary to the Company, or transfers from one Parent or Subsidiary to another Parent or Subsidiary.

ARTICLE 14
CHANGES IN CAPITAL STRUCTURE

14.1. GENERAL. In the event a stock dividend is declared upon the Stock,

the authorization limits under Section 5.1 and 5.4 shall be increased proportionately, and the shares of Stock then subject to each Award shall be increased proportionately without any change in the aggregate purchase price therefor. In the event the Stock shall be changed into or exchanged for a different number or class of shares of stock or securities of the Company or of another corporation, whether through reorganization, recapitalization, reclassification, share exchange, stock split-up, combination of shares, merger

or consolidation, the authorization limits under Section 5.1 and 5.4 shall be adjusted proportionately, and there shall be substituted for each such share of Stock then subject to each Award the number and class of shares into which each outstanding share of Stock

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shall be so exchanged, all without any change in the aggregate purchase price for the shares then subject to each Award, or, subject to Section 15.2, there shall be made such other equitable adjustment as the Committee shall approve.

ARTICLE 15
AMENDMENT, MODIFICATION AND TERMINATION

15.1. AMENDMENT, MODIFICATION AND TERMINATION. The Board or the Committee

may, at any time and from time to time, amend, modify or terminate the Plan without shareholder approval; provided, however, that the Board or Committee may condition any amendment or modification on the approval of shareholders of the Company if such approval is necessary or deemed advisable with respect to tax, securities or other applicable laws, policies or regulations.

15.2 AWARDS PREVIOUSLY GRANTED. At any time and from time to time, the

Committee may amend, modify or terminate any outstanding Award without approval of the Participant; provided, however, that, subject to the terms of the applicable Award Agreement, such amendment, modification or termination shall not, without the Participant's consent, reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment or termination. No termination, amendment, or modification of the Plan shall adversely affect any Award previously granted under the Plan, without the written consent of the Participant.

ARTICLE 16
GENERAL PROVISIONS

16.1. NO RIGHTS TO AWARDS. No Participant or any eligible participant

shall have any claim to be granted any Award under the Plan, and neither the Company nor the Committee is obligated to treat Participants or eligible participants uniformly.

16.2. NO SHAREHOLDER RIGHTS. No Award gives the Participant any of the

rights of a shareholder of the Company unless and until shares of Stock are in fact issued to such person in connection with such Award.

16.3. WITHHOLDING. The Company or any Parent or Subsidiary shall have the

authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes (including the Participant's FICA obligation) required by law (including any foreign jurisdiction in which the Participant resides) to be withheld with respect to any taxable event arising as a result of the Plan. With respect to withholding required upon any taxable event under the Plan, the Committee may, at the time the Award is granted or thereafter, require or permit that any such withholding requirement be satisfied, in whole or in part, by withholding from the Award shares of Stock having a Fair Market Value on the date of withholding

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equal to the minimum amount (and not any greater amount) required to be withheld for tax purposes, all in accordance with such procedures as the Committee establishes.

16.4. NO RIGHT TO CONTINUED SERVICE. Nothing in the Plan or any Award

Agreement shall interfere with or limit in any way the right of the Company or any Parent or Subsidiary to terminate any Participant's employment or status as an officer or director at any time, nor confer upon any Participant any right to continue as an employee, officer or director of the Company or any Parent or Subsidiary.

16.5. UNFUNDED STATUS OF AWARDS. The Plan is intended to be an "unfunded"

plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Parent or Subsidiary.

16.6. INDEMNIFICATION. To the extent allowable under applicable law, each

member of the Committee shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which such member may be a party or in which he may be involved by reason of any action or failure to act under the Plan and against and from any and all amounts paid by such member in satisfaction of judgment in such action, suit, or proceeding against him provided he gives the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

16.7. RELATIONSHIP TO OTHER BENEFITS. No payment under the Plan shall be

taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or benefit plan of the Company or any Parent or Subsidiary unless provided otherwise in such other plan.

16.8. EXPENSES. The expenses of administering the Plan shall be borne by

the Company and its Parents or Subsidiaries.

16.9. TITLES AND HEADINGS. The titles and headings of the Sections in the

Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

16.10. GENDER AND NUMBER. Except where otherwise indicated by the

context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

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16.11. FRACTIONAL SHARES. No fractional shares of Stock shall be issued

and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding up.

16.12. GOVERNMENT AND OTHER REGULATIONS. The obligation of the Company to

make payment of awards in Stock or otherwise shall be subject to all applicable laws, rules, and regulations, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register under the 1933 Act, or any state securities act, any of the shares of Stock issued in connection with the Plan. The shares issued in connection with the Plan may in certain circumstances be exempt from registration under the 1933 Act, and the Company may restrict the transfer of such shares in such manner as it deems advisable to ensure the availability of any such exemption.

16.13. GOVERNING LAW. To the extent not governed by federal law, the Plan

and all Award Agreements shall be construed in accordance with and governed by the laws of the State of Georgia.

16.14. ADDITIONAL PROVISIONS. Each Award Agreement may contain such other

terms and conditions as the Committee may determine; provided that such other terms and conditions are not inconsistent with the provisions of this Plan.

The foregoing is hereby acknowledged as being the Global Payments Inc. Amended and Restated 2000 Long-Term Incentive Plan as approved by the sole shareholder of the Company on November __, 2000.

GLOBAL PAYMENTS INC.

By: _____

Its: _____

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ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT dated as of November 9, 2000, among Canadian Imperial Bank of Commerce, a bank governed by the Bank Act (Canada) (the "Seller"), and National Data Payment Systems, Inc., a New York corporation (the "Purchaser"), and National Data Corporation and Global Payments Inc. as guarantors of the Purchaser's obligations hereunder as described on the last page of this Agreement.

WHEREAS, the Seller operates, among other things, a Merchant Business (as defined herein) pursuant to agreements between the Seller and certain merchants;

WHEREAS, the Seller desires to sell and transfer and the Purchaser desires to purchase and assume certain assets and liabilities related to such business and to enter into certain other agreements in connection therewith, all on the terms and subject to the conditions hereinafter provided;

WHEREAS, based on a review of its needs to operate the Merchant Business following the Spin-off Transaction, the Purchaser desires to cause a Canadian Affiliate to immediately employ some, but not all, of the employees of the Seller in the Merchant Business, and to contract with the Seller for the provision of certain services for a period of time in accordance with the provisions of the Transition Agreement;

WHEREAS, it is a condition to the Closing that the Spin-off Transaction shall have been consummated;

NOW, THEREFORE, the Seller and the Purchaser agree, on the terms and conditions herein set forth, as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. For purposes of this Agreement, the following terms

shall have the meanings indicated:

"Accounts Receivables" means all accounts receivables, notes receivable and other debts due or accruing to the Seller in the Ordinary Course in connection with the Merchant Business and the full benefit of all security therefor.

"Affiliate" means, with respect to a specified Person, a Person or entity that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified.

"Aggregate Employee Retention Award" has the meaning set forth in Section 4.3(a) (vi).

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"Agreement" means this Asset Purchase Agreement, as may be amended, modified or supplemented from time to time.

"Assets Sold" has the meaning set forth in Section 2.1.

"Assigned Merchant Agreements" means the Merchant Agreements (but not the Excluded Merchant Agreements).

"Assumed Liabilities" means only the following liabilities or obligations: (i) the obligations of the Seller arising on and after the Effective Time to perform under the Third Party Vendor Agreements and the Lease being assigned to the Purchaser by the Seller pursuant to this Agreement and not related to any default existing prior to or as a consequence of Closing; (ii) chargebacks in respect of any Assigned Merchant Agreement that are received under the rules and regulations of the applicable Card Associations and only to the extent that such chargebacks relate to or arise out of original sales transactions occurring on and after the Effective Time; (iii) any other claims, liabilities or litigation in respect of Assets Sold that relate to or arise out of events, transactions, or actions or omissions of the Purchaser on and after the Effective Time, but not related to any default existing prior to or as a consequence of the Closing and specifically excluding any rebates or other amounts due to a Merchant that relate to sales or other transactions that occurred before the Effective Time; (iv) the accounts payable and other liabilities related to the Merchant Business and which are specifically set forth on Schedule 1.1(a); and (v) obligations

otherwise expressly assumed by the Purchaser under the General Conveyance Agreement.

"Authorization" means, with respect to any Person, any order, permit, approval, waiver, licence or similar authorization of any Governmental Entity or

any Card Association or Network Organization having jurisdiction over the Person.

"Bank Marks" has the meaning set forth in the Marketing Alliance Agreement.

"Banking Product" means any product or service offered by the Seller on the date hereof that involves the deposit and holding of funds in an account maintained by the Seller on behalf of a customer, including the holding of managed funds pursuant to an agreement with such customer, regarding, among other things, the terms of withdrawal and interest, if any, thereon.

"Books and Records" means all books of account, tax records, personnel records, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, equipment logs, operating guides and manuals, business reports, plans and projections and all other documents files, correspondence and other information (whether in written, printed, electronic or computer printout form) used for the Merchant Business.

"Bound Parties" has the meaning set forth in Section 5.2(a).

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"Business Day" means any day excluding Saturday, Sunday and any day on which banking institutions located in Toronto, Ontario or Atlanta, Georgia are authorized by law or other governmental action to be closed.

"Canadian Financial Institution" means a corporation or other entity that is carrying on business in Canada under the regulatory supervision of federal or provincial law and providing financial services in Canada including the receipt of deposits from the public that are insured or guaranteed under an arrangement acceptable to the responsible regulatory authority.

"CPA Firm" has the meaning set forth in Section 4.1(d)(iii).

"Card" means a debit or credit card bearing the symbol(s) of a Card Association or Network Organization that is accepted by a Merchant pursuant to a Merchant Agreement.

"Card Associations" means VISA USA, Inc. (if applicable), VISA Canada, Inc., VISA International, Inc., the Canadian Mastercard entity, if any, MasterCard International, Inc., Novus, American Express, Diner's Club, JCB International Co., Ltd. and any legal successor organization or association of any of them.

"Closing" has the meaning set forth in Section 3.1.

"Closing Calculation" has the meaning set forth in Section 4.1(d)(i).

"Closing Date" has the meaning set forth in Section 3.1.

"Closing Date Merchant Receivables" means, in Canadian Dollars, the Accounts Receivable due from Merchants or from VISA on behalf of Merchants reflected on the Closing Statement.

"Closing Date Net Accounts Receivable" means the amount in Canadian dollars calculated as follows:

(a) (i) if the Closing Date occurs on or before December 31, 2000, Cdn.\$106,500,000 or (ii) if the Closing Date occurs after December 31, 2000, the sum of (A) Cdn.\$106,500,000 plus (B) net income (without giving effect to any distributions or transfers made from the Merchant Business to the Seller) for the Merchant Business for the period from January 1, 2001 through the Closing Date, minus

(b) the sum of (i) Cdn.\$1,255,824.00, representing the value of the fixed assets of the Merchant Business (other than the Terminal Equipment) as at July 31, 2000 and set forth in the Financial Statements, minus the value of such fixed assets which are not part of the Fixed Assets comprising part of the Assets Sold plus (ii) the purchase price of Fixed Assets acquired in the Ordinary Course from July 31, 2000 through the Closing Date up to Cdn.\$65,000.00 minus

(c) the sum of (i) Cdn.\$20,644,576 plus (ii) the purchase price of Terminal Equipment in the Ordinary Course from July 31, 2000 through the Closing Date up to Cdn.\$966,682.00 plus

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(d) an amount equal to the IDP Merchant Payables and (ii) the Net Merchant Payable, both as reflected on the balance sheet of the Merchant Business as at the Closing Date that specifically relate to Accounts Receivable outstanding on the Closing Date and which, for greater certainty, are included in the Accounts Receivable assigned to the Purchaser hereunder.

"Closing Period" has the meanings set forth in Section 4.1(e).

"Closing Period Interest Credit" has the meanings set forth in Section 4.1(f).

"Closing Statement" has the meanings set forth in Section 4.1(d).

"Commercially Reasonable Efforts" means the efforts that a prudent Person who desires to complete the transaction or other action would use in similar circumstances to ensure that a closing or other result occurs as expeditiously as possible without the necessity of assuming any material obligations or paying any material amounts to an unrelated third party.

"Common Shares" means the shares of common stock of Global Payments.

"Confidentiality Agreements" means the separate confidentiality agreements between National Data Corporation, National Data Payment Systems, Inc. and Global Payments, on the one hand, and the Seller, on the other hand, each dated as of September 14, 2000.

"control" exists when a Person owns beneficially, directly or indirectly, more than 50% of another Person's outstanding voting securities or where a Person has the ability to elect a majority of the directors of another Person.

"Covenant Not to Compete" means, collectively, the covenants of the Seller as set forth in Section 5.2.

"Credit Facility" means the credit agreement to be entered into before, and effective as of, the Closing Date between the Purchaser or an Affiliate of the Purchaser (as borrower) resident in the United States for tax purposes, Global Payments and the Seller or an Affiliate of the Seller through its New York agency, as lender, pursuant to Section 10.1(d)(xiii).

"Credit Facility Rate" means the annual rate of interest charged to the Purchaser for borrowings under the Credit Facility.

"Distribution Agreement" means the proposed Distribution Agreement (Plan of Reorganization and Distribution) to be entered into between National Data Corporation and Global Payments and the related agreements between the parties referred to therein.

"Distribution Date" means the date on which the shares of Global Payments are first distributed to shareholders of National Data Corporation pursuant to the Spin-off Transaction.

"Divestiture Determination Period" has the meaning set forth in Section 5.2(d).

"Divestiture Notice" has the meaning set forth in Section 5.2(d).

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"Divestiture Price" has the meaning set forth in Section 5.2(d).

"Divestiture" has the meaning set forth in Section 5.2(d).

"Effective Time" has the meaning set forth in Section 3.1.

"Employee Benefit Plan Agreement" means an agreement between the Seller and the Purchaser in substantially the form of Schedule 4.3(a)(iv).

"Employee Plans" means all the employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, pension, retirement, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, programs, arrangements or practices relating to the current or former employees, officers or directors of the Seller maintained, sponsored or funded by the Seller in relation to the Merchant Business, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered.

"Environmental Laws" means all applicable Laws and agreements with Governmental Entities and all other statutory requirements relating to public health as affected by the environment or to the protection of the environment and all Authorizations issued pursuant to such Laws, agreements or statutory requirements.

"Excluded Merchant Agreements" means Merchant Agreements (i) with any of the Merchants listed in Schedule 2.1(a), (ii) under which the Seller has given notice of its election to terminate prior to the Closing based upon its reasonable judgment consistent with past credit practices, (iii) with respect to which the Purchaser has notified the Seller prior to the Closing Date that the Purchaser does not wish to assume or acquire such Merchant Agreement, or (iv)

with Merchants that have filed petitions for relief prior to the Closing under any bankruptcy or insolvency statutes or as to which courts of competent jurisdiction have entered orders prior to the Closing granting relief in response to petitions so filed by creditors of such Merchants; provided, however, that the Parties hereto may by mutual agreement delete specific Merchant Agreements from the definition of Excluded Merchant Agreements.

"Final Net Accounts Receivable" has the meaning set forth in Section 4.1(d).

"Financial Statements" means the balance sheets, statements of income, statements of changes in the Seller's equity in division and statements of cash flows of the Seller in respect of the Merchant Business as at and for the fiscal year ending October 31, 1999 and the nine-month period ending July 31, 2000 and the accompanying statements of income for the year then ended.

"Fixed Assets" means the furniture, furnishings, accessories, personal computers, fixtures and other assets set forth on Schedule 2.1(e).

"Form 10 Filing" means the registration statement filed by Global Payments on Form 10 with the SEC, as the same has been supplemented, modified or amended on or before the date hereof.

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"GAAP" means accounting principles generally accepted in the United States at the relevant time.

"General Conveyance Agreement" means a general conveyance and assumption of liabilities agreement between the Seller and the Purchaser substantially in the form of Schedule 10.1(d)(x).

"Global Payments" means Global Payments Inc., a Georgia corporation that prior to the Distribution Date is a wholly owned subsidiary of National Data Corporation.

"Governmental Entity" means (i) any multinational, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, 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.

"GST" means Goods and Services Tax payable pursuant to the Excise Tax Act (Canada).

"Guarantor" has the meaning set forth in Section 8.11.

"Independent Sales Organization" means a third party sales organization which refers Merchants to the Seller in connection with the Merchant Business.

"Inspected Party" has the meaning set forth in Section 13.1.

"Interest Calculation" has the meanings set forth in Section 4.1(e).

"Interim Balance Sheet Date" means August 31, 2000.

"Interim Financial Statement" means the unaudited balance sheet of the Seller with respect to the Merchant Business as of the Interim Balance Sheet Date and the accompanying statement of income for the Merchant Business for the nine-month period then ended.

"Interim Period" means the period of time between the signing date of this Agreement and the Closing Date.

"Investor Rights Agreement" means an investor rights agreement between the Seller and Global Payments substantially in the form of Exhibit 10.1(d)(ix).

"Laws" 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 judgments, orders, decisions, ruling or awards, guidelines, standards, policies and procedures enacted by a regulatory body or pursuant to statutory authority or requirement and general principles of common and civil law and equity, binding on the Person referred to in the context in which the word is used.

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"Leased Property" means the lands and premises listed and described on Schedule 2.1(b)(2) by reference to its municipal address.

"Lease" means the lease of the Leased Property described on Schedule

2.1(b)(2).

"Licenced Trademarks" means the trademarks licenced to Purchaser from the Seller pursuant to the Trademark Licence Agreement.

"Licences" means the Licences of space in certain properties described in Schedule 2.6(b).

"Lien" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that, in substance, secures payment or performance of an obligation.

"Major Merchants List" has the meaning set forth in Section 7.14.

"Marketing Alliance Agreement" means the marketing alliance agreement between the Seller and the Purchaser substantially in the form of Exhibit

10.1(d)(viii).

"Merchant" means any Person (other than the Seller) that has entered into a Merchant Agreement.

"Merchant Agreement" means an oral or written agreement or series of agreements between the Seller and a merchant, including but not limited to, merchant member agreements, instant payment service agreements, terminal lease agreements, terminal authorization and draft deposit service agreements, instant payment merchant agreements, guaranteed reservation service agreements, merchant tape deposit service agreements, telephone and mail order agreements, merchant agreement acceptance forms and applications for merchant service, as such agreements have been amended from time to time pursuant to which the Merchant undertakes to honor Cards and agrees to deposit Card transaction records with the Seller and settles with the Seller for Card transactions and other related services as may be set forth in or performed pursuant to any such agreement.

"Merchant Business" means the business of accepting Card transaction records in documentary or electronic form from merchants in connection with the processing and clearing of such records for settlement and payment to such merchants via a Credit Card Association or Network Organization using the processes and technologies used by the Seller or the Purchaser as of the date of this Agreement.

"Merchant Business Software" has the meaning set forth in Section 7.18(a).

"Network Organization" means the Interac Association or any legal successor organization.

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"New Product" means any new product or service to be offered by the Purchaser or any Affiliate of the Purchaser that is not a product or service of the Merchant Business as of the date hereof.

"New Product Brand Consent" has the meaning set forth in Section 6.3(c).

"New Product Notice" has the meaning set forth in Section 6.3(b).

"New Product Reply Notice" has the meaning set forth in Section 6.3(c).

"Non-Compete Period" has the meaning set forth in Section 5.2(a).

"OSFI" means the Office of the Superintendent of Financial Institutions.

"Objection" has the meaning set forth in Section 4.1(d).

"Operative Documents" means this Agreement, the Marketing Alliance Agreement, the General Conveyance Agreement, the Transition Agreement, the Investor Rights Agreement, the Trademark License Agreement, the Stock Purchase Agreement and the Credit Facility.

"Ordinary Course" means, with respect to an action taken by a Person, that such action is consistent with the past practices of the Person and is taken in the ordinary course of the normal operations of the Person.

"Parties" means the Seller and the Purchaser, and any other Person who may become a party to this Agreement pursuant to the terms hereof but includes the Guarantors only for the purpose of the guarantees provided on the signature page of this Agreement.

"Permitted Lien" means Liens listed and described in Schedule 1.1(b).

"Person" means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity.

"Purchase Price" has the meaning set forth in Section 4.1(a).

"Purchaser Indemnified Persons" has the meaning set forth in Section 12.2(a).

"Purchaser Material Adverse Effect" means, for the purposes of this Agreement, a material adverse effect, singularly or in the aggregate taking into account all representations and covenants containing a Purchaser Material Adverse Effect qualifier, that could result in a loss of 20% or more in annual revenue, a 20% or more increase in annual expenses or a 20% or more reduction in the value of the assets of the NDC eCommerce business segment (prior to the Distribution Date) or Global Payments (on or after the Distribution Date) from the revenue, expenses, and asset values, respectively, set forth on the financial statements of the NDC eCommerce business segment (to be reorganized as Global Payments pursuant to the Spin-off Transaction) for the twelve months ended May 31, 2000 (as set forth in the Form 10 Filing) or that would otherwise be reasonably expected to result in a material limitation on the Purchaser's ability to perform its obligations under any of the

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Operative Documents.

"Purchaser's Knowledge" or other references to the "Knowledge of the Purchaser" or words of similar import shall mean the actual knowledge after reasonable inquiry of Paul R. Garcia, Thomas M. Dunn, James Kelly, Barry Lawson, Suellyn Tornay, and Vincent Perrelli, or any person who has assumed any of the duties and responsibilities of the any of the foregoing individuals prior to the time the applicable representation or warranty is being made.

"Purchasers Net Accounts Receivable Calculation" has the meanings set forth in Section 4.1(d) (ii).

"SEC" means the United States Securities and Exchange Commission.

"Seller Indemnified Persons" has the meaning set forth in Section 12.2(b).

"Seller Material Adverse Effect" means, for the purposes of this Agreement, a material adverse effect that, singularly or in the aggregate taking into account all representations and covenants containing a Seller Material Adverse Effect qualifier, could result in a loss of 5% or more in annual revenue, a 3% or more increase in annual expenses, or a 3% or more reduction in the value of the applicable assets, from the revenue, expense and asset values, respectively, set forth on the Financial Statements or which would otherwise be reasonably expected to result in a material limitation on the Seller's ability to perform its obligations under any of the Operative Documents.

"Seller Referred Merchant" means a merchant who, after the Closing Date, enters into a Merchant Agreement, including any merchant agreement to which the Purchaser or any Affiliate of the Purchaser is a party, as a result of a referral by the Seller pursuant to Section 6.1 of the Marketing Alliance Agreement.

"Seller's Knowledge" or other references to the "Knowledge of the Seller" or words of similar import shall mean the actual knowledge after reasonable inquiry of Christine Croucher, Jordan Cohen, Bruce Nanton, Rene Belanger, James Hicks, Nicholas Samurkas, David Caldwell, Don Hicks, Richard D. Brown and Robert Richardson, or any person who has assumed any of the duties and responsibilities of the any of the foregoing individuals prior to the time the applicable representation or warranty is being made.

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"Spin-off Transaction" means the contribution by National Data Corporation to Global Payments of the business, assets and liabilities of National Data Corporation's eCommerce operations and the subsequent distribution to the shareholders of National Data Corporation of all of the issued and outstanding shares of capital stock of Global Payments, as contemplated in the Distribution Agreement.

"Stock Purchase Agreement" means the stock purchase agreement substantially in the form of Exhibit 10.3(d) between the Seller and Global Payments.

"Subsidiary" has the meaning given to such term in the Business Corporations Act (Ontario).

"Systems" has the meanings set forth in Section 7.29(m).

"Terminal Equipment" means the point of sale terminals owned by the Seller and used in the Merchant Business that are located on the premises of Merchants or held in inventory for such use.

"Territory" means the United States of America, including all its territories and possessions, and Canada.

"Third Party Vendor Agreements" means the agreements with the Independent Sales Organization, Merchant Card Acceptance, and the other agreements listed on Schedule 2.1(b)(1), under which the Seller obtains certain goods and services, including software licenses, related to the Merchant Business.

"Three Party Agreements" has the meaning set forth in Section 2.5.

"Trademark Licence Agreement" means the trademark licence agreement between the Seller and the Purchaser substantially in the form of Schedule 10.1(d)(xi).

"Transferred Employees" means the employees who are listed on Schedule 4.3(a) to whom an Affiliate of the Purchaser will offer employment effective as of the Effective Time.

"Transferred Intellectual Property" means the intellectual property set forth on Schedule 2.1(i).

"Transition Agreement" means an agreement to be entered into at the Closing Time between the Seller and the Purchaser in a form acceptable to the Seller and the Purchaser and incorporating the services and costs schedule and other matters set forth in Schedule 4.2.

"Transition Employees" means employees of the Seller who are employed in the Merchant Business, other than Transferred Employees and employees of the Seller who are members of a collective bargaining unit.

"Year 2000 Compliant" means that the software used by the Merchant Business will not be adversely affected by the advent of the year 2000 with respect to date and date-dependent data

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(including, but not limited to, calculating, comparing, and sequencing), and that such software will be capable of creating, storing and processing records related to and including the year 2000 and thereafter without deficiencies.

ARTICLE II

ASSETS SOLD; ASSUMPTION OF LIABILITIES

2.1 Sale and Purchase. On the terms and subject to the conditions set forth in this Agreement, the Seller agrees to sell, transfer and assign to the Purchaser and the Purchaser agrees to purchase and accept from the Seller all right, title and interest of the Seller in and to the following properties and assets (collectively, the "Assets Sold"):

- (a) by way of equitable assignment, all of the Seller's rights under the Assigned Merchant Agreements (it being acknowledged that the Seller shall continue as the legal party to such Assigned Merchant Agreements);
- (b) the Third Party Vendor Agreements and the Lease;
- (c) Intentionally Deleted;
- (d) the Terminal Equipment set forth on Schedule 2.1(d);
- (e) the Fixed Assets set forth on Schedule 2.1(e);
- (f) the Accounts Receivables (including the Closing Date Merchant Receivables) and all prepaid expenses of the Merchant Business as at the Effective Time;
- (g) all Authorizations owned, held, or used by the Seller in connection with the Merchant Business to the extent transferable;
- (h) the Books and Records as at the Effective Time (subject to Sections 2.4 and 13.1);

- (i) the Transferred Intellectual Property;
- (j) the supplies used or held for use in the Merchant Business including paper drafts, emblems and imprinters; and
- (k) cash in the amount of the vacation pay accrued to the Closing Date for the Transferred Employees.

The Seller agrees to complete such sale by execution and delivery to the Purchaser, at the Closing, of the General Conveyance Agreement. The Parties acknowledge that the Purchaser shall have further rights of assignment in respect of the Assigned Merchant Agreements set out in the Marketing Alliance Agreement, and shall have the right to cause the equitable assignment referred to in Section 2.1(a) above to be converted into a legal assignment of such rights upon notice being given by the Purchaser to the relevant Merchants.

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2.2 Transfer and Assumption of Liabilities. At the Closing and as of

the Effective Time, simultaneously with the transfer of the Assets Sold, the Seller shall transfer to the Purchaser, and the Purchaser shall assume and agree thereafter to pay and discharge when due, and, promptly upon request of the Seller, reimburse the Seller and hold the Seller harmless with respect to, the Assumed Liabilities. The Purchaser agrees to complete such assumption by execution and delivery to the Seller of the General Conveyance Agreement.

2.3 Consents. The Seller shall use its Commercially Reasonable Efforts to

obtain as promptly as practicable any consents required in connection with the sale, transfer and assignment to the Purchaser of the Assets Sold and the transfer to and assumption by the Purchaser of the Assumed Liabilities. If any required consent is not obtained by the date of the Closing, the Seller and the Purchaser shall nevertheless continue to pursue such consents and, at the request of the other Party, shall cooperate in any reasonable arrangement designed to provide to the Purchaser the benefits under or of any such asset or property, and to permit the Purchaser to assume full responsibility for any such Assumed Liabilities, including, but not limited to the actions set forth in Section 13.2. Nothing contained in this Agreement or the General Conveyance Agreement shall be deemed to constitute an assignment or attempted assignment by the Seller of any agreement or contract if any assignment or attempted assignment would constitute a breach thereof or give any third party the right to terminate any such agreement or contract.

2.4 Books and Records. The Purchaser shall, on the date of the Closing,

receive the right to possess, and all the Seller's right, title and interest in, the originals or, in the event the Seller is entitled to keep the originals pursuant to this Section 2.4 or if the Seller does not have in its possession such originals, copies, of all Books and Records; provided, however, that the Seller may retain the originals or copies of such documents as the Seller may deem reasonably necessary or appropriate for its business; and provided, further, that any such materials in the Seller's off-site archives need not be delivered at Closing pursuant to this Agreement unless requested by the Purchaser, and such materials (or relevant extracts therefrom) instead shall be provided to Purchaser in accordance with the procedures set forth in Section 13.1.

2.5 New Three Party Agreements. The Purchaser and the Seller agree to use

their Commercially Reasonable Efforts to negotiate and enter into agreements between the Seller, the Purchaser and certain third parties relating to the conduct of the Merchant Business and as described on Schedule 2.5 (the "Three Party Agreements") on or before Closing such that each of the Purchaser and the Seller are parties to such agreements in a manner required for the provision of the services under the Transition Agreement and under the Marketing Alliance Agreement.

2.6 Licenses and Leases. On the Closing,

- (a) the Seller and the Purchaser, or an Affiliate of the Purchaser, shall enter into a lease in respect of the premises located at 750 Lawrence Avenue in Toronto, Ontario in the form acceptable to the Seller and the Purchaser acting reasonably;

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- (b) the Seller and the Purchaser, or an Affiliate of the Purchaser shall enter into a License in respect of each of the spaces identified on Schedule 2.6(b) substantially in the form of Schedule 2.6(c);

- (c) the Seller and the Purchaser shall enter into an assignment and assumption agreement in a form acceptable to the Seller and the Purchaser acting reasonably, with respect to the Lease. In addition, the Purchaser shall enter into an assumption agreement with the landlord under the Lease as required by Section 7 of the executed Offer to Lease made in October, 2000.

ARTICLE III

THE CLOSING

3.1 Closing. The consummation of the sale of the Assets Sold to the Purchaser and the assumption of the Assumed Liabilities by the Purchaser (the "Closing"), shall be deemed to have occurred concurrently with the closing of the transactions contemplated by the Stock Purchase Agreement and shall take place on the tenth Business Day following the later of (i) the Distribution Date, (ii) 14 calendar days after the date that offers of employment have been made to all of the Transferred Employees pursuant to Section 4.3, and (iii) the satisfaction or waiver of all of the conditions set forth in Section 10, or at such other time as the Parties agree (the "Closing Date"). The Closing shall take place at such location as the Parties agree. For purposes of this Agreement, the "Effective Time" shall be 12:01 a.m. Atlanta, Georgia time on the day after the Closing Date. The Seller and the Purchaser agree to use their Commercially Reasonable Efforts to consummate the Closing on the terms and subject to the conditions set forth in this Agreement.

ARTICLE IV

CONSIDERATION FOR ASSETS SOLD AND ASSUMPTION OF LIABILITIES; TRANSITION; TRANSFERRED EMPLOYEES; MERCHANTS AND INDEPENDENT SALES ORGANIZATIONS

4.1 Consideration.

- (a) In consideration for the sale, assignment and transfer of the Assets Sold and the Merchant Business and the granting of the Covenant Not to Compete and subject to the terms and conditions set forth in this Agreement and in reliance on the representations, warranties, covenants and agreements of the Parties contained herein, the Purchaser will:
- (i) pay the Seller an amount equal to the subscription price that will entitle the Seller to acquire pursuant to the Stock Purchase Agreement, that number of Common Shares equal to 26.25% of the total number of Common Shares outstanding on a diluted basis (as determined in accordance with GAAP) on the Closing Date, after giving effect to such subscription, being \$136,850,000 (the "Cash Amount"); and

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- (ii) assume the Assumed Liabilities (together with the Cash Amount, the "Purchase Price").

(b) Tax Matters

- (i) In the event, after the Closing, any taxing authority assesses on the Seller or Purchaser any sales, use, transfer or similar taxes, interest, or penalties relating to the sale of the Assets Sold, the assessed Party shall have the right, at its own expense, in its own name (subject to such restrictions as the other Party may reasonably impose to avoid damage to its relationships with taxing authorities or its prospects of success in connection with other matters pending before such authorities), to contest any such assessments and the other Party shall cooperate with the assessed Party except to the extent that the cooperation would, in the reasonable opinion of the other Party, increase such other Party's taxes.
- (ii) For greater certainty, the Parties have separately concluded that the Purchaser is acquiring the ownership, possession or the use under this Agreement of all or substantially all of the property that can reasonably be regarded as being necessary for the Purchaser to be capable of carrying on the Merchant Business as a business, all within the meaning of Section 167 of the Excise Tax Act (Canada) and Section 75 of the Act Respecting the Quebec Sales Tax (Quebec). The Parties will use their Commercially Reasonable Efforts in

good faith to minimize (or eliminate) any taxes payable under the Excise Tax Act (Canada) and applicable provincial sales tax legislation in respect of the Closing by, among other things, making such elections and taking such steps, including the completion of applicable exemption certificates, as may be provided for under such legislation (including, for greater certainty, making a joint election in a timely manner under Section 167 of the Excise Sales Tax Act (Canada) and Section 75 of the Quebec Sales Tax Act) as may reasonably be requested by the Purchaser or the Seller in connection with the Closing.

(iii) To the extent permitted by applicable law, the Purchaser and the Seller agree to elect jointly in the prescribed form under Section 22 of the Income Tax Act (Canada) as to the sale of the Accounts Receivable and to designate in such election an amount equal to the portion of the Purchase Price allocated to Accounts Receivable pursuant to Section 4.1(c).

(c) Allocation of Cash Amount. The Seller and the Purchaser agree to -----
allocate the Cash Amount amongst the Assets Sold and the Covenant Not to Compete in

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accordance with the provisions of Schedule 4.1(c) and to execute and -----
file all tax returns on the basis of such allocation.

(d) Net Accounts Receivable Adjustments.

(i) Within 30 days of the last day of the month in which the Closing Date occurs, the Seller will prepare and deliver to the Purchaser a balance sheet of the Merchant Business as at the Closing Date (the "Closing Statement") and a calculation of the Closing Date Net Accounts Receivable (the "Closing Calculation"). The Purchaser will assist and cooperate with the Seller in the preparation of the Closing Statement, including by providing the Seller and its accountants access to the Books and Records and to any other information reasonably necessary to prepare the Closing Statement. The Closing Statement and the Closing Calculation shall be prepared in conformity with GAAP, applied on a basis consistent with the Financial Statements.

(ii) The Purchaser shall, within 30 days after the delivery by the Seller of the Closing Statement and the Closing Calculation, complete its review of the Closing Statement and the Closing Calculation. In the event that the Purchaser determines that either the Closing Statement or the Closing Calculation has not been determined on a basis consistent with the requirements of Section 4.1(d)(i), the Purchaser shall inform the Seller in writing (the "Objection"), setting forth a specific description of the basis of the Objection, the adjustments to the Closing Statement or the Closing Calculation which the Purchaser believes should be made, and the Purchaser's calculation of the Closing Date Net Accounts Receivable (the "Purchaser's Net Accounts Receivable Calculation"). Failure to so notify the Seller shall constitute acceptance and approval of the Seller's Closing Calculation.

(iii) The Seller shall then have 30 days from the date it receives the Objection to review and respond to the Objection. Failure to so notify the Purchaser shall constitute acceptance and approval of the Purchaser's Objection. If the Seller and the Purchaser are unable to resolve all of their disagreements with respect to the determination of the calculations described in Section 4.1(d)(ii) within 30 days following the completion of the Seller's review of the Objection, after having used their good faith efforts to reach a resolution, they shall refer their remaining differences to Arthur Andersen LLP or another internationally recognized firm of independent public accountants as to which the Seller and the Purchaser mutually agree (the "CPA Firm"), who shall, acting as experts in accounting and not as arbitrators, determine on a basis consistent with the requirements of Section 4.1(d)(i), and only with respect to the specific remaining accounting related differences so submitted, whether and to what extent, if any, the Closing Date Net Accounts Receivable

requires adjustment. The Seller and the Purchaser shall request the CPA Firm to use its best efforts to render its determination within 30 days. The CPA Firm's determination shall be conclusive and binding upon the Seller and the Purchaser. The Seller and the Purchaser shall make reasonably available to the CPA Firm all relevant books and records, any work papers (including those of the parties' respective accountants) and supporting documentation relating to the Closing Statement, the Closing Calculation, the Purchaser's Net Accounts Receivable Calculation and all other items reasonably requested by the CPA Firm.

- (iv) The Closing Date Net Accounts Receivable (the "Final Net Accounts Receivable") shall ultimately be equal to (i) the Closing Calculation in the event that (x) no Objection is delivered to the Seller during the 30-day period specified above, or (y) the Seller and the Purchaser so agree, (ii) the Purchaser's Net Accounts Receivable Calculation in the event that the Seller does not respond to the Objection within the 30-day period following receipt by the Seller of the Objection, or (iii) the applicable Closing Date Net Accounts Receivable, as adjusted by either (x) the agreement of the Seller and the Purchaser or (y) the CPA Firm. All fees and disbursements of the CPA Firm, if any, shall be shared equally by the Seller and the Purchaser.
- (v) if the Final Net Accounts Receivable determined in accordance with the procedures set forth above is less than the Closing Date Merchant Receivables, the Purchaser shall pay the amount of such difference to the Seller with interest thereon at the Credit Facility Rate from the day following the Closing Date to the date of payment. The Purchaser shall pay the amounts due under this clause (v) by way of a debit to the Purchaser's account relating to the Credit Facility.
- (vi) if the Final Net Accounts Receivable determined in accordance with the procedures set forth above is greater than the Closing Date Merchant Receivables, the Seller shall pay the amount of such difference to the Purchaser with interest thereon at the Credit Facility Rate from the day following the Closing Date to the date of payment. The Seller shall pay the amounts due under this clause (vi) by way of a credit to Purchaser's account relating to the Credit Facility.

4.2 Transition Period. The Purchaser and the Seller agree to use their

 Commercially Reasonable Efforts to effect an orderly transition of the Merchant Business in accordance with the Transition Agreement to be entered into between the Parties on the Closing Date, which is in a form acceptable to the Seller and the Purchaser and incorporating the services and costs schedule and other matters set forth in Schedule 4.2.

4.3 Employees.

- (a) The Parties agree as follows with respect to offers of employment to employees of the Seller employed in the Merchant Business:
 - (i) At least two weeks prior to the Closing Date, the Purchaser shall cause an Affiliate of the Purchaser to offer full-time employment to those employees of the Seller whose names are listed on Schedule 4.3(a)(i) (the "Transferred Employees")

 as of the Effective Time on terms and conditions which are no less favourable in the aggregate than those in effect for the Transferred Employees immediately prior to the Closing Date.
 - (ii) The terms and conditions of employment offered by the Purchaser's Affiliate to a Transferred Employee shall be as agreed by the Seller and the Purchaser and in any event shall provide, at least for the 12 months after the Closing Date, for (i) no reduction in any Transferred Employees base salary; (ii) no material change in any Transferred Employee's job content or duties; and (iii) no significant geographic relocation of the Transferred Employee.
 - (iii) Offers to Transferred Employees by the Purchaser's Affiliate

under this Section 4.3(a) shall be in a form mutually agreed upon by the Seller and the Purchaser.

- (iv) Subject to the Employee Benefit Plan Agreement, which is substantially in the form of Schedule 4.3(a)(iv), the terms

and conditions of employment with the Purchaser's Affiliate provided for in offers under this Section 4.3(a) shall remain in effect, without notice of change except for improvements, for Transferred Employees who accept such offers, for a period of at least 12 months following the Closing Date. For greater certainty, the Purchaser's Affiliate may terminate a Transferred Employee's employment during the 12 months following the Closing Date for cause but shall not give notice of termination, other than for cause, prior to the end of such 12 month period.

- (v) Subject to the last sentence of this Section 4.3(a)(v), where the Purchaser's Affiliate makes offers of employment to Transition Employees, the provisions of this Section 4.3(a) shall apply to such offers as if the Transition Employees were Transferred Employees, except that, in the case of an offer to a Transition Employee, references herein to "Effective Time" or "Closing Date" shall be read as references to the date on which the Transition Employee commences employment pursuant to such offer. For the purposes of this Section 4.3(a), the terms and conditions of the employment offered to a Transition Employee by the Purchaser's Affiliate shall be deemed to be no less favourable in the

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aggregate than such Transition Employee's terms and conditions of employment with the Seller immediately prior to the date on which he or she accepts the offer of employment with the Purchaser's Affiliate if the terms and conditions of employment offered by the Purchaser or the Affiliate are the same, except for adjustments to reflect the Transition Employee's actual base salary with the Seller immediately prior to the date on which the offer is made, as the terms and conditions of the offers made hereunder to Transferred Employees.

- (vi) The Purchaser's Affiliate shall pay awards to those Transferred Employees who, on the Closing Date, participate in the Seller's "Card Products Division Retention Plan" for employees with scarce skills in the amounts and at the times specified in Schedule 4.3(a)(vi) and shall notify the

Seller in writing of such payments when they are made. The aggregate amount payable by the Purchaser's Affiliate to Transferred Employees as awards pursuant to the Seller's Card Products Division Retention Plan shall be referred to herein as the "Aggregate Employee Retention Award".

- (vii) Where a Transferred Employee or a Transition Employee who accepts an offer of employment made pursuant to this Section 4.3(a) is unable to report to work at the Effective Time, in the case of a Transferred Employee, or on the date contemplated in the offer for commencing work with the Purchaser's Affiliate, in the case of a Transition Employee, by reason of injury, disability, incapacity, maternity, parental or other authorized leave of absence, such offer shall be effective to cause such Transferred Employee or Transition Employee to become an employee of the Purchaser's Affiliate on the date on which he or she returns to work on regular or reduced hours. Notwithstanding the foregoing, the Purchaser and the Affiliate shall have no obligation to employ a Transferred Employee or Transition Employee who remains on a leave of absence for any reason for at least two years from and including (i) in the case of a Transferred Employee, the Effective Time, or (ii) in the case of a Transition Employee, the date specified in an offer hereunder for commencing employment with the Purchaser's Affiliate.

- (b) The Seller shall undertake Commercially Reasonable Efforts to maintain professional and other staff employees (including, but not limited to, the Transferred Employees and the Transition Employees) necessary to operate the Merchant Business in the same manner, subject to the Transition Agreement, as it operated prior to the date hereof. Stay bonuses set forth on Schedule 4.3(b) shall be paid 50% by the Seller

and 50% by the Purchaser in accordance with the terms of such

schedule.

- (c) The Seller agrees that the Card Products division of the Seller will not initiate the transfer of any Transferred Employee to any other position within the Card

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Products division of the Seller after an offer has been issued to the Transferred Employees. The Seller further agrees that the Card Products division of the Seller shall not permit the transfer to another position with the Seller or an Affiliate thereof of a Transferred Employee or Transition Employee who receives an offer of employment pursuant to Section 4.3(a) provided that the Seller has received notice from the Purchaser or its Affiliate that such Transferred Employee or Transition Employee has received such offer. The Seller shall not attempt to discourage employees from accepting any offer of employment made by the Purchaser's Affiliate. The Seller agrees to cooperate with the Purchaser (and not to interfere with the efforts of the Purchaser's Affiliate, whether by making competing offers of employment or otherwise) in seeking to obtain commitments from the Transferred Employees to enter into the employ of the Purchaser's Affiliate. Subject to any agreement by the Seller and the Purchaser to the contrary, the Seller and all of the Bound Parties agree not to employ or re-employ any Transferred Employee who accepts an offer of employment from the Purchaser's Affiliate hereunder in Canada in the Card Products division of the Seller prior to the expiry of 12 months following the Closing Date for Transferred Employees and following the date on which they commence employment with the Purchaser's Affiliate for Transition Employees.

- (d) With respect to Transferred Employees and Transition Employees who accept offers of employment with the Purchaser's Affiliate, subject to the Employee Benefit Plan Agreement, the Purchaser's Affiliate agrees to recognize prior service with the Seller for all purposes.
- (e) The Seller shall remain responsible for:
 - (i) All liabilities for salary, wages, bonuses, commissions, vacation pay and other compensation and all liabilities under the Employee Plans with respect to the employment of Transferred Employees prior to the Closing Date.
 - (ii) All severance payments, damages for wrongful dismissal and all related costs in the event of the termination by the Seller of the employment of any employee of the Seller employed in the Merchant Business who does not accept the Purchaser's Affiliate's offer of employment referred to in Section 4.3(a), any Transition Employee who is not offered employment by the Purchaser's Affiliate, subject to the provisions of the Transition Agreement, and in respect of any other employee of the Seller employed in the Merchant Business who is not offered a position by Purchaser's Affiliate.
 - (iii) All liabilities for claims for injury, disability, death or workers' compensation arising from or related to employment: A. prior to the date on which he or she commences employment pursuant to an offer under Section 4.3(a), for any Transition Employee or for any Transferred

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Employee; and B. before and after Closing for all other employees of the Seller.

ARTICLE V

CERTAIN ADDITIONAL AGREEMENTS OF THE SELLER

5.1 Further Assurances. On and after the Closing Date, the Seller shall

give such further assurances to the Purchaser and execute, acknowledge and deliver all such acknowledgements and other instruments and take such further action as may be reasonably necessary or appropriate to effectuate the transactions contemplated by this Agreement, including the transfer of the Assets Sold and assumption of the Assumed Liabilities.

5.2 Seller's Covenant Not To Compete.

- (a) In order that the Purchaser may have and enjoy the full benefit of the Assets Sold and in consideration of the amount allocated to the Covenant Not to Compete as set forth on Schedule 4.1(c) the Seller

agrees that neither the Seller nor any Person which is an Affiliate of

the Seller on the date hereof or at any time hereafter or otherwise becomes an Affiliate of the Seller or its Affiliates (except for any Affiliate who acquires control of the Seller after the date hereof) (collectively, the "Bound Parties") will, except as specifically set forth below, for the period from the Closing Date until the later of (a) the third anniversary of the Closing Date or (b) one year after termination of the Marketing Alliance Agreement (the "Non-Compete Period"), solicit or accept Merchant Business or acquire control of any Person carrying on a Merchant Business in the Territory.

- (b) In the event that, during the Non-Compete Period, the Seller shall acquire a Person that has a Merchant Business or shall amalgamate with a Person that has a Merchant Business, then and, in such event, the Seller or the amalgamated entity shall be obligated to sell or otherwise divest itself of such Merchant Business within one year after the date of such acquisition or amalgamation. Such sale or divestiture shall be subject to Purchaser's rights set forth in Section 5.2(d) below. Notwithstanding the foregoing, during the time period between the date of the acquisition or amalgamation and the subsequent sale or divestiture, the Seller or the amalgamated entity shall be allowed to continue to operate such acquired Merchant Business, but all referrals for new Merchant Business shall be referred to the Purchaser in accordance with the provisions of the Marketing Alliance Agreement.
- (c) Intentionally Deleted.
- (d) In the event that during the Non-Compete Period the Seller shall be required to divest itself or otherwise sell a Merchant Business in accordance with Section 5.2(b) or in the event the Seller shall determine to sell such Merchant Business even if not required to do so (such required divestiture or determination

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to sell, a "Divestiture"), no later than 30 days after being so required or making such determination and, in any event, prior to contacting any third party purchaser, the Seller shall provide the Purchaser with written notice (the "Divestiture Notice") setting forth (i) a description of the Merchant Business to be sold and (ii) the material terms and conditions of the proposed sale including the price (the "Divestiture Price") at which the Seller proposes to offer to sell such Merchant Business. The Divestiture Notice shall also contain an irrevocable offer ("Divestiture Offer") to sell such Merchant Business to the Purchaser at a price equal to the Divestiture Price and upon the same terms and conditions as the terms and conditions contained in the Divestiture Notice (subject to the provisions of clause (B) below). At any time within 30 days after the date of receipt by the Purchaser of such Divestiture Notice (the "Divestiture Determination Period"), the Purchaser shall have the option to exercise its right to purchase such Merchant Business (A) at the Divestiture Price and on the same terms and conditions as set forth in the Divestiture Offer or (B) if the Divestiture Offer includes any consideration other than cash, at the equivalent cash price as determined in good faith by the Seller. During the Divestiture Determination Period, the Seller shall enable the Purchaser to conduct its own due diligence investigation of such Merchant Business in connection with the Divestiture Offer. If the Purchaser has not given notice of its intention to exercise such right to purchase such Merchant Business within the Divestiture Determination Period or the parties have not, after negotiating in good faith, entered into a binding agreement of purchase and sale for such Merchant Business within such 60 days of the Purchaser's response to the Divestiture Notice, the Seller shall be free to effect such Divestiture with a third party purchaser on terms that are substantially the same in all material respects as the terms set forth in the Divestiture Notice. In the event of a breach of the foregoing covenant, the Purchaser shall have the right, in addition to any remedies that may be available, to obtain specific performance of the terms of this covenant.

- (e) Notwithstanding the other provisions of this Section 5.2, the Covenant Not to Compete shall automatically terminate if the Purchaser breaches Section 14.3(c) of the Marketing Alliance Agreement such that neither the Purchaser nor any of its Affiliates is able to carry on the Merchant Business in the Ordinary Course.

5.3 Compliance with Regulatory Matters. The Seller agrees to use its

Commercially Reasonable Efforts to satisfy as promptly as possible the regulatory requirements for completing the transactions contemplated by this Agreement and the Operative Documents and to provide the Purchaser with all such information regarding the Seller as may be reasonably required by the Purchaser in order for the Purchaser to satisfy such requirements insofar as such satisfaction may require filings or other actions on the part of the Purchaser.

5.4 Segregation of Canadian BINs. After the date hereof, the Seller

shall use Commercially Reasonable Efforts to cause, prior to the Closing Date, the Seller's Canadian BINs (as defined in the Marketing Alliance Agreement) used in connection with the Merchant

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Business to be segregated between the Seller's credit card issuing business and its Merchant Business, and the Purchaser shall pay to the Seller one-half of the Seller's reasonable out of pocket costs, if any, incurred to complete the segregation of the BINS contemplated herein (provided that the Seller shall not incur any such costs without the prior approval of the Purchaser, acting reasonably). From and after the Closing for so long as the Seller is required to maintain its records relating to Card transactions, the Purchaser shall, subject to applicable Laws, have access, on reasonable terms and upon reasonable notice, to the Seller's books and records relating to Card transactions processed through the Seller's non-segregated BIN's for the purposes of carrying on the Merchant Business by the Purchaser in the Ordinary Course.

ARTICLE VI

CERTAIN ADDITIONAL AGREEMENTS OF THE PURCHASER

6.1 Compliance with Regulatory Matters. The Purchaser agrees to use its

Commercially Reasonable Efforts to satisfy as promptly as possible the regulatory requirements for completing the transactions contemplated by this Agreement and the Operative Documents, and to provide the Seller with all such information regarding the Purchaser as may be reasonably required by the Seller in order for the Seller to satisfy such requirements insofar as such satisfaction may require filings or other actions on the part of the Seller.

6.2 Intentionally Deleted.

6.3 Purchaser's Covenant Not to Compete.

(a) In order that the Seller may continue to have and enjoy the benefit of its relationships with the Merchants and the Seller Referred Merchants with respect to Banking Products, the Purchaser agrees that, subject to the provisions of this Section 6.3, neither the Purchaser nor any Affiliate of the Purchaser, including Global Payments (except for any Person, other than an Affiliate of Global Payments, who may acquire control of Global Payments) will:

- (i) during the Non-Compete Period, offer, introduce or make available any Banking Product to a Merchant who is a party to an Assigned Merchant Agreement as of the Closing Date (whether or not such Merchant subsequently becomes a party to a New Merchant Agreement (as defined in the Marketing Alliance Agreement)) or a Seller Referred Merchant; or
- (ii) during the term of the Marketing Alliance Agreement, take any other action which would cause a Merchant who is a party to an Assigned Merchant Agreement or a Seller Referred Merchant to divert away from the Seller some or all such Merchant's or such Seller Referred Merchant's, as the case may be, purchases of Banking Products.

(b) If, at any time during the Non-Compete Period, the Purchaser (either alone or in conjunction with a third party) wishes to offer, introduce or make available a New

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Product to a Merchant or a Seller Referred Merchant using the Bank Marks or brand, trade name or trade mark of another Canadian Financial Institution, either alone or in conjunction with the Purchaser's or its Affiliates' name or trademarks, the Purchaser shall provide a notice (a "New Product Notice") to the Seller, at least 60 days in advance of offering, introducing or making available such New Product in the Territory, in which the Purchaser indicates in reasonable detail the key attributes of such proposed New Product including, without limitation:

- (i) a detailed description of the New Product;
- (ii) the identity of any third party with which the Purchaser has, or proposes to have, any contractual obligations with respect to such New Products; and
- (iii) the anticipated launch date for the New Product.

(c) The Seller shall, within ten Business Days of receiving a New Product

Notice, provide a notice (a "New Product Reply Notice") to the Purchaser in which the Seller shall indicate in reasonable detail the key attributes of any products, if any, which are substantially similar to the New Product described in the New Product Notice and which the Seller offers at such time, or proposes to offer, to the Seller's customers including without limitation:

- (i) a detailed description of such product;
 - (ii) the identity of any third party with which the Seller has, or proposes to have, any contractual obligations with respect to such product;
 - (iii) if not offered at such time, the anticipated launch date for such product; and
 - (iv) whether or not the Seller grants its consent (a "New Product Brand Consent") to the use of the Bank Marks in connection with the marketing of the New Product, if requested by the Purchaser.
- (d) If, after having received the New Product Reply Notice,
- (i) the Purchaser wishes to offer the New Product to a Merchant or a Seller Referred Merchant; and
 - (ii) the Seller has not given a New Product Brand Consent to the Purchaser in connection with such New Product;

then:

- (iii) the Purchaser may offer, at any time, such New Product to such Merchants or the Seller Referred Merchants, but only by using a brand,

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trade name or trade marks other than the Bank Marks and other than a brand, trade name or trade mark of another Canadian Financial Institution, either alone or in conjunction with the Purchaser's or its Affiliates' name or trade marks, so long as such offer does not contravene or violate the provisions of any Operative Document; and

- (iv) the Seller may offer, at any time, a product which competes with the New Product to such Merchants or the Seller Referred Merchants and which uses, alone or in conjunction with, the Bank Marks or such other marks for which the Seller has a right to use, so long as such offer does not contravene or violate the provisions of any Operative Document.
- (e) Notwithstanding anything to the contrary contained in this Agreement, the Purchaser covenants and agrees that neither the Purchaser nor any Affiliate of the Purchaser will offer, introduce or make available any New Product that is branded or contains any of the Bank Marks or other trade marks of the Seller or third party marks otherwise currently used under contract or agreement by the Seller on an exclusive basis (provided the Purchaser has been notified that the Seller has such exclusivity) without obtaining the prior written consent of the Seller.
- (f) If any dispute, question or difference arising out of or in relation to the interpretation or application of the provisions of this Section 6.3 shall be deemed to be a Dispute (as defined in the Marketing Alliance Agreement), such Dispute shall be resolved in accordance with the Dispute resolution procedures set forth in Section 23 of the Marketing Alliance Agreement.
- (g) Notwithstanding the other provisions of this Section 6.3, the Purchaser's non-competition covenants set out in this Section 6.3 shall automatically terminate if the Seller breaches Section 14.2(c) of the Marketing Alliance Agreement such that neither the Seller nor any of its Affiliates is able to carry on its business in the Ordinary Course.

6.4 Further Assurances. On and after the Closing Date, the Purchaser

shall give such further assurances to the Seller and execute, acknowledge and deliver all such acknowledgements and other instruments and take such further action as may be reasonably necessary or appropriate to effectuate the transactions contemplated by this Agreement, including the transfer of the Assets Sold and assumption of the Assumed Liabilities.

REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller represents and warrants as follows to the Purchaser and acknowledges and confirms that the Purchaser is relying upon the following representations and warranties in connection

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with the purchase by the Purchaser of the Assets Sold and the assumption by the Purchaser of the Assumed Liabilities.

7.1 Organization. The Seller is a bank governed by the Bank Act (Canada).

The Seller has all requisite corporate power to own and carry on the Merchant Business. The Seller is duly qualified, licenced or registered to carry on the Merchant Business in the jurisdictions in which its ownership of the Assets Sold or the conduct of the Merchant Business makes such qualification necessary or where the Seller owns or leases any material properties or assets or conducts any material business relating to the Merchant Business, except jurisdictions in which the failure to be so qualified, licenced or registered would not, individually or in the aggregate, reasonably be expected to result in a Seller Material Adverse Effect.

7.2 Authority. The Seller has the corporate power and authority to enter

into and perform its obligations under this Agreement and each of the Operative Documents and to effect the transactions contemplated hereby and thereby. The execution, delivery and performance of the Operative Documents have been approved by all requisite corporate action on the part of the Seller, and, assuming this Agreement constitutes the legally valid and binding agreement of the Purchaser, this Agreement constitutes (and each other Operative Document, when executed and delivered pursuant hereto, will constitute) a legally valid and binding obligation of the Seller enforceable in accordance with its terms, subject only to any limitation under applicable Laws relating to bankruptcy, insolvency, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies (whether considered in a proceeding in equity or at law).

7.3 Legal Proceedings. Except as set forth on Schedule 7.3, there are no

actions, suits or proceedings pending or, to the Knowledge of the Seller, threatened against the Merchant Business or to which the Assets Sold are subject that claim damages in excess of \$75,000.

7.4 No Violations. Except as set forth in Schedule 7.4, the execution,

delivery and performance by the Seller of the Operative Documents will not (i) violate, conflict with, result in a breach of or constitute a default under (with or without notice or lapse of time or both) any agreement, indenture, mortgage or lease to which the Seller is a party or by which the Seller or its properties are bound; (ii) constitute a violation by the Seller of any Laws, (iii) violate the membership agreements between the Seller and the Card Associations or between the Seller and the Network Organizations, (iv) violate, conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of its constituting documents or by-laws or any contracts or instruments to which it is a party or pursuant to which the Merchant Business or the Assets Sold is subject, (v) violate any order, judgment, injunction or decree of any court, arbitrator, or Governmental Entity against or binding upon the Seller, and/or (vi) result in a breach of, or cause the termination or revocation of any Authorization held by the Seller which is necessary to the ownership of the Assets Sold or the operation of the Merchant Business, other than, in each of the preceding clauses (i) through (v), such violations, conflicts, breaches and defaults and exercises of rights as would not reasonably be expected to have, either individually or in the aggregate, a Seller Material Adverse Effect.

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7.5 Financial Information. The Books and Records have been fully,

properly and accurately kept and completed in all material respects. The Financial Statements and the Interim Financial Statements set out in Schedule

7.5 have been prepared in accordance with GAAP on a basis consistent with those
- ---

of previous periods and present fairly:

- (i) the assets, liabilities and the financial position of the Merchant Business as of the respective dates of the relevant balance sheets; and
- (ii) the sales, expenses and earnings of the Seller relating to the Merchant Business during the periods covered by the Financial Statements or Interim Financial Statements, as the case may be.

7.6 Assets Sold. The Seller has legal and beneficial ownership of the

Assets Sold free and clear of all Liens except Permitted Liens. Upon consummation of the transactions contemplated by this Agreement and subject to the receipt of the consents and authorizations referred to in Sections 7.10 and 7.12, the Purchaser will acquire good title to or the legally enforceable right to use, as the case may be depending upon the nature of the applicable Asset Sold and subject to the Permitted Liens, all the properties and assets included in the Assets Sold.

7.7 Agreements. Except as set forth on Schedule 7.7, the Seller has: (a)

performed in a timely manner and in all material respects all obligations required to be performed by it to date under the terms of the Assigned Merchant Agreements or the Third Party Vendor Agreements hereunder; (b) not, to the Knowledge of the Seller, received any notice of default or termination from any party to any Assigned Merchant Agreement or Third Party Vendor Agreement or, any notice of fraud by or bankruptcy or insolvency of any party to any such agreement; (c) not given notice of its election to terminate any Assigned Merchant Agreement or Third Party Vendor Agreement; and (d) not breached in any material respect any of the Assigned Merchant Agreements or Third Party Vendor Agreements.

7.8 Employees. Except as set forth in Schedule 7.8, with respect to the

Merchant Business and the employees of the Merchant Business:

- (a) The Seller is in compliance with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and hours of work;
- (b) The Seller has not and is not engaged in any unfair labor practice and no unfair labor practice complaint, grievance or arbitration proceeding is pending or, to the knowledge of the Seller, threatened against the Seller;
- (c) There are no collective bargaining agreements in force with respect to any of the Transferred Employees. No collective bargaining agreement is currently being negotiated by the Seller with respect to the Transferred Employees. There is no labor strike, dispute, work slowdown or stoppage pending or involving or, to the Knowledge of the Seller, threatened against the Seller. No trade union has applied to have the Seller declared a related employer pursuant to the Canada

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Labour Code, the Labour Relations Act (Ontario) or any similar legislation in any jurisdiction in which the Seller carries on business;

- (d) All amounts due or accrued due for all salary, wages, bonuses, commissions, vacation with pay, pension benefits or other employee benefits are reflected in the Financial Statements as of the dates thereof; and
- (e) Schedule 7.8(e) (1) is a correct and complete list of each employee of

the Seller in the Merchant Card Services division of the Seller, whether actively at work or not, their salaries, wage rates, commissions and consulting fees, bonus arrangements, benefits, positions, ages, status as full-time or part-time employees and length of service as of the date of this Agreement. No employee of the Merchant Business has any agreement as to length of notice or severance payment required to terminate his or her employment that would provide for a greater entitlement than would be provided for pursuant to the severance policy of the Seller set forth on Schedule

7.8(e) (2).

7.9 Employment Plans.

- (a) Schedule 7.9 lists and describes all Employee Plans relating to

employees who are employed by the Seller in the Merchant Business. The Seller has furnished to the Purchaser true, correct and complete copies of all the current plan summaries and employee booklets applicable to employees of the Seller who are employed in the Merchant Business for such Employee Plans.
- (b) No commitments to improve or otherwise amend any Employee Plan with respect to employees of the Seller who are employed in the Merchant Business have been made by the Seller.

- (c) All employee data provided by the Seller to the Purchaser is true and correct as of the date of this Agreement and the Seller will notify the Purchaser of any changes thereto.
- (d) The Employee Plans have been maintained in compliance with their terms and with the requirements prescribed by all applicable Laws and are in good standing with such applicable Laws.

7.10 Required Consents. The Third Party Vendor Agreements and, to the Seller's Knowledge, the Assigned Merchant Agreements set forth on Schedule 7.10 are the only agreements included in the Assets Sold that contain provisions requiring the consent of the relevant parties thereto for the assignment by the Seller of rights and interests thereunder.

7.11 Compliance with Laws. Except as set forth on Schedule 7.11, the Merchant Business is not in violation of any Law or any Association Rules or Clearing System Rules (as defined in the Marketing Alliance Agreement) applicable to the Assets Sold or the Merchant Business in each jurisdiction in which the Merchant Business is conducted, other than violations

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which, individually or in the aggregate, would not reasonably be expected to result in a Seller Material Adverse Effect. Within the past twelve months, except as set forth in Schedule 7.11, the Seller has not received notice from any Network Organization or Card Association that the Seller is not in compliance with any Association Rules or Clearing System Rules and has not received notice of the assessment of any fines or penalties due to a Card Association or Network Organization.

7.12 Authorizations. Except as set forth on Schedule 7.12 and except as would not reasonably be expected to have a Seller Material Adverse Effect, no Authorization is required to be obtained or made by or with respect to the Seller to authorize, or for the Seller to execute, deliver and perform, in connection with the execution, delivery or performance by the Seller of, the Operative Documents or the consummation of the transactions contemplated hereby or thereby. Except as set forth on Schedule 7.12 and except as would not reasonably be expected to have a Seller Material Adverse Effect, all Authorizations necessary for the conduct by the Seller of the Merchant Business have been issued or granted to the Seller and all such Authorizations are in full force and effect.

7.13 Material Adverse Changes. Since the Interim Balance Sheet Date, there has not been any change in the operations or financial condition of the Assets Sold or the Merchant Business and no event has occurred or circumstances exist which could reasonably be expected to result in a Seller Material Adverse Effect.

7.14 Assigned Merchant Agreements. The Seller represents and warrants that it has delivered to the Purchaser a full and accurate list of all Merchants effective as of October 27, 2000. Schedule 7.14(a) represents an accurate list of major VISA Merchants, or merchant locations which are aggregated for purposes of the Seller's business reporting (including (i) Merchants which are legal entities; (ii) business divisions of such Merchants; (iii) subsidiaries of such Merchants; (iv) franchisees of merchants which are franchisors; and (v) members of associations) as of May 31, 2000 representing not less than 60% of the total gross VISA purchase dollar volume of the Merchant Business for the twelve month period then ended (the "Major Merchants List"). Schedule 7.14(a) shall be updated as of the date which is two Business Days prior to the Closing Date to reflect any Merchants that are no longer subject to Merchant Agreements. Except as set forth on Schedule 7.14(b), all Merchants or business entities which are associated with such major VISA Merchants set out on the Major Merchants List are subject to valid and binding written Merchant Agreements. Schedule 7.14(c) contains a true and accurate copy of each version of the pro forma Merchant Agreement used by the Seller and presently in effect for Merchants of the Seller. All Merchant Agreements were created by the Seller in accordance with its then current customary credit review and acceptance criteria for the Merchant Business, which in all cases was in compliance with rules and regulations of the Card Associations and Network Organizations. To the Seller's Knowledge, all of the Merchants other than the Merchants listed on the Major Merchants List are bound by and subject to a valid and binding written Merchant Agreement.

7.15 Independent Sales Organization Agreements. The agency agreement with
Merchant Card Acceptance Corp. is the only Independent Sales Organization of the Seller relating to the Merchant Business. The Seller has no outstanding obligations to make payments

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to Merchant Card Acceptance Corp. for referring, soliciting, or servicing any Merchant or for any other reason whatsoever, other than obligations in the Ordinary Course of the Merchant Business and which are not Assumed Liabilities.

7.16 Taxes. The Seller is not a non-resident of Canada within the meaning of the Income Tax Act (Canada).

7.17 Assets Sold. Subject to the provisions of Section 13.2, the Assets Sold, together with the items set forth on Schedule 7.17, include the material assets, agreements and property necessary to enable the Purchaser to carry on the Merchant Business at the Effective Time substantially in the manner as it was conducted by the Seller prior to the Closing. The assets set forth on or reflected on the Interim Financial Statement, other than assets acquired since the Interim Balance Sheet Date or sold, transferred or otherwise disposed of in the Ordinary Course or otherwise in accordance with this Agreement since the Interim Balance Sheet Date are included in the Assets Sold.

7.18 Intellectual Property.

- (a) The list set forth on Schedule 7.18(a) sets out all registered trade marks, trade names, business names, copyrights, and any pending applications for the registration of such intellectual property, and any application software owned or used by the Seller primarily in connection with the Merchant Business (the "Merchant Business Software") other than software which:
- (1) is a standard business office application installed on a desktop platform, or which is, or operates in connection with, a version of the Microsoft Windows operating system software (eg. Microsoft Word or Excel); or
 - (2) satisfies both of the following two conditions:
 - (i) is installed on a mid-range platform (including an IBM AS/400 or RS/6000), or a mainframe platform (including IBM or Tandem); and
 - (ii) is software which is, or is used as, a tool or utility to support, maintain, develop, or test the Merchant Business Software, or other software used in connection with the Merchant Business Software; or
 - (3) is invoked, directly or indirectly, by one or more call procedures or sub-routines during the operations of any of the Merchant Business Software.

(b) Except as set forth in Schedule 7.18(b):

- (i) the Seller is the beneficial owner of the Transferred Intellectual Property and of the Licenced Trademarks free and clear of all Liens;
- (ii) the Seller is not a party to, or bound by, any contract or other obligation whatsoever that limits or impairs its ability to sell, transfer, assign or convey, or that otherwise affects, the Transferred Intellectual Property;
- (iii) the Seller is not a party to, or bound by, any contract or other obligation whatsoever that limits or impairs its ability to grant to Purchaser the rights to the Licenced Trademarks that are set forth in the Trademark Licence Agreement;
- (iv) no Person has been granted any interest in, or right to use all or any portion of, the Transferred Intellectual Property;

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- (v) to the Knowledge of the Seller, and as at the date hereof, the Transferred Intellectual Property does not infringe and is not being infringed by the registered trade marks, licences, trade names, business names, copyright or other intellectual property rights in the Territory of any other Person; and
- (vi) to the Knowledge of the Seller, and as at the date hereof, no suit, action, proceeding, judgment, order, injunction or decree is pending or outstanding that challenges the validity of, or any right of the Seller to use, any of the Transferred Intellectual Property or Licenced Trademarks.

7.19 Conduct of Business in Ordinary Course. Except as set forth on

 Schedule 7.19, since the Interim Balance Sheet Date, the Merchant Business has

 been carried on in the Ordinary Course. Without limiting the generality of the foregoing, since the Interim Balance Sheet Date the Seller has not:

- (i) Sold, transferred or otherwise disposed of any of the Assets Sold except for Assets Sold which are obsolete and which individually or in the aggregate do not exceed \$50,000,
- (ii) Made any capital expenditure or commitment therefor for point of sale terminals used in connection with the Merchant Business that exceeded \$100,000 in the aggregate and made any other capital expenditure or commitment therefor in respect of the Merchant Business that exceeded \$100,000, individually or in the aggregate;
- (iii) Discharged any secured or unsecured obligation or liability (whether accrued, absolute, contingent or otherwise) relating to the Merchant Business that individually or in the aggregate exceeded \$10,000;
- (iv) Increased its indebtedness for borrowed money or made any loan or advance, or assumed, guaranteed or otherwise became liable with respect

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to the liabilities or obligation of any Person in connection with the Merchant Business;

- (v) Made any bonus or profit sharing distribution or similar payment of any kind to any Person in connection with the Merchant Business except in the Ordinary Course;
- (vi) Removed, transferred or agreed to transfer any officer or any other senior employee of the Merchant Card Services division of the Seller, except as contemplated under this Agreement and the Operative Documents;
- (vii) Written off as uncollectible any Accounts Receivable which individually or in the aggregate exceed \$360,000;
- (viii) Granted any increase in the rate of wages, salaries, bonuses or other remuneration of employees of the Merchant Business except in the Ordinary Course;
- (ix) Suffered any loss in respect of the Merchant Business or any of the Assets Sold in excess of \$50,000, whether or not covered by insurance;
- (x) Suffered any material shortage or any cessation or interruption of inventory shipments, supplies or ordinary services in connection with the Merchant Business;
- (xi) Cancelled or waived any claims or rights in connection with the Merchant Business which, individually or in the aggregate, exceed \$50,000;
- (xii) Compromised or settled any material litigation, proceeding or other governmental action relating to the Assets Sold or the Merchant Business;
- (xiii) Cancelled or reduced any of its insurance coverage on the Merchant Business or any of the Assets Sold;
- (xiv) Permitted any of its facilities to be shut down for any period of time in excess of 12 hours; or
- (xv) Authorized, agreed or otherwise committed, whether or not in writing, to do any of the foregoing.

7.20 Accounts Receivable. All Accounts Receivable have arisen from bona fide transactions and, to the Knowledge of the Seller, are collectible without set-off or counterclaim.

7.21 Condition of Tangible Assets. To the Knowledge of the Seller, the Terminal Equipment and other tangible personal property of the Seller which are included in the Assets

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Sold, including but not limited to the items listed on Schedule 2.1(e), are in good operating condition and repair, normal wear and tear excepted, and none of such property is in need of maintenance or repairs except for routine maintenance and repairs in the Ordinary Course.

7.22 Leases. The Seller is not a party to, or under any agreement to become a party to, any leases with respect to real property which is used or to be used in the Merchant Business, other than the Lease and the leases relating to the properties described in Schedule 2.6(b). The Lease is in good standing, creates a valid leasehold estate in the Leased Property thereby demised and is in full force and effect without amendment. With respect to the Lease (i) all rents and additional rents or fees due to date have been paid, (ii) no waiver, indulgence or postponement of the lessee's or licensee's obligations has been granted by the lessor or licensor, (iii) to the Seller's Knowledge, there exists no event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default under the Lease, and (iv) to the Knowledge of the Seller, all of the covenants to be performed by any other party under the Lease have been fully performed. The Leased Property is adequate and suitable for the purposes for which it is presently being used and the Seller has adequate rights of ingress and egress into each of the Leased Property for the operation of the Merchant Business in the Ordinary Course. Schedule 2.1(b)(2) describes the Lease, including a description by municipal address.

7.23 No Brokers' or Other Fees. Except with respect to CIBC World Markets Corp., no broker, finder or investment banker is entitled to any fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Seller.

7.24 Environmental Matters. To the Knowledge of the Seller, the Leased Property contains no hazardous substances, including but not limited to asbestos, PCB's, urea formaldehyde or radioactive material save as permitted by applicable environmental Law. For purposes of this Section 7.24, it is understood that, to constitute "reasonable inquiry" as used in "Knowledge of the Seller", there shall be no duty to conduct sampling or analysis of any environmental medium, building material or other substance.

7.25 Intentionally Deleted.

7.26 Processing System and Software. The merchant processing systems and software currently used by the Seller or its Affiliates in operating the Merchant Business are functioning properly, calculating correctly, and have had no material operating problems within the 90 days prior to the date hereof, and are Year 2000 Compliant.

7.27 Terminal Equipment. Since the Interim Balance Sheet Date, there has been no change to the inventory levels and book value of the Terminal Equipment where such change would reasonably be expected to have a Seller Material Adverse Effect.

7.28 Workers' Compensation. The Merchant Business is not subject to regulation by the Ontario Workplace Safety and Insurance Board.

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7.29 Seller Data Room Materials.

(a) Schedule 7.29(a) is a copy of the Merchant Card Services Technology Overview, which correctly presents, in all material respects, the technological environment that supported the Merchant Business as at December 2, 1999.

- (b) Schedule 7.29(b) is a copy of the Cost Center analysis, and the

 information contained therein is a true and complete in all material
 respects and correctly represents the actual costs of the Seller
 related to the operations of the Merchant Business for the period from
 November 1, 1999 to May 31, 2000.
- (c) Schedule 7.29(c) is a copy of the CIBC Merchant Card Services IT

 Services Review prepared by PCC Limited, and the information contained
 therein is an assessment of, and describes, the material attributes of
 the back office systems of the Merchant Business as at July 12, 2000.
- (d) Schedule 7.29(d) is a copy of the CIBC Merchant Card Services Web

 Enablement Readiness Assessment, Phase I prepared by IBM, and the
 information contained therein is true and complete in all material
 respects.
- (e) Schedule 7.29(e) is a draft copy of the Database Structure of the back

 office systems of the Merchant Business, and the information contained
 therein is true and complete in all material respects.
- (f) Schedule 7.29(f) is a copy of the ISO Host Interface Base 24

 Functional Specifications prepared by Self Service Delivery Systems,
 and the information contained therein is true and complete in all
 material respects as at August 3, 2000.
- (g) Schedule 7.29(g) is a copy of the Point of Sale IBM GSA 4680

 Credit/Debit Internal Design prepared by Self Service Delivery
 Systems, and the information contained therein is true and complete in
 all material respects as to August 4, 2000.
- (h) Schedule 7.29(h) is a copy of the organization chart for the

 Application Development Group of the Merchant Business, and the
 information contained therein is true and complete in all material
 respects.
- (i) Schedule 7.29(i) is a copy of the Organization Chart of the Product

 Development Group of the Merchant Business, and the information
 contained therein is true and complete in all material respects.
- (j) Schedule 7.29(j) is a description of the Merchant Life Cycle

 Automation, and the information contained therein is true and complete
 in all material respects.

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- (k) Schedule 7.29(k) is a copy of the Merchant Card Services 2001

 Initiatives Executive Briefing, and the information contained therein
 is true and complete in all material respects.
- (l) Schedule 7.29(l) is a copy of the Point of Sale Terminal Description

 Manual for Interac Debit/Credit 757 Terminal Applications prepared by
 Retail Delivery Systems, and the information contained therein is true
 and complete in all material respects as at July 17, 2000.
- (m) Schedule 7.29(m) is a true and correct description of the Moss System,

 ROC System and the Call Tracker System, (collectively, the "Systems"),
 and the Systems have adequate capacity to support the existing
 Merchants in a manner consistent with the Ordinary Course of the
 Merchant Business.
- (n) The information set out on Schedule 7.29(n) describes the Seller's

 communication rate in respect of the Merchant Business as at July 31,
 2000.
- (o) The information set out on Schedule 7.29(o) regarding voice

 authorization, voice settlements and the current processing
 environment is true and complete in all material respects.
- (p) Schedule 7.29(p) is a copy of the technology overview for the Merchant

Business, and the information contained therein is true and complete in all material respects.

- (g) Schedule 7.29(g) is the Transit and Headcount Report and the

information contained therein is true and complete in all material respects as of May 31, 2000;
- (r) Schedule 7.29(r) is the Merchant Card Services Fiscal 1999 Revenue

Calendarization and information contained therein is true and complete in all material respects as of March 31, 2000;
- (s) Schedule 7.29(s) is the Variance Explanation and information contained

therein is true and complete in all material respects;
- (t) Schedule 7.29(t) is the Merchant Card Services Revenue Calendarization

and information contained therein is true and complete in all material respects as of March 31, 2000;
- (u) Schedule 7.29(u) is the Pro Forma Income Statement and information

contained therein is true and complete in all material respects as of March 31, 2000;
- (v) Schedule 7.29(v) is the Timeline for Monthly Change and information

contained therein is true and complete in all material respects as of March 31, 2000;
- (w) Schedule 7.29(w) is the Depreciation Schedule and information

contained therein is true and complete in all material respects as of March 31, 2000;

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- (x) Schedule 7.29(x) is the List and Analysis of Equipment Rentals and

information contained therein is true and complete in all material respects as of March 31, 2000.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER, NATIONAL DATA CORPORATION AND GLOBAL PAYMENTS

The Purchaser represents and warrants as follows to the Seller and acknowledges and confirms that the Seller is relying upon the following representations and warranties in connection with the sale by the Seller of the Assets Sold and the assumption by the Purchaser of the Assumed Liabilities.

8.1 Organization. The Purchaser is a corporation duly organized and

validly existing under the laws of the State of New York. The Purchaser has all requisite corporate power to own and to carry on its business as now being conducted and is duly qualified, licenced or registered to carry on its business in the jurisdictions in which the ownership of its property or the conduct of its business makes such qualification necessary or where the Purchaser owns or leases any material properties or assets or conducts any material business, except jurisdictions in which the failure to be so qualified, licenced or registered would not, individually or in the aggregate, reasonably be expected to result in a Purchaser Material Adverse Effect. The Purchaser is a registrant under the Excise Tax Act (Canada) and the Act Respecting the Quebec Sales Tax (Quebec).

8.2 Authority. The Purchaser has the corporate power and authority to

enter into and perform its obligations under this Agreement and each of the Operative Documents to which it is a party and to effect the transactions contemplated hereby and thereby. The execution, delivery and performance of the Operative Documents to which it is a party have been approved by all requisite corporate action on the part of the Purchaser, and, assuming this Agreement constitutes the legally valid and binding agreement of the Seller, this Agreement constitutes (and each other Operative Document to which it is a party, when executed and delivered pursuant hereto, will constitute) a legally valid and binding obligation of the Purchaser, enforceable in accordance with its terms, subject only to any limitation under applicable Laws relating to bankruptcy, insolvency, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies (whether considered in a proceeding in equity or at law).

8.3 Legal Proceedings. Except as set forth on Schedule 8.3, there are no

actions, suits or proceedings pending or, to the Knowledge of the Purchaser,
threatened against the Purchaser that claim damages in excess of \$75,000.

8.4 No Violations. Except as set forth in Schedule 8.4, the execution,

delivery and performance by the Purchaser of the Operative Documents to which it
is a party will not (i) violate, conflict with, result in a breach of or
constitute a default under (with or without notice or lapse of time or both) any
agreement, indenture, mortgage or lease to which the Purchaser is a

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party or by which the Purchaser or its properties are bound; (ii) constitute a
violation by the Purchaser of any Laws, (iii) violate any order, judgment,
injunction or decree of any court, arbitration, or Governmental Entity against
or binding upon the Seller; (iv) result in a breach of, or cause the termination
or revocation of any Authorization held by the Purchaser which is necessary to
the ownership of its properties or the operation of its businesses, and/or (v)
violate, conflict with, or allow any other Person to exercise any rights under
any of the terms or provisions of the Certificate of Incorporation or By-laws
(or similar governing documents) of the Purchaser or any contracts or
instruments to which it is a party or pursuant to which any of its assets or
properties is subject, other than, in each of the preceding clauses (i) through
(v), such violations, conflicts, breaches and defaults and exercises of rights
as would not reasonably be expected to have, either individually or in the
aggregate, a Purchaser Material Adverse Effect.

8.5 Purchaser's Ownership. As of the date of this Agreement, the

Purchaser is a wholly owned subsidiary of National Data Corporation, a Delaware
Corporation, and, as of the Closing Date, the Purchaser will be a wholly owned
subsidiary of Global Payments.

8.6 Authorizations. Except as set forth on Schedule 8.6 and except as

would not reasonably be expected to have a Purchaser Material Adverse Effect, no
Authorization is required to be obtained or made by or with respect to the
Purchaser to authorize, or for the Purchaser to execute, deliver and perform, in
connection with the execution, delivery or performance by the Purchaser of, the
Operative Documents or the consummation of the transactions contemplated hereby
or thereby. Except as set forth on Schedule 8.6 and except as would not

reasonably be expected to have a Purchaser Material Adverse Effect, all
Authorizations necessary for the conduct by the Purchaser of its businesses have
been issued or granted to the Purchaser and all such Authorizations are in full
force and effect.

8.7 Compliance with Laws. Except as set forth on Schedule 8.7, the

Purchaser is not in violation of any Law, or any Association Rules or Clearing
System Rules (as defined in the Marketing Alliance Agreement) applicable to its
business or its properties in each jurisdiction in which it carries on business
or will carry on business pursuant to the Operative Documents at the time it
commences to carry on such business, other than violations which, individually
or in the aggregate, would not reasonably be expected to result in a Purchaser
Material Adverse Effect. Within the past twelve months and except as set forth
on Schedule 8.7, the Purchaser has not received notice from any Network

Organization or Card Association that the Purchaser is not in compliance with
any Association Rules or Clearing System Rules and has not received notice of
the assessment of any fines or penalties due from the Purchaser to a Card
Association or Network Organization.

8.8 Material Adverse Changes. Since August 31, 2000, there has not been

any change in the operations or financial condition of the Purchaser and no
event has occurred or circumstances exist which could reasonably be expected to
result in a Purchaser Material Adverse Effect.

8.9 No Brokers' or Other Fees. Except with respect to Goldman, Sachs &

Co., no broker, finder or investment banker is entitled to any fee or commission
in connection with the

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transactions contemplated hereby based upon arrangements made by or on behalf of
the Purchaser.

8.10 Taxes. The Purchaser is a non-resident of Canada within the meaning

of the Income Tax Act (Canada) and under Canadian common laws. The Purchaser is
a non-resident of Quebec for purposes of Quebec sales tax.

8.11 Representations and Warranties of Guarantors. Each of National Data

Corporation and Global Payments (each a "Guarantor" and collectively the "Guarantors") represents and warrants as follows to the Seller and acknowledges that the Seller is relying upon the following representations and warranties in connection with the sale by the Seller of the Assets sold and the assumption by the Purchaser of the Assumed Liabilities:

- (a) Organization. Each of the Guarantors is a corporation duly organized

and validly existing under the laws of the jurisdiction of its incorporation. Each of the Guarantors has all requisite corporate power to own and to carry on its business as now being conducted.
- (b) Authority. Each of the Guarantors has the corporate power and

authority to enter into and perform its obligations under this Agreement and each of the Operative Documents to which it is a party and to effect the transactions contemplated hereby and thereby. The execution, delivery and performance of the Operative Documents to which it is a party have been approved by all requisite corporate action on the part of each of the Guarantors, and, assuming this Agreement constitutes the legally valid and binding agreement of the Seller, this Agreement constitutes (and each other Operative Document to which it is a party, when executed and delivered pursuant hereto, will constitute) a legally valid and binding obligation of each of the Guarantors, enforceable in accordance with its terms, subject only to any limitation under applicable Laws relating to bankruptcy, insolvency, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies (whether considered in a proceeding in equity or at law).
- (c) No Violations. Except as set forth on Schedule 8.11, the execution,

delivery and performance by each of the Guarantors of the Operative Documents to which it is a party will not (i) violate, conflict with, result in a breach of or constitute a default under (with or without notice or lapse of time or both) any agreement, indenture, mortgage or lease to which such Guarantor is a party or by which the Guarantor or its properties are bound; (ii) constitute a violation by the Guarantor of any Laws, (iii) violate any order, judgment, injunction or decree of any court, arbitration, or Governmental Entity against or binding upon the Seller; (iv) result in a breach of, or cause the termination or revocation of any Authorization held by such Guarantor which is necessary to the ownership of its properties or the operation of its businesses, and/or (v) violate, conflict with, or allow any other Person to exercise any rights under any of the terms or provisions of the

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Certificate of Incorporation or By-laws (or similar governing documents) of such Guarantor or any contracts or instruments to which it is a party or pursuant to which any of its assets or properties is subject, other than, in each of the preceding clauses (i) through (v), such violations, conflicts, breaches and defaults and exercises of rights which would not have a Purchaser Material Adverse Effect.

- (d) Authorizations. Except as set out on Schedule 8.11 and except as

would not reasonably be expected to have a Purchaser Material Adverse Effect, no Authorization is required to be obtained or made by or with respect to each of the Guarantors to authorize, or for such Guarantor to execute, deliver and perform, in connection with the execution, delivery or performance by such Guarantor of, the Operative Documents to which it is a party or the consummation of the transactions contemplated hereby or thereby.

ARTICLE IX

PRE-CLOSING COVENANTS

9.1 Conduct of Business Prior to Closing.

- (a) During the Interim Period, the Seller will conduct the Merchant Business in the Ordinary Course except as required to give effect to the transactions contemplated hereby.
- (b) Without limiting the generality of Section 9.1(a) the Seller covenants that except (1) as otherwise contemplated by this Agreement, (2) as disclosed in Schedule 9.1, or with the consent of the Purchaser, which

consent shall not be unreasonably withheld or delayed, from and after the date of this Agreement and until the Closing Date, the Seller shall with respect to the Merchant Business:

- (i) use its Commercially Reasonable Efforts to preserve intact the current business organization of the Merchant Business, keep available the services of the present employees of the Merchant Business and maintain good relations with, and the goodwill of, suppliers, Merchants, customers, landlords, creditors, distributors and all other Persons having business relationships with the Seller in connection with the Merchant Business;
- (ii) notify the Purchaser of any change in the normal course of business or operations of the Merchant Business and of any governmental complaints, investigations or hearings of which the Seller is notified, or the institution or settlement of litigation, in each case, involving the Merchant Business where such events could reasonably be expected to have a Seller Material Adverse Effect, and to keep the Purchaser reasonably informed of such events;

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- (iii) use its Commercially Reasonable Efforts to retain possession and control of the Assets Sold and preserve the confidentiality of any confidential or proprietary information of the Merchant Business; and
- (iv) use its Commercially Reasonable Efforts to conduct the Merchant Business so as not to cause or permit to exist a breach of any representations and warranties of the Seller contained in the Agreement.

9.2 Access to Books and Records.

- (a) During the Interim Period, the Seller will upon reasonable request afford to the Purchaser and its employees, counsel, accountants or other authorized representatives access at reasonable times and upon reasonable advance notice to the officers, directors, employees, accountants and other advisors and agents, properties, Books and Records and contracts of the Seller relating to the Assets Sold and the Merchant Business, and the right to make copies and extracts from such Books and Records and contracts, and to furnish the Purchaser with all financial and operating data and other information with respect to the Assets Sold and the Merchant Business as the Purchaser shall from time to time reasonably request.
- (b) The Seller makes no other representations or warranties as to the Merchant Business or the Assets Sold except as set forth herein or in any Operative Document. No investigations made by or on behalf of the Purchaser, whether under Section 9.2 or any other provision of this Agreement or any Operative Document, shall have the effect of waiving, diminishing the scope of, or otherwise affecting, any representation or warranty made in this Agreement or any Operative Document.

9.3 Actions to Satisfy Closing Conditions.

- (a) The Seller agrees to take all such actions as are within its power to control and to use its Commercially Reasonable Efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 10.1 including, without limitation, ensuring that there has been no breach of any representations and warranties.
- (b) The Purchaser agrees to take all such actions as are within its power to control and use its Commercially Reasonable Efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 10.2 including, without limitation, ensuring that there has been no breach of any representations and warranties.

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9.4 Filings and Authorizations.

- (a) Each of the Parties, as promptly as practicable after the execution of this Agreement, will (i) make, or cause to be made, all such filings and submissions under all Laws applicable to it, as may be required for it to consummate the purchase and sale of the Assets Sold in accordance with the terms of this Agreement, including any filing required under the Hart-Scott-Rodino Act, the Investment Canada Act,

the Bank Act (Canada) and the Competition Act (Canada), (ii) use its Commercially Reasonable Efforts to obtain, or cause to be obtained, all Authorizations required to be obtained by it in order to consummate such transfer, (iii) use its Commercially Reasonable Efforts to take, or cause to be taken, all other actions which are reasonably necessary in order for it to fulfill its obligations under this Agreement, and (iv) use its Commercially Reasonable Efforts to obtain approval from OSFI for the processing of data relating to the Merchant Business in the United States. The Parties will coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing including, without limitation, providing each other with all notices and information supplied to or filed with any Governmental Entity (except for notices and information which the Seller or the Purchaser, in each case acting reasonably, considers highly confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Governmental Entity. The Parties waive compliance with the Bulk Sales Act (Ontario) and any other similar bulk sales Laws.

- (b) The Purchaser and, to the extent required by applicable Law, the Seller shall file on a confidential basis with respect to the transaction contemplated by this Agreement, (i) within 25 days of this date, an application for review or notification (as applicable) pursuant to and in compliance with the Investment Canada Act, (ii) within 25 days of this date, an application for an advance ruling certification or a pre-merger notification pursuant to and in compliance with the Competition Act, and (iii) in each case, shall promptly furnish any additional information requested of it under such Acts. The Seller shall provide the Purchaser at its request with all information that the Seller has in its possession or under its direction or control that may be required or useful in connection with the application or the notifications. The Purchaser shall keep the Seller reasonably informed as to the status of the proceedings related to the above applications and notifications, but the Purchaser shall be under no obligation to deliver to the Seller copies of (i) any notices or information supplied or filed by the Purchaser under the Acts or any correspondence with the officials under the Acts, or (ii) any information relating to the Purchaser or its activities whether of a confidential nature or in the public domain; provided, however, that the Purchaser shall provide the Seller with copies of the applications and notifications, in draft form and containing only information relating to the Seller in order for the Seller to confirm that such information is consistent with information previously given to

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the Purchaser by the Seller. The Purchaser will agree to provide any undertakings or abide by any conditions required to obtain any Investment Canada Act approval or in order that the officials under the Competition Act not oppose or threaten to oppose the purchases of the Assets Sold, which are not materially adverse to the Purchaser or the Merchant Business in the opinion of the Purchaser acting reasonably. The Purchaser will use its Commercially Reasonable Efforts to keep confidential all notices, applications, information and correspondence contemplated by this Section 9.4(b).

9.5 Election. The Seller and the Purchaser shall execute an election as

to the sale of the accounts receivable under Section 22 of the Income Tax Act (Canada) or any similar tax legislation.

9.6 Notice of Untrue Representation or Warranty. The Seller shall

promptly notify the Purchaser and the Purchaser shall promptly notify the Seller, upon any representation or warranty made by it contained in this Agreement or any Operative Document becoming untrue or incorrect during the Interim Period in any material respect. Any such notification shall set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by the Seller or the Purchaser, as the case may be, to rectify that state of affairs.

9.7 Exclusive Dealing. During the Interim Period, the Seller shall not

directly or indirectly, solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any inquiries or proposals from, any Person (other than the Purchaser) relating to the sale or assignment of the Merchant Business, any of the Assets Sold or any of the benefits or burdens in connection therewith (other than as permitted in this Agreement or in connection with terminal rentals made in the Ordinary Course).

9.8 Contacts with Customers. Prior to the Closing, the Purchaser and its

representatives shall not contact or communicate with the employees, Merchants,

customers, suppliers and licensors of the Merchant Business in connection with the transactions contemplated hereby without the prior written consent of the Seller, which consent shall not be unreasonably withheld or delayed and may be conditioned upon a designee of the Seller being present at any such meeting or conference. The Seller's communications with the employees, Merchants, customers, suppliers and licensors of the Merchant Business in connection with the transactions contemplated hereby shall be undertaken in a manner consistent with the description of the transactions contemplated hereby in the communications plan agreed to and released to the press by the Parties. Notwithstanding the foregoing, the Purchaser may contact or communicate with Transferred Employees and Transition Employees after the Agreement is signed and prior to Closing without the consent of, but on reasonable advanced notice to the Seller, for the purpose of providing such Transferred Employees and Transition Employees with offers of employment pursuant to Section 4.3(a).

9.9 Projections. The Parties acknowledge that some of the materials

contained in Schedule 7.29 include certain projections and other forecasts for

the Merchant Business and certain business plan and budget information. The Purchaser acknowledges that (i) there are

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uncertainties inherent in attempting to make such projections, forecasts, plans and budgets, (ii) the Purchaser is familiar with such uncertainties, and (iii) as long as such projections, forecasts, plans, and budget information were based upon reasonable assumptions and are not based upon assumptions which are known to the Seller to be false or improbable, the Purchaser will not assert any claim against the Seller or any of its Affiliates or any of their respective directors, officers, employees, Affiliates or representatives, or hold the Seller or any of its Affiliates or any such Persons liable, with respect thereto.

9.10 Environmental Matters. Except as permitted by Law, the Seller has not

and will not bring upon, permit or use any substance, defined or designated as a hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance or other similar term, by any applicable governmental law, regulation, by-law or ordinance now or hereafter in effect, or any substance or material, the use or disposition of which is regulated by any such law, regulation, by-law or ordinance (hereinafter called "Toxic Materials") in, on or under the Leased Property and, until the Closing Date, the Seller has and will promptly comply with all laws, by-laws and ordinances, and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, storage, treatment, control, removal or clean up of Toxic Materials in, on, under the Leased Property or the lands of the Leased Property.

9.11 Transition Planning and Implementation. During the Interim Period,

the Parties agree to use Commercially Reasonable Efforts to work together to develop and implement a plan to carry out an orderly transfer of the Assets Sold and the Transferred Employees and to carry on the Merchant Business from and after the Closing Date in accordance with the Marketing Alliance Agreement and the Transition Agreement, including but not limited to such plans relating to security, privacy and confidentiality protections relating to the Merchant Business from and after the Closing Date.

9.12 Carlingview Lease. The Seller may execute a lease with respect to the

Leased Property provided such is not inconsistent with the terms of the executed Offer to Lease made in October, 2000.

ARTICLE X

CONDITIONS TO CLOSING

10.1 Conditions for the Benefit of the Purchaser. The purchase and sale of

the Assets Sold is subject to the following conditions to be fulfilled or performed at or prior to the Closing, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- (a) Accuracy of Representations and Warranties. The representations and

warranties of the Seller contained in this Agreement and the Operative Documents shall be true and correct (in all material respects, in the case of those representations and warranties which are not by their express terms qualified by reference to materiality) on and as of the Closing Date with the same force and effect as if

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such representations and warranties had been made on and of such date, except that (i) any representations and warranties that are made as of a specified date shall be true and correct (in all material respects, in the case of those representations and warranties which are not by their express terms qualified by reference to materiality) as of such date, and (ii) the Seller shall be permitted to update at least two Business days before the Closing Schedules 2.1(a), 2.1(d) and 2.1(e) to reflect changes which have occurred in the Ordinary Course of the Seller's operation of the Merchant Business which have occurred after the date of this Agreement provided that such changes shall not individually or in the aggregate result in a Seller Material Adverse Effect, and the Seller shall have executed and delivered a certificate of a senior officer of the Seller to such effect. The receipt of such certificate and the Closing shall not constitute a waiver by the Purchaser of any of the representations and warranties of the Seller that are contained in this Agreement or in any of the Operative Documents;

(b) Performance of Covenants. The Seller shall have fulfilled or complied -----

with all covenants contained in this Agreement and in any Operative Document to be fulfilled or complied with by it at or prior to the Closing, except where the failure to so fulfill or comply would not reasonably be expected to have a Seller Material Adverse Effect, and the Seller shall have executed and delivered a certificate of a senior officer to that effect. The receipt of such certificate and the Closing shall not constitute a waiver by the Purchaser of the covenants of the Seller which are contained in this Agreement and the Operative Documents;

(c) Consents and Authorizations. The required Authorizations set forth on -----

Schedule 7.12 and consents relating to the Third Party Vendor -----
Agreements set forth on Schedule 7.10 shall have been obtained on -----
terms acceptable to the Purchaser, acting reasonably;

(d) Deliveries. The Seller shall deliver or cause to be delivered to the -----

Purchaser the following in form and substance reasonably satisfactory to the Purchaser:

- (i) The certificate referred to in Section 10.1(a);
- (ii) The certificate referred to in Section 10.1(b);
- (iii) An opinion of Blake, Cassels & Graydon LLP, Canadian counsel to the Seller, with respect to matters under the laws of Canada, and an opinion of Simpson Thacher & Bartlett, United States counsel to the Seller, with respect to matters under the laws of the United States, each in form and substance reasonably satisfactory to the Purchaser;
- (iv) Intentionally Deleted;
- (v) The originals or, where applicable, copies of the Books and Records;

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- (vi) Necessary deeds, conveyances, assurances, transfers and assignments and any other instruments necessary or reasonably required to transfer the Assets Sold to the Purchaser with a good and marketable title, free and clear of all Liens;
- (vii) A Transition Agreement signed by the Seller in a form acceptable to the Seller and the Purchaser and incorporating the services and costs schedule and other issues set forth in Schedule 4.2;

- (viii) A Marketing Alliance Agreement signed by the Seller substantially in the form of Exhibit 10.1(d) (viii);

- (ix) An Investor Rights Agreement signed by the Seller substantially in the form of Exhibit 10.1(d) (ix);

- (x) A General Conveyance Agreement signed by the Seller substantially in the form of Exhibit 10.1(d) (x);

- (xi) A Trademark Licence Agreement signed by the Seller

substantially in the form of Schedule 10.1(d) (xi);

(xii) A Stock Purchase Agreement by the Seller substantially in the form attached of Exhibit 10.3(d) pursuant to which the Seller

shall subscribe for and Global Payments shall issue Common Shares representing 26.25% of the total number of Common Shares outstanding on the Closing Date after giving effect to the Spin-off Transaction and the issuance of the Common Shares to the Seller pursuant to the Stock Purchase Agreement; and

(xiii) The Seller shall have made available to the Purchaser the Credit Facility reflecting the terms and conditions of the term sheet attached of Schedule 10(d) (xiii).

(e) Proceedings. All proceedings to be taken in connection with the

transactions contemplated by this Agreement and the Operative Documents shall be satisfactory in form and substance to the Purchaser, acting reasonably, and the Purchaser shall have received copies of all instruments and other evidences as it may reasonably request in order to establish the consummation of the transactions and the taking of all necessary proceedings in connection therewith;

(f) No Adverse Change. There shall have been no adverse change in the

business, operating results or financial condition of the Assets Sold or the Merchant Business between the date hereof and the Closing Date which is likely to result in a Seller Material Adverse Effect.

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(g) Change of Control. The Seller shall not have been acquired by any

party whose primary business is the Merchant Business or who generates at least \$10,000,000 per year in revenue from the Merchant Business.

(h) New Three Party Agreements. The agreements between the Seller and

National Bank relating to the Seller's "Merchant's Edge Program" shall have been amended or restated on or before Closing such that each of the Purchaser and the Seller are parties to such agreements in a manner required for the provision of the services under the Transition Agreement and under the Marketing Alliance Agreement.

(i) OSFI Approval for Data Processing. The Seller shall have obtained

approval from OSFI to permit the processing of data relating to the Merchant Business by the Purchaser in the United States.

10.2 Conditions for the Benefit of the Seller. The purchase and sale of

the Assets Sold is subject to the following conditions to be fulfilled or performed at or prior to the Closing, which conditions are for the exclusive benefit of the Seller and may be waived, in whole or in part, by the Seller in its sole discretion:

(a) Accuracy of Representation and Warranties. The representations and

warranties of the Purchaser contained in this Agreement and the Operative Documents shall be true and correct (in all material respects, in the case of those representations and warranties which are not by their express terms qualified by reference to materiality) on and as of the Closing Date with the same force and effect as if such representations and warranties had been made on and of such date, except that any representations and warranties that are made as of a specified date shall be true and correct (in all material respects, in the case of those representations and warranties which are not by their express terms qualified by reference to materiality) as of such date, and the Purchaser shall have executed and delivered a certificate of a senior officer of the Purchaser to such effect. The receipt of such certificate and the Closing shall not constitute a waiver by the Seller of any of the representations and warranties of the Purchaser that are contained in this Agreement or in any of the Operative Documents;

(b) Performance of Covenants. The Purchaser shall have fulfilled or

complied with all covenants contained in this Agreement and in any Operative Document to be fulfilled or complied with by it at or prior to Closing, except where the failure to so fulfill or comply would not reasonably be expected to have a Purchaser Material Adverse Effect, and the Purchaser shall have executed and delivered a certificate of a

senior officer to that effect. The receipt of such certificate and the Closing shall not constitute a waiver by the Seller of the covenants of the Purchaser which are contained in this Agreement and the Operative Documents;

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- (c) Deliveries. The Purchaser shall deliver or cause to be delivered to -----
the Seller the following in form and substance satisfactory to the Seller acting reasonably:
- (i) Copies of (i) the Bylaws and the Articles of Incorporation of the Purchaser and (ii) a certificate from the Secretary of the Purchaser indicating that such Bylaws and Articles of Incorporation are true and correct;
 - (ii) The certificates referred to in Section 10.2(a) and Section 10.2(b);
 - (iii) An opinion of Ogilvy Renault, Canadian counsel to the Purchaser, with respect to matters under the laws of Canada, and an opinion of Alston & Bird LLP, United States counsel to the Purchaser, with respect to matters under the laws of the United States, each in form and substance reasonably satisfactory to the Seller;
 - (iv) A Transition Agreement signed by the Purchaser substantially in the form of Schedule 4.2;

 - (v) A Marketing Alliance Agreement signed by the Purchaser substantially in the form of Exhibit 10.1(d) (viii);

 - (vi) An Investor Rights Agreement signed by the Purchaser substantially in the form of Exhibit 10.1(d) (ix);

 - (vii) A General Conveyance Agreement signed by the Purchaser substantially in the form of Exhibit 10.1(d) (x);

 - (viii) A Trademark Licence Agreement signed by the Purchaser substantially in the form of Schedule 10.1(d) (xi);

 - (ix) A Stock Purchase Agreement by Global Payments substantially in the form of Exhibit 10.3(d) pursuant to which the Seller shall -----
subscribe for and Global Payments shall issue Common Shares representing 26.25% of the total number of Common Shares outstanding on the Closing Date after giving effect to the Spin-off Transaction and the issuance of the Common Shares to the Seller pursuant to the Stock Purchase Agreement; and
 - (x) A Credit Facility or other comparable arrangements reflecting substantially the terms and conditions of the Term Sheet in Schedule 10.1(d) (xiii).

 - (xi) An Employee Benefit Plan Agreement signed by an Affiliate of the Purchaser that has made or will be making offers of employment pursuant to Section 4.3(a) in substantially the form of Schedule 4.3(a) (iv).

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- (d) Proceedings. All proceedings to be taken in connection with the -----
transactions contemplated in this Agreement and any Operative Documents shall be satisfactory in form and substance to the Seller, acting reasonably, and the Seller shall have received copies of all the instruments and other evidence as it may reasonably request in order to establish the consummation of such transactions and the taking of all proceedings in connection therewith.
- (e) No Adverse Change. There shall have been no adverse change in the -----
business, operating results or financial condition of the Purchaser between the date hereof and the Closing Date which is likely to result in a Purchaser Material Adverse Effect.
- (f) Intentionally Deleted.

(g) Change of Control. The Purchaser shall not have been acquired by a

financial institution.

(h) Significant Transactions. The Purchaser shall not have, without the

consent of the Seller, which consent shall not be unreasonably withheld or delayed, except as otherwise contemplated by this Agreement, from and after the date of this Agreement and until the Closing Date, entered into any agreement (or agreed or announced publicly its intention to do so) relating to any merger or any transaction pursuant to which the Purchaser would sell more than \$70,000,000 in assets to an unrelated third party or purchase the stock or assets of any third party where the purchase price (including the value of any assumed indebtedness) in connection therewith represents, individually or in the aggregate, more than \$70,000,000 in cash or 15% of the stock of the Global Payments (before giving effect to such acquisition).

10.3 Conditions for the Benefit of Both Parties. The purchase and sale of

the Assets Sold is subject to the following terms and conditions to be fulfilled prior to Closing, which conditions are true conditions precedent:

(a) Competition Act and Investment Canada Act. (i) Each of the Seller and

the Purchaser shall have filed all notices and information required under Part IX of the Competition Act (Canada) and satisfied any request for additional information thereunder and the applicable waiting periods shall have expired without the Commissioner of Competition having notified Purchaser that he intends to apply to the Competition Tribunal for an order under Sections 92, 100 or 104 of the Competition Act (Canada) in respect of the transactions contemplated herein, or the Parties shall have received an Advance Ruling Certificate ("ARC") pursuant to the Competition Act (Canada) from the Commissioner of Competition, and (ii) no proceedings shall have been taken or threatened to be taken under the merger provisions of Part VIII or under Section 45 of the Act in respect of the transactions contemplated herein, and (iii) Investment Canada shall have provided a receipt to the Purchaser pursuant to the Investment Canada Act or the

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Purchaser shall have received evidence, satisfactory to it, indicating that the acquisition of the Assets Sold and the Merchant Business is not a reviewable transaction or, if it is a reviewable transaction, the Minister shall have been satisfied or deemed to have been satisfied that such acquisition is likely to be a net benefit to Canada.

(b) Banking Regulatory Approvals. The Seller shall have received all

consents and approvals required under the Bank Act (Canada) and the Bank Holding Company Act of 1956, as amended, and any required waiting periods under the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended shall have expired or been terminated, without the imposition of any conditions that either Party reasonably considers to be unduly burdensome.

(c) Completion of the Spin-off Transaction. The Spin-off Transaction

shall have been consummated substantially in accordance with the description thereof in the draft Form 10 Filing dated November 8, 2000 and the terms and conditions of the draft Distribution Agreement attached thereto.

(d) Conditions to Closing of the Stock Purchase. All conditions to

closing pursuant to the Stock Purchase Agreement in Schedule 10.3(d)

shall have been satisfied.

ARTICLE XI

TERMINATION

11.1 Termination. This Agreement may be terminated and the transactions

contemplated hereby may be abandoned at any time prior to the Closing:

- (a) by the mutual consent of the Seller and the Purchaser;
- (b) by either the Purchaser or the Seller, if the Closing has not occurred

on or before March 31, 2001 (or June 30, 2001 if the delay in the Parties' ability to close arises from the failure or inability to satisfy the conditions to closing set forth in Section 10.3); provided that the right to terminate this Agreement under this Section 11.1(b) shall not be available to any Party whose action or failure to act has been the cause or resulted in the failure of the transactions contemplated hereby to occur on or before such date and such action or failure to act constitutes a breach of this Agreement;

- (c) by the Purchaser, if the Seller has breached any material representation, warranty, covenant, obligation or agreement hereunder and such breach shall not have been cured within 30 days of receipt by the Seller of written notice of such breach, provided that the right to terminate this Agreement by the Purchaser under this Section 11.1(c) shall not be available to the Purchaser in the event the Purchaser is at that time in material breach of this Agreement;

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- (d) by the Seller, if the Purchaser has breached any material representation, warranty, covenant, obligation or agreement hereunder and such breach shall not have been cured within 30 days of receipt by the Purchaser of written notice of such breach, provided that the right to terminate this Agreement by the Seller under this Section 11.1(d) shall not be available to the Seller in the event the Seller is at that time in material breach of this Agreement; or
- (e) by either the Purchaser or the Seller, if any court or Governmental Authority of competent jurisdiction shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated hereby or denying any consent or Authorization necessary for the consummation of such transactions, and such order, decree or ruling or other action shall have become final and non-appealable.

11.2 Procedure and Effect of Termination.

- (a) In the event of the termination of this Agreement and the abandonment of the transactions contemplated hereby by the Seller or the Purchaser pursuant to this Article 11, written notice thereof shall forthwith be given to the other Party. If this Agreement is terminated and the transactions contemplated by this Agreement are abandoned as provided herein:
 - (i) Each Party will redeliver all documents, work papers and other material of any other party relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to the party furnishing the same; and
 - (ii) The provisions of the Confidentiality Agreements shall continue in full force and effect.
- (b) Each Party's right of termination under this Article 11 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. Nothing in Article 11 shall limit or affect any other rights or causes of action either the Purchaser or the Seller may have with respect to the representations, warranties, covenants and indemnities in its favor contained in this Agreement.

11.3 Termination Fees.

- (a) In the event that (i) the Board of Directors of the Purchaser shall have withdrawn or materially modified its recommendation of the Spin-off Transaction or shall have resolved to do the foregoing, thereby causing the termination of this Agreement due to the failure by the Purchaser to satisfy the condition set forth in Section 10.3(c) or (ii) this Agreement is terminated due to the failure by the Purchaser to satisfy the condition set forth in Section 10.2(g) or Section 10.2(h),

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then the Purchaser shall promptly (but in no event later than five Business Days after public announcement thereof) pay to the Seller Cdn.\$1,000,000.

- (b) In the event that this Agreement is terminated due to the failure by the Seller to satisfy the condition set forth in Section 10.1(g), then the Seller shall promptly (but in no event later than five Business Days after public announcement thereof) pay to the Purchaser Cdn.\$1,000,000.

ARTICLE XII

INDEMNIFICATION

12.1 Survival of Representations and Warranties. The representations and

warranties of the Parties contained in this Agreement or in any instrument delivered pursuant hereto will survive the Closing Date and will remain in full force and effect thereafter until the second anniversary of the Closing Date, provided that (i) the representations and warranties set forth in Sections 7.2, 7.6, 7.8 7.9, 7.16 and 7.23, the first sentence of Section 7.1, and Sections 8.2 and 8.5 will survive the Closing Date and will remain in full force and effect until the expiration of the applicable statute of limitations (after giving effect to waiver, mitigation or extension thereof) and (ii) the representations and warranties set forth in Section 7.24 will survive the Closing Date and will remain in full force and effect until the fifth anniversary of the Closing Date; provided, further, that such representations or warranties shall survive (if at all) beyond such period with respect to any inaccuracy therein or breach thereof, written notice of which shall have been duly given within such applicable period in accordance with Section 12.1 hereof. The Parties agree that the indemnification provisions of this Article XII constitute the sole remedy of the Parties with respect to any breach of the provisions of this Agreement.

12.1 Indemnification.

(a) Indemnification by Seller. Subject to the limits set forth in this

Section 12.2(a), the Seller agrees to indemnify, defend and hold the Purchaser and its Affiliates and their respective officers, directors, partners, stockholders, employees, agents and representatives (the "Purchaser Indemnified Persons") harmless from and in respect of any and all losses (excluding consequential losses, loss of profits and losses due to punitive damages in the case of direct claims but not for third party claims), damages, costs and reasonable expenses (including, without limitation, reasonable fees and expenses of counsel) (collectively, "Losses"), that they may incur (whether or not involving a third party claim) arising out of or due to (i) any inaccuracy of any representation or the breach of any warranty, covenant, undertaking or other agreement of the Seller contained in this Agreement or the Disclosure Schedule; (ii) any liabilities other than Assumed Liabilities; and (iii) any claims resulting from Seller's failure to comply with the Bulk Sales Act (Ontario) or the corresponding bulk sales legislation of the other provinces of Canada. Anything to the contrary contained herein notwithstanding, none of the Purchaser Indemnified Persons shall be entitled to recover from the Seller or any of its Affiliates for any claims for indemnity or damages with respect to any

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inaccuracy or breach of any representations or warranties, unless and until the total of all such claims exceeds \$500,000 and then only for the amount by which such claims exceed such amount. In no event shall: (a) the Seller's liability under Section 12.2(a) (i) with respect to the inaccuracy or breach of representations and warranties exceed Cdn.\$150,000,000 in the aggregate; and (b) the Purchaser recover more than once with respect to any inaccuracy or breach of the same or similar representations and warranties in the Stock Purchase Agreement with regard to the same event, circumstance, or occurrence.

(b) Indemnification by the Purchaser. Subject to the limits set forth in

this Section 12.2(b), the Purchaser agrees to indemnify, defend and hold the Seller, its Affiliates and its and their agents and representatives (the "the Seller Indemnified Persons") harmless from and in respect of any and all Losses that they may incur (whether or not involving a third party claim) arising (i) out of or due to any inaccuracy of any representation or the breach of any warranty, covenant, undertaking or other agreement of the Purchaser contained in this Agreement or the Disclosure Schedule; and (ii) out of or due to the Assumed Liabilities, and except as may otherwise be provided in the Operative Documents. Anything to the contrary contained herein notwithstanding, none of the Seller Indemnified Persons shall be entitled to recover from the Purchaser or any of its Affiliates for any claims for indemnity or damages with respect to any inaccuracy or breach of any representations or warranties, unless and until the total of all such claims exceeds \$500,000 and then only for the amount by which such claims exceed such amount. In no event shall: (a) the Purchaser's liability under Section 12.2(b) (i) with respect to the inaccuracy or breach of representations and warranties exceed Cdn.\$150,000,000 in the aggregate; and (b) the Seller recover more than once with respect to any inaccuracy or breach of the same or similar representations or warranties in the Stock Purchase Agreement with regard to the same event, circumstance, or occurrence.

(c) Indemnification Calculations. The amount of any Losses for which

indemnification is provided under this Article XII shall be computed net of any insurance proceeds received by the indemnified party in connection with such Losses. If an indemnified party receives insurance proceeds in connection with Losses for which it has received indemnification, such party shall refund to the indemnifying party the amount of such insurance proceeds when received, up to the amount of indemnification received. An indemnified party shall use Commercially Reasonable Efforts to pursue insurance claims with respect to any Losses. If the amount with respect to which any claim is made under this Article XII (an "Indemnity Claim") gives rise to a currently realizable Tax Benefit (as defined below) to the party making the claim, the indemnity payment shall be reduced by the amount of such Tax Benefit actually available to the party making the claim. To the extent such Indemnity Claim does not give rise to a currently realizable Tax Benefit, if the amount with respect to which such Indemnity Claim is made gives rise to a subsequently realized Tax Benefit to the party that made

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the claim, such party shall refund to the indemnifying party the amount of such Tax Benefit when, as and if actually realized. Refunds relating to subsequent Tax Benefits shall be made on the last Business Day of the month following the year in which the Tax Benefit is realized. For the purposes of this Agreement, any subsequently realized Tax Benefit shall be treated as though it were a reduction in the amount of the initial Indemnity Claim, and the liabilities of the parties shall be re-determined as though both occurred at or prior to the time of payment of the initial Indemnity Claim. For purposes of this Section 12.2(c), a "Tax Benefit" to a party means an amount by which the tax liability of such party (or group of Affiliates including such party) is actually reduced (including, without limitation, by deduction, reduction of income by virtue of increased tax basis or otherwise, entitlement to refund, credit or otherwise) as such amount may actually be reduced by, but not below zero, any increase in such party's tax liability as a result of its receipt of payment for such Indemnity Claim plus any related interest received from the relevant Taxing Authority. Where a party has other losses, deductions, credits or items available to it, the Tax Benefit from any losses, deductions, credits or items relating to the Indemnity Claim shall be deemed realized proportionately with any other losses, deductions, credits or items. For the purposes of this Section 12.2(c), a Tax Benefit is "currently realizable" to the extent that such Tax Benefit can actually be realized in the current taxable period or year or in any Tax Return with respect thereto (including through a carry back to a prior taxable period) or in any taxable period or year prior to the date of the Indemnity Claim. In the event that there should be a determination disallowing the Tax Benefit, the indemnifying party shall be liable to refund to the indemnified party the amount of any related reduction previously allowed or payments previously made to the indemnifying party pursuant to this Section 12.2(c). The amount of the refunded reduction or payment shall be deemed a payment under this Section 12.2(c) and thus shall be paid subject to any applicable reductions under this Section 12.2(c).

(d) Notice and Opportunity to Defend. If there occurs an event that a

party asserts is an indemnifiable event pursuant to Section 12.2(a) or 12.2(b), the party or parties seeking indemnification shall notify the other party or parties obligated to provide indemnification (the "Indemnifying Party") promptly. If such event involves (i) any claim or (ii) the commencement of any action or proceeding by a third person, the party seeking indemnification will give such Indemnifying Party prompt written notice of such claim or the commencement of such action or proceeding; provided, however, that the failure to provide prompt notice as provided herein will relieve the Indemnifying Party of its obligations hereunder only to the extent that such failure prejudices the Indemnifying Party hereunder. In case any such action shall be brought against any party seeking indemnification and it shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party shall be entitled to participate therein or, following the delivery by the Indemnifying Party to the party or parties seeking indemnification of the Indemnifying Party's acknowledgment in writing that the relevant Loss is

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an indemnified liability hereunder, to assume the defense thereof, with counsel selected by the Indemnifying Party and, after notice from the Indemnifying Party to such party or parties seeking indemnification of such election so to assume the defense thereof, the Indemnifying Party shall not be liable to the party or parties seeking

indemnification hereunder for any legal expenses of other counsel or any other expenses subsequently incurred by such party or parties in connection with the defense thereof. The Indemnifying Party and the party seeking indemnification agree to cooperate fully with each other and their respective counsel in connection with the defense, negotiation or settlement of any such action or asserted liability. The party or parties seeking indemnification shall have the right to participate at their own expense in the defense of such action or asserted liability. If the Indemnifying Party assumes the defense of an action (A) no settlement or compromise thereof may be effected (1) by the Indemnifying Party without the written consent of the indemnified party (which consent shall not be unreasonably withheld or delayed) unless (x) there is no finding or admission of any violation of law or any violation of the rights of any person by any indemnified party and no adverse effect on any other claims that may be made against any indemnified party and (y) all relief provided is paid or satisfied in full by the Indemnifying Party or (2) by the indemnified party without the consent of the Indemnifying Party and (B) the indemnified party may subsequently assume the defense of such action if a court of competent jurisdiction determines that the Indemnifying Party is not vigorously defending such action. In no event shall an Indemnifying Party be liable for any settlement effected without its written consent (which consent shall not be unreasonably withheld or delayed).

- (e) Payment. On each occasion that any indemnified party shall be -----
entitled to indemnification or reimbursement under this Section 12.2, the Indemnifying Party shall, at each such time, promptly pay the amount of such indemnification or reimbursement. If any indemnified party shall be entitled to indemnification under this Section 12.2, the Indemnifying Party shall pay the indemnified party's costs and expenses arising as a result of a proceeding directly relating to an indemnifiable Loss (including, without limitation, any reasonable fees paid to witnesses), periodically as incurred.

ARTICLE XIII

POST-CLOSING COVENANTS

13.1 Access to Books and Records. Subject only to such limitations as may -----
be imposed by applicable privacy legislation, after the date of the Closing, the Books and Records wherever located that are held by a Party or under the control of a Party (the "Inspected Party") shall be open for inspection by the other Party and its authorized agents and representatives and regulators and the Party with the right of inspection may, at its own expense, make such copies of and excerpts from such Books and Records as it may reasonably deem desirable; provided,

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however, that all such inspections (x) shall be conducted during normal business hours from time to time reasonably established by the Inspected Party, (y) shall, if the Inspected Party so requests, be conducted in the presence of an officer or designated representative of the Inspected Party and (z) shall be conducted in accordance with reasonable security programs and procedures from time to time established by the Inspected Party. All Books and Records shall be maintained by the Purchaser or the Seller, as the case may be, for the period of time after the Effective Time as set forth in Schedule 13.1; provided, however,

that in the event that as of the end of such period, any taxable year of the Purchaser or the Seller is still under examination by any taxing authority, such books and records shall be maintained until a final determination of the tax liability of the Purchaser or the Seller for that year has been made.

13.2 Deferred Transfers. (i) Notwithstanding anything to the contrary -----
contained in this Agreement, to the extent that the sale, assignment, transfer, conveyance or delivery or attempted sale, assignment, transfer, conveyance or delivery to the Purchaser of any Asset Sold or the assumption by the Purchaser of any Assumed Liability on the books of the Seller is prohibited by any applicable Law or would require any Authorizations or consents and such Authorizations or consents shall not have been obtained prior to the Closing, this Agreement shall not constitute a sale, assignment, transfer, conveyance, delivery or assumption, or any attempted sale, assignment, transfer, conveyance, delivery or assumption, thereof. Following the Closing, the Seller shall use its Commercially Reasonable Efforts to obtain promptly such Authorizations or consents; provided, however, that the Seller shall not be required to pay any consideration therefor, other than filing, recordation or similar fees payable to any domestic or foreign government or governmental authority. Pending such Authorization or consent, (i) the Parties shall cooperate with each other in any reasonable and lawful arrangements designed to provide the Purchaser the benefits and burdens of such Asset Sold or Assumed Liability not sold, assigned, transferred, conveyed, delivered or assumed at the Closing (each, a "Deferred

Item") and (ii) the Seller shall enforce, at the reasonable request of the Purchaser for the account of the Purchaser, any rights of the Seller arising from such Deferred Item. Once such Authorization or consent for the sale, assignment, transfer, conveyance, delivery or assumption of a Deferred Item is obtained, the Seller shall promptly assign, transfer, convey and deliver, or cause to be assigned, transferred, conveyed and delivered, such Deferred Item to the Purchaser for no additional consideration and the Purchaser shall, or shall cause one of its Affiliates to, effect the assumption of any Deferred Item constituting an obligation. To the extent that any such Deferred Item cannot be transferred or the full benefits and liabilities of use of any such Deferred Item cannot be provided to the Purchaser following the Closing pursuant to this Section 13.2, then the Purchaser and the Seller shall enter into such arrangements (including subcontracting if permitted) to provide the Purchaser the economic (taking into account tax costs and benefits) and operational equivalent of obtaining such Authorization or consent and the performance by the Purchaser of the obligations thereunder.

13.3 GST. The Parties understand that the Seller's services under the Marketing Alliance Agreement and/or the Transition Agreement are not subject to tax under Part IX of the Excise Tax Act (Canada) and the Act Respecting the Quebec Sales Tax (Quebec) pursuant to Schedule VI, Part V, Section 7 to the Excise Tax Act (Canada). The Parties covenant and agree

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that, in any event, they shall cooperate to contest any assessment of GST and to minimize the amount of GST payable.

13.4 Nominee(s) to the Board of Directors. The Seller's nominee(s) set forth on Schedule 13.4 shall be appointed to the board of directors of Global Payments promptly after Closing.

ARTICLE XIV

MISCELLANEOUS

14.1 Expenses. Except as otherwise specifically provided in this Agreement, all Parties shall pay their own costs and expenses in connection with this Agreement and the transactions contemplated hereby, including, but not by way of limitation, all attorney's fees, broker's fees, accounting fees and other expenses. The Parties shall share equally all expenses of the filing fees in connection with filings required pursuant to Sections 10.1(i), 10.3(a) and 10.3(b).

14.2 Notices. All notices, demands and other communications hereunder shall be sent to the individual named below, shall be in writing, and shall be delivered in person; deposited in regular mail, sent via national overnight carrier; or sent via facsimile as long as the sending party has telephone confirmation that the entire facsimile was actually received by the receiving party.

(i) If to the Seller, to:

c/o CIBC World Markets Inc.
161 Bay Street, BCE Place
7th Floor
Toronto, Ontario M5J 2S8

Attention: Executive Vice President, Card Products, Collections
and Merchant Card Services
Facsimile No.: (416) 784-6868

with a copy to:

Canadian Imperial Bank of Commerce
Legal and Compliance Division
199 Bay Street
Commerce Court West
15th Floor
Toronto, Ontario M5L 1A2

Attention: Associate General Counsel
Facsimile No.: (416) 304-2860

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and to:

Simpson Thacher & Bartlett
425 Lexington Avenue

New York, New York 10017

Attention: Lee Meyerson, Esq.
Facsimile No.: (212) 455-2502

(ii) If to the Purchaser, to:

National Data Payment Systems, Inc.
#2 National Data Plaza
Atlanta, Georgia 30329-2010

Attention: Office of the Corporate Secretary
Facsimile No.: 404-728-2990

with a copy to:

National Data Payment Systems, Inc.
#2 National Data Plaza
Atlanta, Georgia 30329-2010

Attention: Paul R. Garcia, Chief Executive Officer
Facsimile No.: 404-728-3417

The persons or addresses to which mailings or deliveries shall be made may be changed from time to time by notice given pursuant to the provisions of this Section 14.2. Any notice, demand or other communication given pursuant to the provisions of this Section 14.2 shall be deemed to have been given on the date actually delivered.

14.3 Third Party Beneficiaries. Except as provided in Section 14.5,

neither Party to this Agreement intends this Agreement to benefit or create any right or cause of action in or on behalf of any Person other than the Seller and the Purchaser.

14.4 Independent Contractors. Nothing contained in this Agreement or any

other Operative Document shall be construed as constituting a partnership, joint venture or agency between the Purchaser and the Seller. Rather, the Parties shall be deemed independent contractors for all purposes.

14.5 Successors and Assigns. All terms and provisions of this Agreement

shall be binding upon and shall inure to the benefit of the Parties hereto and their respective transferees, successors and permitted assigns. This Agreement and the rights, privileges, duties and obligations of the Parties hereto may not be assigned or delegated by either Party without the

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written consent of the other Party; provided, however, that no such consent shall be required for the assignment (or designation of performance) by either Party of its rights, privileges, duties and obligations hereunder to a Person controlling, controlled by or under common control with such Party (it being understood that no such assignment (or designation of performance) shall relieve the assigning Party of its duties or obligations hereunder).

14.6 Amendments and Waivers. This Agreement, any of the instruments

referred to herein and any of the provisions hereof or thereof shall not be amended, modified or waived in any fashion except by an instrument in writing signed by the Parties hereto. No failure or delay on the part of any Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any Party hereto of any right, power or privilege hereunder 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 hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

14.7 Severability of Provisions. If any provision of this Agreement, or

the application of any such provision to any person or circumstance, shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

14.8 Counterparts. This Agreement may be executed in one or more

counterparts, all of which taken together shall constitute one instrument.

14.9 Governing Law; Waiver of Jury Trial; Consent to Jurisdiction. This

Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Seller and the Purchaser agree that any suit, action, or

proceedings, brought or instituted by either Party hereto which in any way relates, directly or indirectly, to this Agreement or any event, transaction, or occurrence arising out of or in any way connected with this Agreement or the dealings of the Parties with respect thereto, shall be tried only by a court and not by a jury. THE SELLER AND THE PURCHASER HEREBY EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING. The Seller and the Purchaser acknowledge and agree that this provision is a specific and material aspect of this Agreement between the Parties and that neither Party would enter into this Agreement if this provision were not part thereof.

14.10 Captions. The captions contained in this Agreement are for

convenience of reference only and do not form a part of this Agreement.

14.11 Entire Agreement. The making, execution and delivery of this

Agreement, by the Parties hereto, and the Disclosure Schedule agreed to by the Parties as of the date hereof (the "Disclosure Schedule"), have been induced by no representations, statements, warranties or agreements other than those herein expressed. This Agreement, the Confidentiality Agreement, the Disclosure Schedule and any Exhibits hereto and the other written instruments specifically referred to herein embody the entire understanding of the Parties and there are no further or other

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agreements or understandings, written or oral, in effect between the Parties relating to the subject matter hereof.

14.12 Joint Announcement; Confidentiality. Except as required by Law or by

any stock exchange, the Purchaser and the Seller agree not to publicly disclose the transactions contemplated by this Agreement, provided, however, that promptly after the date hereof, after prior consultation with each other as to the substance and form of the public disclosure of the transactions contemplated by this Agreement, the Seller and the Purchaser shall make individual announcements or a joint announcement of the execution of, and the transactions provided for under, this Agreement. Notwithstanding the foregoing, after the Closing, and subject to the confidentiality provisions set out in any of the Operative Documents, nothing herein shall prevent either Party from disclosing, either publicly or otherwise, that the transaction contemplated herein took place, provided that any such disclosure does not contain any information regarding any term or condition of this Agreement or any Operative Document which has not been previously disclosed pursuant to a mutually agreed press release or which has not been approved for disclosure by the other Party.

14.13 Gender and Number. Any reference in this Agreement or any Operative

Document to gender includes all genders and words importing the singular number only shall include the plural and vice versa.

14.14 Currency. All references in this Agreement or any Operative Document

to dollars, unless otherwise specifically indicated, are expressed in United States dollars. "Cdn.\$" denotes Canadian dollars.

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14.15 Time of the Essence. Time shall be of the essence of this Agreement.

14.16 Disclosure Schedule. All references to Schedules in this Agreement

are to schedules forming part of the Disclosure Schedule.

IN WITNESS WHEREOF, the Parties hereto, through their duly authorized officers, have executed and delivered this Asset Purchase Agreement as of the day and year first above written.

CANADIAN IMPERIAL BANK OF COMMERCE

By: /s/

Name: Richard E. Venn
Title: Senior Executive Vice President

By: /s/

Name: David Marshall
Title: Vice Chairman

NATIONAL DATA PAYMENT SYSTEMS, INC.

By: /s/

Name:

Title:

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The obligations of National Data Payment Systems Inc. hereunder are hereby guaranteed by Global Payments Inc. from and after the Distribution Date.

GLOBAL PAYMENTS INC.

By: /s/

Name:

Title:

The obligations of National Data Payment Systems, Inc. hereunder are hereby guaranteed by National Data Corporation ("NDC") until the Distribution Date, at which time all obligations of NDC arising before or after the Distribution Date shall terminate.

NATIONAL DATA CORPORATION

By: /s/

Name:

Title:

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INVESTOR RIGHTS AGREEMENT

This Investor Rights Agreement (this "Agreement") is made as of _____, 2000, (the "Effective Date") by and between Global Payments Inc., a Georgia corporation (the "Company") and Canadian Imperial Bank of Commerce, a bank governed by the Bank Act (Canada) as amended from time to time ("Bank").

WHEREAS, National Data Payment Systems, Inc., a New York corporation ("NDPS") and Bank are parties to that certain Asset Purchase Agreement, dated as of _____, 2000 (the "Asset Purchase Agreement"), whereby, among other matters, Bank agreed to sell, and NDPS agreed to purchase, the Assets Sold (as such term is defined in the Asset Purchase Agreement);

WHEREAS, the Company and Bank are parties to that certain Stock Purchase Agreement, dated as of _____, 2000 (the "Stock Purchase Agreement"), whereby, among other matters, the Company agreed to sell and Bank agreed to purchase, concurrently with the transactions contemplated by the Asset Purchase Agreement, certain shares of common stock of the Company;

WHEREAS, the Company has succeeded to all the business, assets and liabilities of the eCommerce operations of National Data Corporation, a Delaware corporation ("NDC"), pursuant to a Distribution Agreement, dated as of _____, 2000, between NDC and the Company (the "Distribution Agreement");

WHEREAS, pursuant to the Distribution Agreement, NDPS is a wholly owned Subsidiary of the Company;

WHEREAS, the Stock Purchase Agreement requires, as a condition to closing, that the parties hereto enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, the parties hereto agree as follows:

SECTION 1

DEFINITIONS

1.1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Asset Purchase Agreement. The following terms shall have the following meanings:

"Acquisition Restrictions" means, collectively, the provisions of Section 3.1.

"Affiliate" means, with respect to the Person specified, a Person or entity that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person, provided, however, that solely for purposes of this Agreement, neither the Company nor any of its Subsidiaries or Affiliates shall be deemed to be a Subsidiary or Affiliate of Bank solely by virtue of Bank's ownership of Shares or the election of

directors nominated by it to the Board pursuant to Section 5.1, in each case in accordance with the terms and conditions of, and subject to the limitations and restrictions set forth in, this Agreement.

"Beneficial Ownership" by a Person of any securities includes ownership by any Person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares with another Person (i) voting power which includes the power to vote, or to direct the voting of, such security; and/or (ii) investment power which includes the power to dispose, or to direct the disposition of, such security; and shall otherwise be interpreted in accordance with the term "beneficial ownership" as defined in Rule 13d-3 adopted by the SEC under the Exchange Act; provided that for purposes of determining Beneficial Ownership, a Person shall be deemed to be the Beneficial Owner of any securities which may be acquired by such Person (irrespective of whether the right to acquire such securities is exercisable immediately or only after the passage of time, including the passage of time in excess of 60 days, the satisfaction of any conditions, the occurrence of any event or any combination of the foregoing) pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise. For purposes of this Agreement, a Person shall be deemed to Beneficially Own any securities Beneficially Owned by its Subsidiaries or any Group of which such Person or any such Subsidiary is or becomes a member.

"Board" means the Board of Directors of the Company.

"Common Stock" means shares of the common stock, without par value, of the Company.

"Demand Party" means (a) Bank or (b) any other Holder or Holders that may become an assignee of Bank's rights hereunder in accordance with Section 4.8 hereof, provided that to constitute a Demand Party under clause (b), a Holder or Holders must either individually or in the aggregate with all other Holders with whom it is acting together to demand registration Beneficially Own at least 25% of the total number of Registrable Securities outstanding at the time of such demand.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended (or any successor statute).

"Form S-3" means such form under the Securities Act as in effect on the date hereof or any successor form under the Securities Act.

"Governmental Entity" means (i) any multinational, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, 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.

"Group" shall have the meaning assigned to it in Section 13(d)(3) of the Exchange Act.

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"Holder" means any Person, including Bank, owning or having the right to acquire Registrable Securities, including any assignee thereof in accordance with Section 4.8 hereof.

"Marketing Alliance Agreement" means the marketing alliance agreement, dated as of the date hereof, by and between Bank and NDPS, as the same may be supplemented, modified or amended from time to time.

"Permitted Third Party Transfer Date" means the date that is the earlier of (a) six months after termination of the Marketing Alliance Agreement or (b) three years after the date hereof.

"Person" means a natural person, partnership, limited liability company, corporation, joint stock company, trust, unincorporated association, joint venture, Governmental Entity or any Group comprised of two or more of the foregoing.

"register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act and the declaration or ordering of effectiveness with respect to such registration statement or document.

"Registrable Securities" means (i) the Common Stock issued pursuant to the Stock Purchase Agreement and with respect to which the restrictions on transfer provided in Section 2.1 have lapsed as provided in Section 2.2 or Section 2.3, (ii) any other shares of Common Stock acquired after the date of this Agreement by Bank or any of its Subsidiaries as permitted by the terms hereof, and (iii) any security of the Company issued as a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares listed in clauses (i) and (ii); provided, however, that the foregoing definition shall exclude in all cases any Registrable Securities sold by a Person in a transaction in which its rights under this Agreement are not assigned. Notwithstanding the foregoing, securities shall cease to be Registrable Securities when (i) such securities shall have been distributed pursuant to Rule 144 (or any successor provision) under the Securities Act, (ii) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with the plan of distribution set forth in such registration statement, (iii) such securities shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company, and subsequent disposition of them shall not require registration or qualification of them under the Securities Act or any U.S. state securities or blue sky law then in force or (iv) such securities shall have ceased to be outstanding.

"Regulatory Transfer Date" shall have the meaning set forth in Section 2.3.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated by the SEC from time to time thereunder (or under any successor statute).

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"Shares" shall have the meaning set forth in Section 2.1.

"Subsidiary" means, with respect to any Person, any corporation or other organization, whether incorporated or unincorporated, (i) of which such Person or any other Subsidiary of such Person is a general partner (excluding partnerships, the general partnership interests of which held by such Person or any Subsidiary of such Person do not have a majority of the voting interests in such partnership), or (ii) at least a majority of the securities or other interests of which, having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization, is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries.

"Third Party" means a Person who is not an Affiliate of Bank or any of its Affiliates and includes any Group, other than a Group that includes Bank or any of its Affiliates as a member.

"Transfer" shall have the meaning set forth in Section 2.1.

"Voting Securities" means at any time (i) shares of any class of capital stock or other securities of the Company which are then entitled to vote generally in the election of Directors and not solely upon the occurrence and during the continuation of certain specified events, and (ii) securities of the Company convertible into, or exchangeable or exercisable for, such Voting Securities, and options, warrants or other rights to acquire such Voting Securities (regardless of whether such securities, options, warrants or other rights are then exercisable or convertible).

SECTION 2

RESTRICTION ON TRANSFER OF SHARES

2.1. General. During the period commencing on the date hereof and ending

on the Permitted Third Party Transfer Date, Bank agrees that, except as set forth in Section 2.2 and except as the Company may otherwise agree in writing, it shall not, except with the prior written consent of the Company, (i) transfer, sell, donate, pledge or otherwise dispose of ("Transfer"), or consent to any Transfer of, any or all of the shares of Common Stock issued to it pursuant to the Stock Purchase Agreement and any other shares of Common Stock or other securities of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, such shares (the "Shares") or any interest therein; (ii) enter into any contract, option or other agreement or understanding with respect to any Transfer of any or all of such Shares or any interest therein; (iii) grant any proxy, power of attorney or other authorization in or with respect to any or all of such Shares, or (iv) deposit any or all of such Shares into a voting trust or enter into a voting agreement or arrangement with respect to any or all of such Shares; provided that a merger, consolidation or amalgamation in which Bank or any of its Subsidiaries is a constituent corporation shall not be deemed to be a Transfer of any Shares Beneficially Owned by such Person if the successor or surviving Person of such merger, consolidation or

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amalgamation, if not Bank or such Subsidiary, expressly assumes all obligations of Bank or such Subsidiary, as the case may be, under this Agreement; and, provided, further, that nothing in this Section 2.1 shall be construed to limit the brokerage, trading, market making, investment management, fiduciary or other banking activities of Bank or its Affiliates in the ordinary course for their own accounts or the accounts of customers as long as such activities are not conducted for the purpose of seeking to control or influence the management, the Board or the policies of the Company.

2.2. Permitted Transfers. Notwithstanding any provision in Section 2.1 to

the contrary:

(a) Bank and its Subsidiaries may at any time Transfer Shares to any other Subsidiary of Bank which agrees in writing with the Company to be bound by this Agreement as fully as if it were an initial signatory hereto; and

(b) during the period beginning on the second anniversary of the date hereof and ending on the Permitted Third Party Transfer Date, Bank may Transfer Shares:

(i) pursuant to the restrictions of Rule 144 under the Securities Act applicable to sales of securities by Affiliates of an issuer (regardless of whether Bank or its Subsidiaries is deemed at such time to be an Affiliate of the Company); or

(ii) pursuant to a tender or exchange offer by a Third Party for all outstanding Common Stock that is not rejected by the Board within the time period prescribed by the Exchange Act and the rules and regulations promulgated by the SEC thereunder.

2.3. Regulatory Matters. Notwithstanding any provision herein to the

contrary, this Section 2 shall not restrict Bank from Transferring any Shares if required to do so by any order or direction made by the Minister of Finance (Canada) or the Superintendent of Financial Institutions appointed under the Bank Act (Canada) or the United States Federal Reserve Board (the date on which any such order or direction is first issued, the "Regulatory Transfer Date"); provided that unless specifically ordered otherwise by the Minister of Finance (Canada), the Superintendent of Financial Institutions appointed under the Bank Act (Canada) or the U.S. Federal Reserve Board, Bank shall use its Commercially Reasonable Efforts to dispose of its Registrable Securities in a manner that, to the extent practicable under the circumstances, does not unreasonably disrupt the public trading market for the Common Stock.

SECTION 3

STANDSTILL AGREEMENT

3.1. General. Until the earlier of (A) the fifth anniversary of the

date hereof or (B) six months after termination of the Marketing Alliance Agreement (the "Standstill Period"), Bank agrees that, unless specifically authorized in writing by the majority of the Board (excluding any director who is an employee, officer or director of Bank or an Affiliate of Bank or a nominee of any of them), it will not, either directly or indirectly through a representative or otherwise;

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(a) effect or seek, offer or propose (whether publicly or otherwise) to effect, or assist any other Person to effect or seek, offer or propose (whether publicly or otherwise) to effect (i) any acquisition of any Voting Securities (or Beneficial Ownership thereof) or a substantial portion of the assets of the Company or any of its Subsidiaries; provided that Bank and its Subsidiaries may acquire Beneficial Ownership of additional Voting Securities as long as Bank does not Beneficially Own, following any such acquisition, more than 29.9% of the aggregate outstanding shares of Common Stock; (ii) any tender or exchange offer or merger or other business combination involving the Company or any of its Subsidiaries; (iii) any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction with respect to the Company or any of its Subsidiaries; or (iv) any "solicitation" of "proxies," as such terms are used in the proxy rules of the Exchange Act, or consents to vote any Voting Securities of the Company,

(b) form, join or in any way participate in a Group with respect to any Voting Securities of the Company, including, without limitation, for the purpose of acquiring, holding, voting or disposing of Voting Securities,

(c) except by reason of any employee, officer or director of Bank or an Affiliate of Bank serving on the Board, otherwise act, alone or in concert with others, to seek to control or influence the management, the Board or the policies of the Company;

(d) take any action which might require the Company under applicable law to make a public announcement regarding any of the types of matters set forth in (a) above,

(e) enter into any arrangements or agreements with any Third Party with respect to any of the foregoing, or

(f) request the Company (or its directors, officers, employees or agents), directly or indirectly, to amend or waive any of the foregoing or this sentence.

Nothing in this Section shall operate to limit the brokerage, trading, market making, investment management, fiduciary or other banking activities of Bank or its Affiliates in the ordinary course for their own accounts or the accounts of customers as long as such activities are not conducted for the purpose of seeking to control or influence the management, the Board or the policies of the Company.

3.2. Acquisition Pursuant to Tender or Exchange Offer. Notwithstanding

the Acquisition Restrictions set forth in Section 3.1, Bank may acquire Beneficial Ownership of additional shares of Common Stock by means of a tender or exchange offer for all outstanding shares of Common Stock in the event that either (a) a Third Party commences a bona fide tender or exchange offer that

would result in such Third Party acquiring Beneficial Ownership of more than 40% of the outstanding Common Stock and the Board does not both (i) recommend against the tender or exchange offer within the time period prescribed by the Exchange Act and the rules and regulations promulgated by the SEC thereunder and (ii) maintain its Shareholder Protection Rights Agreement (or adopt a shareholders' rights plan of such type if the Company does not then have one in effect) which does not contain an exception from the definition of "Acquiring Person", "Flip-Over Transaction or Event" or similar terms for such Third Party or

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its Affiliates or (b) a Third Party acquires Beneficial Ownership of 35% or more of the outstanding Common Stock. In addition, (i) the other Acquisition Restrictions set forth in Section 3.1 shall cease to apply to the extent necessary to enable Bank to commence and consummate the tender or exchange offer referred to above, and (ii) the Company shall make any amendments to its shareholder rights plan and take such other actions as Bank may reasonably request in order to permit the commencement and consummation of Bank's tender or exchange offer on the terms proposed. If (x) the foregoing tender or exchange offer referred to in clause (a) shall have been terminated or (y) the Third Party referred to in clause (b) shall have reduced its Beneficial Ownership below 35% of the outstanding Common Stock, in each case without Bank having made a bona fide tender or exchange offer, then the Acquisition Restrictions shall be reinstated.

SECTION 4

REGISTRATION RIGHTS

4.1. Piggyback Registration.

(a) If at any time after the earlier of (i) the Permitted Third Party Transfer Date or (ii) the Regulatory Transfer Date, during which Registrable Securities are outstanding the Company proposes to register any of its securities under the Securities Act in connection with the public offering of such securities for the account of either the Company or any of its Affiliates solely for cash (other than a registration relating solely to the sale of securities to participants in a Company stock plan, an offering or sale of securities pursuant to a Form S-4 (or successor form) registration statement or a registration in which the only stock being registered is Common Stock issuable upon conversion of debt securities which are also being registered), the Company shall, at such time, promptly give each Holder written notice of such registration and of such Holder's rights under this Section 4.1. Upon the written request of each Holder given within 30 days after receipt of such notice from the Company, the Company shall, subject to the provisions of Section 4.1(c), cause to be registered under the Securities Act all Registrable Securities that each such Holder has requested to be registered; provided that if at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to proceed with the proposed registration of the securities to be sold by it, the Company may, at its election, give written notice of such determination to each Holder of Registrable Securities and, thereupon, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the expenses of registration in connection therewith as provided in Section 4.5).

(b) Each Holder shall be permitted to withdraw all or part of such Holder's Registrable Securities from a registration pursuant to this Section 4.1 by giving notice of such withdrawal in writing at any time prior to the effective date of the registration statement filed in connection with such registration.

(c) In connection with any offering involving an underwriting of Common Stock, (i) the Company shall not be required under Section 4.1 to include any Holder's securities

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in such underwriting unless such Holder accepts the terms of the underwriting as agreed upon between the Company and the underwriters selected by it (or other Persons entitled to select the underwriters), and (ii) if the managing underwriter for such offering advises the Company and the Holders electing to participate in such offering in writing that, in its opinion, the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without being reasonably likely to have an adverse effect on the price or timing of such offering as contemplated by the Company, then the Company will include in such registration, (A) first, 100% of the securities the Company proposes to sell for its own account, (B) second, to the extent of the number of Registrable Securities requested to be included in such registration, that number of Registrable Securities which, in the opinion

of such managing underwriter, can be sold without having the adverse effect referred to above, such amount to be allocated pro rata among all the requesting Holders on the basis of the relative number of Registrable Securities then held by each such Holder (provided that any amount thereby allocated to any such Holder that exceeds such Holder's request will be reallocated among the remaining requesting Holders in like manner), and (C) third, any securities requested to be included in such registration by any other Person. For purposes of the preceding sentence concerning apportionment, for any selling shareholder which is a Holder of Registrable Securities and which is a partnership or corporation, the partners, retired partners and shareholders of such holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing Persons shall be deemed to be a single "selling shareholder" and any pro rata reduction with respect to such "selling shareholder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "selling shareholder," as defined in this sentence.

4.2. Demand Registration.

(a) If, at any time after the earlier of (1) the Permitted Third Party Transfer Date or (2) the Regulatory Transfer Date, the Company shall receive from a Demand Party a written request that the Company effect a registration of and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Demand Party, the Company will:

(i) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(ii) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within 15 days after receipt of such written notice from the Company; provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 4.2 if: (A) the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than \$5,000,000; (B) the Company has already effected one registration in any 12-

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month period on Form S-1 or three registrations in any 12-month period on Form S-3 for the Holders pursuant to this Section 4.2 that have been declared or ordered effective and that have remained effective for the period specified in Section 4.3(a); (C) the Company shall furnish to such Holders a certificate signed by the President or Chief Executive Officer of the Company stating that in the reasonable good faith judgment of the Board, such registration, qualification or compliance would materially and adversely affect any pending or proposed acquisition, merger, financing or other material corporate event or transaction or negotiations with respect thereto, and as a result would be seriously detrimental to the Company and its shareholders for such registration statement to be filed and it is therefore essential to defer the filing of such registration statement, in which event the Company shall have the right to defer such filing for a period of not more than 90 days after receipt of the request of the Holder or Holders under this Section 4.2; provided, however, that the Company may not utilize this right more than once in any 12-month period or (D) all Holders Beneficially Own less than one percent of the outstanding shares of Common Stock (assuming conversion of all securities of the Company that are convertible, exchangeable or exercisable into Common Stock).

(b) Promptly upon receipt of any request for a demand registration pursuant to paragraph (a) above (but in no event more than five business days thereafter), the Company shall send written notice of any such request to all other Holders in accordance with Section 6.8, and the Company shall include in such registration all Registrable Securities of any Holder with respect to which the Company has received written request for inclusion therein within 15 days after such notice has been given. All requests made pursuant to this Section 4.2(b) shall specify the kind and aggregate amount of Registrable Securities to be registered and the intended method of distribution of such securities.

(c) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders (but in no event more than 60 days thereafter). Registrations effected pursuant to Section 4.1 shall not be counted as registrations effected pursuant to this Section 4.2. A registration requested pursuant to this Section 4.2 will not be deemed to have been effected unless it has become effective and

(i) all the Registrable Securities registered thereunder have been sold or (ii) the registration remains effective for 120 days after it has been declared effective by the SEC; provided that if, within 120 days after it has become effective, the offering of Registrable Securities pursuant to such registration is (A) interfered with by any stop order, injunction or other order or requirement of the SEC or other Governmental Entity, or (B) the conditions to closing specified in the underwriting agreement or similar agreement, if any, entered into in connection with the sale of Registrable Securities pursuant to such registration are not satisfied and the closing does not occur by reason of a wrongful act, misrepresentation or breach by the Company, such registration will be deemed not to have been effected.

(d) If a requested registration pursuant to this Section 4.2 involves an underwritten offering and the managing underwriter advises the Company in writing that, in its opinion, the number of securities requested to be included in such registration (including securities of the Company which are not Registrable Securities) exceeds the number which can be sold in such offering without being reasonably likely to have an adverse effect on the price or

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timing of such offering of the securities to be registered, then the Company will include in such registration only the Registrable Securities requested by the Holders to be included in such registration. In the event that the number of Registrable Securities requested by the Holders to be included in such registration exceeds the number which, in the opinion of such managing underwriter, can be sold without having the adverse effect referred to above, the number of such Registrable Securities to be included in such registration shall be allocated pro rata among all the requesting Holders on the basis of the relative number of Registrable Securities then held by each such Holder (provided that any amount thereby allocated to any such Holder that exceeds such Holder's request will be reallocated among the remaining requesting Holders in like manner). In the event that the number of Registrable Securities requested to be included in such registration is less than the number which, in the opinion of the managing underwriter, can be sold without having the adverse effect referred to above, the Company may include in such registration the securities the Company or other securityholders of the Company propose to sell up to the number of securities that, in the opinion of the underwriter, can be sold without having the adverse effect referred to above.

4.3. Obligations of the Company. Whenever required under this Section 4

to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC within the applicable time period specified by this Agreement a registration statement with respect to such Registrable Securities and use its Commercially Reasonable Efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for up to 120 days or such shorter period as is provided herein;

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all securities covered by such registration statement for up to 120 days; provided that before filing a registration statement or prospectus, or any amendments or supplements thereto, the Company will furnish to counsel selected pursuant to Section 4.5 hereof copies of all documents proposed to be filed, which documents will be subject to the review of such counsel, such counsel to provide comments to the Company no later than five days after receipt of such documents;

(c) furnish to each seller of Registrable Securities registered thereby such numbers of copies of a prospectus, including a preliminary prospectus and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) use its Commercially Reasonable Efforts to register and qualify the securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as shall be reasonably requested by the sellers of the Registrable Securities registered thereby and perform any and all other acts and things which may be reasonably necessary or advisable to enable each such seller to consummate the disposition in such

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jurisdictions of the Registrable Securities owned by such seller; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions in which it is not then so qualified or subject;

(e) enter into such customary agreements (including an underwriting agreement in customary form), which may include indemnification provisions in favor of underwriters and other Persons in addition to or in substitution for the provisions of Section 4.7 hereof, and take such other actions as the sellers of a majority of such Registrable Securities or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(f) use its Commercially Reasonable Efforts to cause such Registrable Securities covered by such registration statement to be registered with or approved by such other Governmental Entities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities;

(g) as promptly as practicable notify each seller of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then amended or supplemented, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, or if for any other reason it shall be necessary during such time period to amend or supplement the registration statement or prospectus in order to comply with the Securities Act or other applicable law and, at the request of any such seller, prepare and furnish to such seller a reasonable number of copies of an amended or supplemental prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing and shall otherwise comply with the Securities Act and other applicable laws;

(h) otherwise use its Commercially Reasonable Efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable (but not more than 18 months) after the effective date of the registration statement, an earnings statement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations promulgated thereunder;

(i) use its Commercially Reasonable Efforts to obtain a "cold comfort" letter or letters from the Company's independent public accountants in customary form and covering matters of the type customarily covered by "cold comfort" letters as the sellers of a majority of such Registrable Securities shall reasonably request and an opinion of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities;

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(j) make available for inspection at reasonable times and upon reasonable notice by any seller of such Registrable Securities covered by such registration statement, by any underwriter participating in any disposition to be effected pursuant to such registration statement and by any attorney, accountant or other agent retained by any such seller or any such underwriter, all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement as is customarily made available in connection with a "due diligence" investigation for an underwritten secondary offering;

(k) notify counsel for the Holders of Registrable Securities included in such registration statement and the managing underwriter or agent, if any, as promptly as practicable, and confirm the notice in writing (i) when the registration statement, or any post-effective amendment to the registration statement, shall have become effective, when the prospectus or any amendment or supplement to the prospectus shall have been filed, (ii) of the receipt of any comments from the SEC, or of any request of the SEC to amend the registration statement or amend or supplement the prospectus or for additional information (and to furnish such Holders with a copy thereof), and (iii) of the issuance by the SEC of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the registration statement for offering or sale in any jurisdiction, or of the institution or threatening of any actions, suits or proceedings for any of such purposes;

(l) use its Commercially Reasonable Efforts to prevent the issuance of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the use of any preliminary or final prospectus or suspending any qualification of the Registrable Securities for sale in any jurisdiction and, if any such order is issued, to obtain the withdrawal of any such order at the earliest possible moment;

(m) if requested by the managing underwriter or agent or any Holder of Registrable Securities covered by the registration statement, promptly incorporate in a prospectus supplement or post-effective amendment such information as the managing underwriter or agent or such Holder reasonably requests to be included therein, including the number of Registrable Securities being sold by such Holder to such underwriter or agent, the purchase price being paid therefor by such underwriter or agent and any other terms of the underwritten offering of the Registrable Securities to be sold in such offering; and make all required filings of such prospectus supplement or post-effective amendment as soon as practicable after being notified of the matters incorporated in such prospectus supplement or post-effective amendment;

(n) cooperate with the Holders of Registrable Securities covered by the registration statement and the managing underwriter or agent, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing securities to be sold under the registration statement, and enable such securities to be in such denominations and registered in such names as the managing underwriter or agent, if any, or such Holders may request at least two Business Days prior to the settlement date of any sale of Registrable Securities;

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(o) cooperate with each seller of Registrable Securities and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the New York Stock Exchange or such other exchanges on which the Registrable Securities are then listed; and

(p) provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

4.4. Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 4 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder's Registrable Securities. Other than with respect to any registration request made by Bank, the Company shall have no obligation with respect to any registration requested pursuant to Section 4.2 hereof if, as a result of the application of the preceding sentence, the anticipated aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the number of shares or the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in Section 4.2(a)(ii)(A).

4.5. Expenses of Registration. All expenses (other than underwriting discounts and brokers' commissions incurred in connection with registrations, filings or qualifications of Registrable Securities pursuant to Section 4.1 and Section 4.2 for each Holder), including (without limitation) all registration, filing, listing and qualification fees, all fees and expenses of complying with securities or blue sky laws (including fees and expenses of counsel in connection with any registration or offering), printers' and accounting fees (including the fees and expenses for a "comfort" letter in connection with an offering of Registrable Securities), fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one counsel for the selling Holders selected by them, shall be borne by the Company. The Holders shall be responsible for all underwriting discounts and brokers' commissions applicable to the Registrable Securities registered for their account pursuant to Sections 4.1 and 4.2.

4.6. Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 4.

4.7. Indemnification.

(a) Indemnification by the Company. In the event of any registration of any securities of the Company under the Securities Act pursuant to Section 4.1 or 4.2, the Company shall indemnify and hold harmless, to the fullest extent permitted by law, each seller of any Registrable Securities covered by such registration statement, each Affiliate of such seller and their respective directors and officers or general and limited partners (including any director, officer, affiliate, employee, agent and controlling Person of any of the foregoing), each other Person who participates as an underwriter in the

offering or sale of such securities and each other Person, if any, who controls such seller or any such underwriter within the meaning of

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the Securities Act (collectively, the "Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, and expenses (including reasonable attorney's fees and reasonable expenses of investigation) to which such Indemnified Party may become subject under the Securities Act, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof, whether or not such Indemnified Party is a party thereto) arise out of or are based upon (a) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, or (b) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading, and the Company will reimburse such Indemnified Party for any legal and any other expenses reasonably incurred by it in connection with investigating or defending against any such loss, claim, damage, liability, action or proceeding, as such expenses are incurred; provided that the Company shall not be liable to any Indemnified Party in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or amendment or supplement thereto or in any such preliminary, final or summary prospectus in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such seller specifically stating that it is for use in the preparation thereof; provided, further, that the Company shall not be liable to any Indemnified Party in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or amendment or supplement thereto or in any such preliminary, final or summary prospectus which was corrected (and filed with the SEC, to the extent applicable) prior to the sale of Registrable Securities by an Indemnified Party to a Person as to whom it was established that there was not sent or given, at or prior to the written confirmation or other consummation of such sale, a copy of the corrected registration statement, amendment, supplement or prospectus, provided that the Company complied fully and on a timely basis with all of its obligations under Section 4.3(g) prior to the time of such confirmation or other consummation of sale. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such seller or any Indemnified Party and shall survive the transfer of such securities by such seller.

(b) Indemnification by the Seller. The Company may require, as a

condition to including any Registrable Securities in any registration statement filed in accordance with Section 4.3, that the Company shall have received an undertaking reasonably satisfactory to it from each prospective seller of such Registrable Securities or any underwriter therefor to indemnify and hold harmless (in the same manner and to the same extent as set forth in paragraph (a) of this Section 4.7), severally and not jointly, the Company, each of its directors, each of its officers who has signed the registration statement or each Person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from such registration statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, if such untrue statement or alleged untrue statement or

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omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such seller or underwriter specifically stating that it is for use in the preparation of such registration statement, preliminary, final or summary prospectus or amendment or supplement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company, its directors, its officers who have signed the registration statement and any such controlling Person, and shall survive the transfer of such securities by such seller. In no event shall the liability of any selling Holder of Registrable Securities hereunder be greater in amount than the dollar amount of the proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Notices of Claims, Etc. Promptly after receipt by an

Indemnified Party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Section 4.7, such Indemnified Party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the

latter of the commencement of such action; provided that the failure of the Indemnified Party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 4.7, except to the extent that the indemnifying party is actually and materially prejudiced by such failure to give notice. In case any such action is brought against an Indemnified Party, unless in such Indemnified Party's reasonable judgment a conflict of interest between such Indemnified Party and indemnifying parties may exist in respect of such claim, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the indemnifying party to such Indemnified Party of its election so to assume the defense thereof, the indemnifying party will not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. If, in the reasonable judgment of the counsel to the Indemnified Party, having common counsel with an indemnifying party could result in a conflict of interest because of different or additional defenses that may be available to the Indemnified Party, then such Indemnified Party may employ at the indemnifying party's expense separate counsel to represent or defend such Indemnified Party in such action, it being understood, however, that the indemnifying party shall not be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for all such Indemnified Parties (in addition to local counsel) in such action or group of related actions arising out of the same facts or circumstances. Without the prior consent of the Indemnified Party, no indemnifying party will consent to entry of any judgment or enter into any settlement which does not include, as an unconditional term thereof, the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability with respect to such claim or litigation or that imposes any material obligations on the Indemnified Party (other than financial obligations for which the Indemnified Party will be fully indemnified hereunder).

(d) Contribution.

(i) If the indemnification provided for in this Section 4.7 from the indemnifying party is unavailable to an Indemnified Party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to herein, then the indemnifying

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party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and Indemnified Party in connection with the actions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact which gave rise to such action or liability, has been made by, or relates to information supplied by, such indemnifying party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party under this Section 4.7(d) as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

(ii) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 4.7(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding anything in this Section 4.7 to the contrary, no indemnifying party (other than the Company) shall be required pursuant to this Section 4.7 to contribute any amount in excess of the gross proceeds received by such indemnifying party from the sale of Registrable Securities in the offering to which the losses, claims, damages or liabilities of the Indemnified Parties relate. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(e) Non-Exclusivity. Indemnification pursuant to this Section

4.7 shall be a non-exclusive remedy, and the obligations of the parties under this Section 4.7 shall be in addition to any liability which any party may otherwise have to any other party.

(f) Survival of Obligations. The obligations of the Company and

the Holders under this Section 4.7 shall survive the completion of any offering

of Registrable Securities in a registration statement under this Section 4 and shall survive the termination of this Agreement.

4.8. Assignment of Registration Rights. The rights to cause the Company

to register Registrable Securities pursuant to this Section 4 may be assigned (but only with all related obligations) by a Holder to (i) any Affiliate of such Holder or (ii) a transferee or assignee of such Holder's Registrable Securities representing at least 5% of the then-outstanding Registrable Securities, provided the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned and such transferee or assignee becomes a party to this Agreement. For the purposes of determining the number of shares of Registrable Securities held by a transferee or assignee, the holdings of transferees and assignees of a business entity who are affiliates, retired affiliates of such entity (including spouses and ancestors, lineal descendants and siblings of such affiliates or affiliates who acquire Registrable

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Securities by gift, will or intestate succession) shall be aggregated together with the business entity; provided that all assignees and transferees who would not qualify individually for assignment of registration rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices or taking any action under Section 4.

4.9. Reports under Exchange Act. With a view to making available to the

Holders the benefits of Rule 144 promulgated under the Securities Act and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public pursuant to a registration on Form S-3 or without registration, the Company agrees to:

(a) file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the request of any Holder, make publicly available such information as is specified in Section (c)(2) of Rule 144), all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC;

(b) take such action as may be necessary from time to time to enable the Holders to utilize Form S-3 (or any successor form that provides for short-form registration) for the sale of their Registrable Securities, such action to be taken as soon as practicable after the Effective Date; and

(c) furnish to any Holder, so long as accurate and so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after 90 days after the Effective Date), the Securities Act and the Exchange Act, or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (or any successor form that provides for short-form registration) (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC which permits the selling of any such securities without registration or pursuant to such form.

4.10. "Market Stand-Off" Agreement.

(a) Each Holder hereby agrees with respect to the first two registered primary offerings of Common Stock effected by the Company for its own account after the Effective Date that, during the period of duration (up to, but not exceeding, 120 days, it being understood that the Company will request that such managing underwriter consider in good faith whether to permit a lesser period of time) specified by the managing underwriter for such offering following the effective date of the applicable registration statement of the Company filed under the Securities Act, it shall not, to the extent requested by the Company and such managing underwriter, directly or indirectly, effect or agree to effect any public sale or distribution, including any short sale, of shares of Common Stock (or any securities convertible into or expressible for shares of Common Stock), other than as part of such underwritten public

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offering; provided, however, that all officers and directors of the Company and all other Persons with registration rights (whether or not pursuant to this Agreement) enter into similar agreements.

(b) In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other Person subject to the foregoing restrictions) until the end of such period, and each Holder agrees that, if so requested, such Holder will execute an agreement in the form provided by the underwriter containing terms that are substantially consistent with the provisions of this Section 4.10.

4.11. Other Registration Rights. Except with respect to shares of Common

Stock issued in connection with acquisitions by the Company that, individually or in the aggregate, do not exceed \$20 million in aggregate consideration, if the Company at any time grants to any other holders of its securities any rights to request the Company to effect the registration under the Securities Act of any such securities on terms more favorable to such holders than the terms set forth in this Agreement, the terms of this Agreement shall be deemed amended or supplemented to the extent necessary to provide the Holders such more favorable rights and benefits and the Company shall promptly give notice to the Holders specifying such amendments or supplements.

SECTION 5

CORPORATE GOVERNANCE

5.1. Board of Directors. Bank and the Company hereby agree as follows:

(a) Bank shall be entitled to nominate two directors to the Board. The first such director will be appointed to the class of directors whose term expires in 2002 and the second such director will be appointed to the class of directors whose term expires in 2003. At the expiration of their respective initial terms in office, the Company shall nominate each of such Bank-nominated directors for reelection with his or her class for reelection to a full three-year term (respectively, the "Full Term"). The Company hereby agrees that, at and in connection with each annual or special meeting of shareholders of the Company at which directors of the Company are to be elected occurring prior to the completion of the applicable Full Term, the Company, the Board and the nominating committee thereof will (i) nominate and recommend to shareholders for election or re-election as part of the management slate of directors such individuals nominated by Bank and (ii) the Company shall use all Commercially Reasonable Efforts to cause the election or re-election of such individuals, including without limitation providing the same type of support for the election of such individuals as directors of the Company as provided by the Company, its directors, its management and its Affiliates to other Persons standing for election as directors of the Company as part of the management slate, in each case to the extent necessary so that each of such Bank-nominated directors is elected to and able to serve his or her applicable Full Term.

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(b) As long as any Bank-nominated director is then serving on the Board pursuant to Section 5.1(a), the Company will use its Commercially Reasonable Efforts to cause each of the audit and compensation committees of the Board, and such other key committees of the Board as the parties shall mutually agree from time to time, to include at least one director designated by Bank, other than under circumstances in which it would be inconsistent with applicable Law (as, for example, in the case of certain special committees of independent directors formed to consider matters relating to Bank).

(c) The Company shall give such further assurances to Bank, and shall execute, acknowledge and deliver all such other instruments (including without limitation any amendments to its articles of incorporation and by-laws) and take such further action as may be reasonably necessary or appropriate to effectuate the provisions of this Section 5.1.

5.2. Compliance with Bank Regulatory Matters.

(i) The Company shall not acquire (A) more than 5% of any class of (1) "voting securities" (as such terms is defined in the U.S. Bank Holding Company Act of 1956, as amended, and the U.S. Federal Reserve Board's regulations thereunder), (B) more than 24.9% of the equity or (C) substantially all the assets of any company or business in the United States, or engage in the United States in any activity other than a Permissible Activity, or acquire any other assets in the United States other than in connection with a Permissible Activity. For purposes of the preceding sentence, a "Permissible Activity" means an activity that is permitted for a bank holding company pursuant to Section 4(c)(8) or Section 4(k) of the United States Bank Holding Company Act of 1956, as amended.

(ii) The Company shall not conduct any business, and shall not acquire any ownership interest in any entity, such that the Company would be an entity in which Bank is not permitted to hold a "substantial

investment" within the meaning of such term pursuant to the Bank Act (Canada) as amended from time to time.

(iii) Prior to making such acquisition or engaging in any such activity, the Company shall provide Bank with reasonable prior written notice describing the proposed transaction and the other party or parties thereto and shall cooperate with Bank in preparing, filing and obtaining, and Bank shall use its Commercially Reasonable Efforts to prepare, file and obtain, at the Company's expense, any approvals or consents that may be necessary under applicable law.

(iv) Notwithstanding anything in this Agreement to the contrary, in the event that the Company fails to comply with the provisions of this Section 5.2, without limiting any other rights that Bank may have with respect to such failure to comply, Bank will cease to be bound by the restrictions on transfer set forth in Section 2 of this Agreement and shall automatically be permitted to request that the Company effect the registration of its Registrable Securities pursuant to Section 4.2; provided that unless specifically ordered otherwise by the Minister of Finance (Canada), the Superintendent of Financial Institutions appointed under the Bank Act (Canada) or the U.S. Federal Reserve Board, Bank shall use its Commercially Reasonable Efforts to dispose of its Registrable

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Securities in a manner that, to the extent practicable in the circumstances, does not unduly disrupt the public trading market of the Common Stock.

SECTION 6

MISCELLANEOUS

6.1. Legends. (a) In addition to any other legend that may be required and

be placed thereon, each certificate representing the Shares shall be endorsed with a legend in substantially the following form:

TRANSFER IS RESTRICTED

THE SECURITIES EVIDENCED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER SET FORTH IN AN AGREEMENT BETWEEN GLOBAL PAYMENTS INC. AND CANADIAN IMPERIAL BANK OF COMMERCE, DATED AS OF _____, 200_, A COPY OF WHICH IS AVAILABLE FROM THE COMPANY.

(b) Bank agrees that the Company may also endorse any other legends required by applicable federal or state securities laws and securities laws of applicable foreign jurisdictions. The Company shall not be required (a) to transfer on its books any Shares that have been sold or transferred in violation of the provisions of this Agreement (including the foregoing legends), or (b) to treat as the Beneficial Owner of the Shares, or otherwise to accord voting or dividend rights to, any transferee to whom the Shares have been transferred in contravention of this Agreement (or such legends).

(c) The Company shall issue new certificates not bearing the legends set forth or contemplated above in exchange for legended certificates (i) as provided in Section 4.3(o) or (ii) upon the request of any Holder who submits such certificates to the Company for exchange together with an opinion of counsel reasonably acceptable to the Company to the effect that such legend or legends are no longer required under the Securities Act or applicable state securities laws and that the securities represented by such certificates are no longer subject to transfer restrictions under this Agreement.

6.2. Enforceability/Severability. The parties hereto agree that each

provision of this Agreement shall be interpreted in such a manner as to be effective, valid and enforceable to the fullest extent permitted under applicable law. If any provision of this Agreement shall nonetheless be held to be prohibited by or invalid under applicable law, such provision shall be effective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

6.3. Remedies. Each party hereto will be entitled to enforce its rights

under this Agreement specifically, to recover damages by reason of any breach of any provision hereof, and to exercise all other rights existing in its favor. Each party hereto agrees and acknowledges that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that the parties hereto would be irreparably damaged in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were

otherwise breached. It is accordingly agreed that either party hereto shall be entitled to preliminary and permanent injunctive relief to prevent breaches of the provisions of this Agreement by the other party hereto without the necessity of proving actual damages or of posting any bond, and to enforce specifically the terms and provisions hereof and thereof, which rights shall be cumulative and in addition to any other remedy to which the parties hereto may be entitled hereunder or at law or equity.

6.4. Entire Agreement; Successors and Assigns. This Agreement constitutes

the entire agreement between the parties hereto relative to the subject matter hereof and supersedes any previous agreement among the parties. Subject to the exceptions specifically set forth in this Agreement, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective executors, administrators, heirs, successors and assigns of the parties. Bank may assign or transfer its rights under this Agreement to a Subsidiary or other Affiliate.

6.5. Governing Law; Waiver of Jury Trial, Arbitration. (i) This Agreement

shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed therein. The parties to this Agreement hereby agree to submit to the jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof in any action or proceeding arising out of or relating to this Agreement. The parties hereto irrevocably and unconditionally waive trial by jury in any legal action or proceeding in relation to this Agreement and for any counterclaim therein. Any dispute or controversy between the Company and any Holder arising under or in connection with this Agreement shall be resolved by arbitration (by three arbitrators) in New York, New York conducted in accordance with the then prevailing rules of the American Arbitration Association, except that, in the selection of the panel of three arbitrators, the Company and such Holder shall each select one arbitrator and such party-selected arbitrators shall select the third arbitrator. The parties hereby agree that no party shall be entitled to punitive damages hereunder. If any party shall fail to select an arbitrator within 30 days after being notified by the other party of the commencement of arbitration proceedings under this Section 6.5, the notifying party may apply to the American Arbitration Association for the appointment of an arbitrator on behalf of the other party. The judgment of the arbitrators in any such proceeding shall be final, binding and conclusive on the parties, and a judgment may be entered by the prevailing party on account thereof. The prevailing party or parties in an arbitration conducted pursuant to this Section 6.5 shall be entitled to recover its legal fees and expenses from the losing party or parties thereof.

6.6. Counterparts. This Agreement may be executed in counterparts, each of

which shall be an original, but all of which together shall constitute one and the same instrument.

6.7. Headings. The section headings of this Agreement are for convenience

and shall not by themselves determine the interpretation of this Agreement.

6.8. Notices. Any notice required or permitted hereunder shall be given in

writing and shall be conclusively deemed effectively given (a) upon personal delivery, (b) one Business Day after deposit with a nationally recognized overnight delivery service, (c) five days after deposit in the United States mail, by registered or certified mail, postage prepaid, or (d) when telecopied,

receipt acknowledged, addressed in each case to the appropriate address and facsimile numbers set forth below (or to such other address as a party may designate by ten days' advance written notice to the other parties):

If to Bank, to:

c/o CIBC World Markets Inc.
161 Bay Street, BCE Place
7th Floor
Toronto, Ontario M5J 2S8
Attention: Richard E. Venn, Senior Executive Vice President
Facsimile No.: (416) 594-8223
and
Attention: David Marshall, Vice Chairman
Facsimile No.: (416) [____-____]

with a copy to:

Canadian Imperial Bank of Commerce

Legal and Compliance Division
199 Bay Street
Commerce Court West
15th Floor
Toronto, Ontario M5L 1A2
Attention: Robert J. Richardson, Associate General Counsel
Facsimile No.: (416) 304-2860

and to:

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017
Attention: Lee Meyerson, Esq.
Facsimile No.: (212) 455-2502

If to the Company, to:

Global Payments Inc.
#2 National Data Plaza
Atlanta, Georgia 30329-2010
Attention: Office of the General Counsel
Facsimile No: (404) 728-2990

6.9. Amendment of Agreement. This Agreement may be amended and the Company

may take any action herein prohibited, or omit to perform any act herein
required to be performed by it, only if the Company shall have obtained the
written consent to such amendment, action or omission to act, of the Holders of
a majority of the Registrable Securities

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then outstanding. Each Holder of any Registrable Securities at the time or
thereafter outstanding shall be bound by any consent authorized by this Section
6.9, whether or not such Registrable Securities shall have been marked to
indicate such consent.

6.10. No Inconsistent Agreements. The Company agrees not to enter into any

other agreement that is inconsistent with or conflicts with any provision of
this Agreement or which would impair its ability to perform its obligations
under this Agreement on a timely basis.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of
the date above set forth.

GLOBAL PAYMENTS INC.

By: _____
Name:
Title:

CANADIAN IMPERIAL BANK OF COMMERCE

By: _____
Name: Richard E. Venn
Title: Senior Executive Vice President

By: _____
Name: David Marshall
Title: Vice Chairman

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MARKETING ALLIANCE AGREEMENT

MARKETING ALLIANCE AGREEMENT dated as of _____ among CANADIAN IMPERIAL BANK OF COMMERCE, a bank formed under the laws of Canada (the "Bank"), and NATIONAL DATA PAYMENT SYSTEMS, INC., a New York corporation ("NDPS") and Global Payments Inc. ("Global Payments") as the guarantor of NDPS' obligations hereunder, as described on the last page of this Agreement.

WHEREAS, the Bank and NDPS entered into an Asset Purchase Agreement dated _____ (the "Asset Purchase Agreement"), pursuant to which the Bank agreed to sell to NDPS or an Affiliate of NDPS, the Assets Sold (as defined therein);

WHEREAS, the parties have each agreed to undertake or cause to be undertaken certain activities with respect to the Merchant Business;

WHEREAS, it was a condition to the consummation of the transactions provided for in the Asset Purchase Agreement that the Bank and NDPS enter into this Marketing Alliance Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants contained herein, the Bank and NDPS agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION

SECTION 1.1 Certain Defined Terms. For purposes of this Agreement, the following terms shall have the following meanings:

"Account Fees" has the meaning set forth in Section 5.2.

"Advisors" means, with respect to a Person, the Person's employees, agents, professional advisors and consultants and "Advisor" means any one of them.

"Affiliates" means, with respect to the Person specified, a Person that Controls or is Controlled by, or is under common Control with, the Person specified.

"Arbitration" has the meaning set forth in Section 22.5.

"Arbitration Act" has the meaning set forth in Section 22.5.

"Asset Purchase Agreement" has the meaning set forth in the Recitals.

"Assigned Merchant Agreements" means the Existing Merchant Agreements (but not the Excluded Merchant Agreements).

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"Association Rules" means the rules and regulations established from time to time by a Credit Card Association or Network Organization.

"Bank Data" means all data and information, including, but not limited to, personal information, account balance information, facts, records, business data tapes and documents, relating to the Bank's businesses (other than the Merchant Business or information which has otherwise been disclosed by a Merchant or a customer to NDPS directly or is available in the public domain).

"Bank Default" has the meaning set forth in Section 14.2.

"Bank Marks" means the Bank's trade name and trade-marks specifically identified in the Trademark Licence Agreement.

"Bank Service Location" means any location where the Bank performs Bank Services.

"Bank Services" means the services to be provided by, and all other obligations of, the Bank expressly provided for in this Agreement in fulfilment of obligations under the Merchant Agreements, including the Transition Services for so long as, and to the extent that, they are provided under the Transition Agreement.

"BIN" means a Bank Identification Number used in connection with Credit Card Transactions, as described in greater detail in the applicable Association Rules.

"BIN Reporting" has the meaning set forth in Section 8.2.

"Business Day" means any day excluding Saturday, Sunday and any day on which banking institutions located in Toronto, Ontario, St. Louis, Missouri or Atlanta, Georgia are authorized by law or other governmental action to be closed.

"Business Recovery Plans" means, as the case may be, NDPS' business recovery procedures with respect to the Merchant Business currently in the form attached hereto as Schedule 12.1, as updated and modified from time to time in -----
accordance with the terms of this Agreement, and the Bank's business recovery procedures with respect to the Bank Services, as updated and modified from time to time in accordance with the terms of this Agreement.

"Canadian Financial Institution" has the meaning set forth in the Asset Purchase Agreement.

"Card Transactions" means Credit Card Transactions and Debit Card Transactions.

"Chair" has the meaning ascribed thereto in Section 22.5.

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"Chargeback" has the meaning, with respect to VISA, specified in the VISA Rules and, with respect to any other Credit Card Association or Network Organization, has the meaning given to the equivalent term under the applicable Association Rules.

"CIBC System" has the meaning set forth in Section 10.5.

"Clearing System Rules" means, for a Clearing System, the rules and regulations established from time to time relating to the use and operation of the Clearing System.

"Clearing System" means the relevant payment system, such as the Canadian Payments Association, used to effect payments for Card Transactions.

"Client Relations Representative" has the meaning set forth in Section 15.1.

"Commercially Reasonable Efforts" means the efforts that a prudent person who desires to complete a transaction or other action would use in similar circumstances to ensure that a closing or other result occurs as expeditiously as possible without the necessity of assuming any material obligations or paying any material amounts to an unrelated third party.

"Control" exists when a Person owns beneficially, directly or indirectly, more than 50% of another Person's outstanding voting securities or where a Person has the ability to elect a majority of the directors of another Person;

"Credit Card" means a credit card or Off-Line Debit Card bearing the symbol of a Credit Card Association which is accepted by a Merchant pursuant to the terms of a Merchant Agreement, and in respect of which Credit Card Transactions are cleared and settled through the Credit Card Interchange System.

"Credit Card Associations" means VISA U.S.A., Inc., VISA Canada Inc., the Canadian MasterCard entity, if any, MasterCard USA, Inc., Visa International, Inc., MasterCard International, Inc. or any other association that the parties may agree upon from time to time and any successor organization or association of any of them.

"Credit Card Clearing Date" means the date the Credit Card Association receives the information relating to a Card Transaction from NDPS or its Merchant Accounting Processor.

"Credit Card Interchange System" means a system of clearing and settling Credit Card Transactions established by a Credit Card Association.

"Credit Card Transaction" means an electronic or documentary transaction involving a Merchant pursuant to which the method of payment is by Credit Card.

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"Credit Card Transaction Records" means the electronic or documentary files relating to Credit Card Transactions.

"Credit Facility" has the meaning set forth in the Asset Purchase Agreement.

"Credit Loss" means a loss resulting from the failure by a Merchant to pay amounts owed by it under a Merchant Agreement, other than amounts owed by reason of a Chargeback.

"Debit Card" means an on-line debit card, bearing the symbol of a Network

Organization, which is accepted by a Merchant pursuant to the terms of a Merchant Agreement and in respect of which Debit Card Transactions are cleared and settled through the Bank in accordance with the procedures established by the applicable Network Organization.

"Debit Card Transaction" means an electronic transaction involving a Merchant pursuant to which the method of payment is by Debit Card.

"Debit Card Transaction Records" means the electronic or documentary files relating to a Debit Card Transaction.

"Dispute" has the meaning set forth in Section 22.1.

"EFT" means an electronic funds transfer.

"Emergency" has the meaning set forth in Section 2.7.

"Excluded Merchant Agreements" has the meaning given to such term in the Asset Purchase Agreement.

"Existing Merchant Agreement" means an agreement, whether oral or written, dated before the date of this agreement and in effect on the date hereof between the Bank and a merchant pursuant to which the Merchant undertakes to honour Cards, to deposit Card Transaction records with the Bank and to settle with the Bank for Card Transactions with the Bank and the Bank agrees to provide such other related services as may be set forth in such agreement and a merchant member agreement, an instant payment service agreement, a terminal authorization and draft deposit service agreement, an instant payment merchant agreement, a guaranteed reservation service agreement, a merchant tape deposit service agreement, a telephone and mail order agreement, a merchant agreement acceptance form, and applications for merchant service.

"Force Majeure Event" has the meaning set forth in Section 12.2.

"Foreign Interchange Amount" has the meaning set forth in Section 7.3(a).

"Foreign Interchange Notice" has the meaning set forth in Section 7.3(c).

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"Foreign Transactions" has the meaning set forth in Section 7.3(a).

"Governmental Entity" means (i) any multinational, federal, provincial, state, municipal, local or other governmental 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.

"ICA" means the identification or account number used by a member of a Credit Card Association in connection with certain Credit Card Transactions, as described in greater detail in the applicable Association Rules.

"Indemnitee" has the meaning set forth in Section 20.1.

"Indemnitor" has the meaning set forth in Section 20.1.

"Independent Sales Organization" means a non-Affiliated sales organization that may refer merchants to NDPS in connection with the Merchant Business.

"Interac" means Interac Association.

"Interchange Fee" means a fee payable to the applicable Credit Card Association (part of which is payable to the applicable Credit Card issuer) in respect of a Credit Card Transaction.

"Initiating Party" has the meaning set forth in Section 22.2.

"Issuing Account" means an account maintained by the Bank for the purposes of clearing Credit Card Transactions in respect of which the cardholder making the transaction uses a Credit Card issued by the Bank and the Merchant maintains a Merchant Depository Account at the Bank.

"Joint Director Committee" means a committee comprised of two directors of Global Payments nominated by the Bank (or if the Bank has not nominated two directors, then the members of the Bank on the Committee shall be the remaining director if any, of Global Payments, and an officer or officers of the Bank designated by the Bank) and two directors of Global Payments Inc. designated by NDPS.

"Key Accounts" has the meaning set forth in Section 2.7.

"Key Account Notice" has the meaning set forth in Section 2.7.

"Laws" means all applicable laws including all statutes, codes, ordinances,

decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or

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departmental or regulatory judgments, orders, decisions, ruling or awards, guidelines, standards, policies and procedures enacted by a regulatory body or pursuant to statutory authority or requirement and general principles of common and civil law and equity, binding on the Person referred to in the context in which the word is used.

"Legal Change" has the meaning set forth in Section 9.2.

"Losses" has the meaning set forth in Section 20.1.

"MasterCard" means, as applicable, the Canadian MasterCard entity, if any, MasterCard International, Inc., MasterCard USA, Inc. and their respective successor organizations.

"MasterCard Card" means a Credit Card bearing the symbol of MasterCard, Credit Card Transactions in respect of which are cleared and settled through the MasterCard Credit Card Interchange System.

"MasterCard Rules" means the rules and regulations established by MasterCard.

"Merchant" means any Person (other than the Bank or NDPS) that is a party to a Merchant Agreement.

"Merchant Accounting Processor" means a processor designated by NDPS from time to time to perform data processing relating to Credit Card Transactions.

"Merchant Agreements" means the Assigned Merchant Agreements and the New Merchant Agreements.

"Merchant Business" has the meaning set forth in the Asset Purchase Agreement.

"Merchant Depository Account" means a current account maintained by a Merchant with the Bank or another financial institution for the purposes of receiving funds in connection with Card Transactions and making payments of amounts owing by the Merchant under the applicable Merchant Agreement.

"Merchant Processing Services" means the products and services offered as part of the Merchant Business.

"Merchant's Edge Program" means the program between the Bank and National Bank of Canada (or any other Canadian MasterCard issuer) in association with the trade-mark "Merchant's Edge" under which Merchants may receive same day value and next Business Day access to deposits for their VISA and MasterCard sales.

"NDPS Account" has the meaning set forth in Section 5.1(c).

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"NDPS Default" has the meaning set forth in Section 14.3.

"NDPS Data" shall mean all information relating to the business of NDPS and its Affiliates including, without limitation, the Merchant Business (including, without limitation, information regarding the identity of the Merchants as customers of the Merchant Business, rate information, services provided to Merchants and processing volumes) and the Assets Sold (as defined in the Asset Purchase Agreement) (other than information which has otherwise been disclosed by a Merchant or a customer to the Bank directly or is available in the public domain).

"NDPS Services" means (i) all services to be provided to Merchants by, and all other obligations of, the Bank under or in respect of the Assigned Merchant Agreements except for the Transition Services (only for so long as and to the extent that they are to be provided under the Transition Agreement) and except for the Bank Services, (ii) all services to be provided by, and all other obligations of, NDPS under the New Merchant Agreements, and (iii) the services and obligations of NDPS expressly provided for in this Agreement.

"NDPS Service Location" means any location where NDPS performs any NDPS Services.

"Network Organization" means the Interac Association or any legal successor organization.

"New Merchant Agreements" has the meaning set forth in Section 2.5(a)

"Off-line Debit Card" means a payment card bearing the name of a Credit Card Association which is settled through the Credit Card Interchange System but the charges are debited from the cardholder's account by the issuer rather than

being billed pursuant to a monthly statement.

"Operative Documents" means, collectively, the Asset Purchase Agreement, the Stock Purchase Agreement, this Agreement, the Transition Agreement, the Trademark Licence Agreement, the Investor Rights Agreement, the Credit Facility and the General Conveyance Agreement (all as referred to in the Asset Purchase Agreement).

"Ordinary Course" means, with respect to an action taken by a Person in respect of a business, that such action is consistent with the past practices of the Person and is taken in the ordinary course of operations of the Person relating to that business.

"Originate" means the transmission of a file to a Clearing System for the purposes of effecting an EFT.

"Paper Processing Vendor" means the entity that NDPS designates to receive documentary records relating to Card Transactions and that is responsible for entering the relevant information concerning such transactions into an electronic format.

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"Person" means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity.

"Privacy Policies and Procedures" means the privacy policies and procedures attached as Schedule 11.6, as such procedures may from time to time be modified

by the Bank, acting reasonably.

"Reserve Account" has the meaning set forth in Section 7.1(c).

"Security Policies and Procedures" means the security policies and procedures of NDPS set out on Schedule 10.3(a), and of the Bank set out on

Schedule 10.3(b), relating to the Merchant Business, as such policies may be

modified from time to time in accordance with the provisions hereof.

"Service Levels" means the services levels in respect of the Services set forth in Schedule 3.

"Service Locations" means, collectively, the Bank Service Locations and the NDPS Service Locations.

"Services" means, collectively, the NDPS Services and the Bank Services.

"Settlement" means the settlement of funds through a Credit Card Interchange System or Network Organization.

"Settlement Accounts" has the meaning set forth in Section 5.1(a).

"Shortfall" means any shortfall in funds in the applicable Settlement Account in respect of the Bank's reimbursement rights described in Sections 4.1(f) and 4.2(e).

"Statement of Dispute" has the meaning set forth in Section 22.5.

"Subsidiary" has the meaning given to such term in the Business Corporations Act (Ontario).

"Territory" means the United States (and all of its territories) and Canada.

"Third Party Assignee" has the means set forth in Section 2.2(b).

"Trademark Licence Agreement" means the trademark licence agreement dated the date hereof between the Bank and NDPS.

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"Transition Agreement" means the agreement dated the date hereof between the Bank and NDPS by which the Bank is required to provide certain services in support of the Merchant Business during the Transition Period.

"Transition Period" has the meaning set forth in the Transition Agreement.

"VISA" means, as applicable, VISA U.S.A., Inc., VISA Canada Inc. or Visa International, Inc. or any successor organization of any of them.

"VISA Card" means a Credit Card bearing the symbol of VISA, Credit Card Transactions in respect of which are cleared and settled through the VISA Credit

Card Interchange System.

"VISA Rules" means the applicable rules and regulations established from time to time by VISA.

SECTION 1.2 Headings and Table of Contents. The division of this Agreement

into Sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

SECTION 1.3 Number and Gender. Unless the context requires otherwise, words

importing the singular include the plural and vice versa and words importing gender include all genders.

SECTION 1.4 Performance on Business Days. Except as expressly provided for

herein, if any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day.

SECTION 1.5 References. Any reference in this Agreement to any Law,

Association Rule or Clearing System Rule shall, unless otherwise expressly stated, be deemed to be a reference to such Law, Association Rule or Clearing System Rule as amended, restated or re-enacted from time to time.

SECTION 1.6 Section and Schedule References. Unless the context requires

otherwise, references in this Agreement to Sections or Schedules are to Sections or Schedules of this Agreement. The Schedules to this Agreement form part of this Agreement and are as follows:

SCHEDULES

Schedule 2.5 - New Merchant Agreements

Schedule 2.7 - Key Accounts

Schedule 3 - Service Levels

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Schedule 7.2 - Chargebacks and Credit Losses on Certain Accounts

Schedule 10.3(a) - NDPS Security Policies and Procedures

Schedule 10.3(b) - Bank Security Policies and Procedures

Schedule 11.6 - Bank Privacy Policies and Procedures

Schedule 12.1 - Business Recovery Plans

Schedule 15 - Initial Client Relations Representatives

SECTION 2. MERCHANT AGREEMENTS

SECTION 2.1 Assigned Merchant Agreements. The parties acknowledge that

pursuant to Section 2.1(a) of the Asset Purchase Agreement, the Bank has effected an equitable assignment to NDPS of all of the Bank's rights under the Assigned Merchant Agreements (it being further acknowledged that the Bank is continuing as a party to the Assigned Merchant Agreements). Notwithstanding the foregoing, the parties acknowledge that NDPS has the absolute right, by giving notice to the applicable Merchants, to cause the equitable assignment described above to be converted into a legal assignment of such rights. The parties also confirm their intention that NDPS' covenant in Section 3.1 to provide the NDPS Services will result in NDPS assuming and performing all of the Bank's obligations under the Assigned Merchant Agreements (except for the Bank Services) without affecting the Bank's contractual obligations to Merchants pursuant to the Assigned Merchant Agreements.

SECTION 2.2 Further Assignment of Rights Under Merchant Agreements During the

Term.

(a) Subject to Section 2.2(b), and separate and apart from NDPS' right to cause the equitable assignment of the Bank's rights under the Assigned Merchant Agreements to be converted into a legal assignment of such rights as described in Section 2.1, the Bank hereby grants to NDPS an irrevocable right to require the Bank, during the term of this

Agreement, on notice from NDPS, to assign to NDPS or to any other Person all but not less than all of the Bank's interest in some or all of the Merchant Agreements in effect on the effective date of the notice and all of the obligations of the Bank thereunder. Neither the Bank nor NDPS makes any representation or warranty as to the legal effect of such assignment and neither party shall have liability to the other for any Losses incurred by the other party as a result of the assignment, including any Losses resulting from a termination of any Merchant Agreements by Merchants.

- (b) The assignment referred to in Section 2.2(a) shall be subject to the following conditions:

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- (i) an assignee other than NDPS or an Affiliate of NDPS (a "Third Party Assignee") shall not be permitted to use the Bank Marks without the written consent of the Bank;
- (ii) the Bank shall have the right to cause NDPS or such Third Party Assignee to notify each affected Merchant that the Bank is no longer a party to such Merchant Agreements and to cause NDPS or such Third Party Assignee to convert such Merchants from the Bank's ICA/BINs, unless NDPS has caused the Bank to assign the ICA/BINs to such Third Party Assignee or other designee pursuant to Section 8.3(b);
- (iii) if the Bank elects to pursue its right under clause (ii), upon the effective date of the assignment, NDPS and the Bank agree that, (A) as between the Bank and such Third Party Assignee, the Bank shall have no further obligations or liabilities in respect of the Merchant Agreements (including to provide any Bank Services) and (B) NDPS or such Third Party Assignee and NDPS shall be deemed to have assumed and agreed thereafter to pay and discharge when due, and to indemnify and hold the Bank harmless with respect to, all such obligations and liabilities except for any obligations and liabilities of the Bank that relate to events (including sales transactions) occurring up to the effective time of such assignment or arising out of claims against the Bank by any party other than NDPS, any Affiliate of NDPS or any Third Party Assignee, who challenges the legal validity of any such assignment.

SECTION 2.3 Further Assignment of Rights Under Assigned Merchant Agreements

Upon the Expiry of the Term.

- (a) Subject to Section 2.3(c), upon the expiry or termination of this Agreement, the Bank shall be deemed to have assigned to NDPS, and NDPS shall be deemed to have assumed, without any further action required by either of them, all but not less than all of the Bank's continuing interest (including all of the Bank's obligations and liabilities) in the Assigned Merchant Agreements in effect on the expiry or termination date.
- (b) Neither the Bank nor NDPS makes any representation or warranty as to the legal effect of an assignment under Section 2.3(a) and neither party shall have liability to the other for any Losses incurred by the other party as a result of the assignment, including any Losses resulting from a termination of any Merchant Agreements by Merchants.
- (c) Upon the effective date of the assignment, as between the Bank and NDPS, (i) the Bank shall have no further obligations or liabilities in

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respect of the Merchant Agreements (including to provide any Bank Services), (ii) NDPS shall notify each Merchant that the Bank is no longer a party to the Merchant Agreements, and NDPS shall be deemed to have assumed and agreed thereafter to pay and discharge when due, and to hold the Bank harmless with respect to, all such obligations and liabilities except for any obligations and liabilities of the Bank that relate to events (including sales transactions) occurring up to the effective time of such assignment or arising out of claims against the Bank by any Person (other than NDPS) who challenges the legal validity of any such assignment.

SECTION 2.4 Termination, Modification of Assigned Merchant Agreements. Subject

to the provisions of Section 2.7 with respect to the Key Accounts, NDPS shall have the right to require the Bank to terminate or modify any of the Assigned Merchant Agreements (including but not limited to the increase of fees or discounts charged to Merchants) to the extent permissible thereunder in a manner

consistent with the Ordinary Course of NDPS' business, provided that no modification to an Assigned Merchant Agreement may be effected without the prior written consent of the Bank if the modification would reasonably be expected to materially adversely affect the Bank's obligations thereunder (which are not being performed or assumed by NDPS), or risks or costs arising therefrom, including with respect to Transition Services or Bank Services. Subject to the provisions of Section 2.7, NDPS has the right to compel the Bank to be a party of legal proceedings involving merchants under Assigned Merchant Agreements.

SECTION 2.5 New Three Party Merchant Agreements.

- (a) The parties agree to use their Commercially Reasonable Efforts to attempt to enter into new written agreements with Merchants (to replace any Assigned Merchant Agreement) substantially in the form attached as Schedule 2.5 pursuant to which each of NDPS and the Bank

shall be contracting parties with Merchants and shall be jointly and severally obligated to perform the services thereunder (the "New Merchant Agreements") within (i) three years from the date hereof as to Merchants listed on Schedule 7.2, and (ii) five years from the date

hereof as to Merchants other than those listed on Schedule 7.2.

Notwithstanding the form of Schedule 2.5, NDPS agrees to act

diligently and in a commercially reasonable manner in negotiating a New Merchant Agreement with the Merchants listed on Schedule 7.2. The

parties acknowledge that, as to Merchants other than those Merchants listed on Schedule 7.2, NDPS shall be deemed to have used Commercially

Reasonable Efforts if it mails a new form of agreement to such Merchants without regard to the effectiveness of such actions. In addition, all Merchant Agreements for new Merchants from and after the Closing shall be substantially in the form of the New Merchant Agreements. The parties agree that services under New Merchant Agreements shall be performed for Merchants in accordance with the provisions of this Agreement, namely, the Bank shall perform the Bank Services and NDPS shall perform the NDPS Services. The parties agree that the process of converting to New Merchant

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Agreements from the Assigned Merchant Agreements shall commence with the Merchants listed on Schedule 7.2.

- (b) If NDPS desires the Bank to assign any rights it may have under any of the Merchant Agreements by virtue of the fact that the Bank remains a party to such contracts solely to comply with the Association Rules (if applicable), the Bank shall enter into an assignment agreement with an assignee designated by NDPS within a reasonable time after request whereby such assignee shall assume all of the Bank's obligations and liabilities under such Merchant Agreements as to transactions with a Credit Card Clearing Date occurring after the effective date of such assignment.

SECTION 2.6 Power of Attorney. The Bank hereby grants NDPS a continuing power

of attorney to execute New Merchant Agreements from time to time on behalf of the Bank provided such New Merchant Agreements are substantially in the form of the agreement attached as Schedule 2.5, as amended by NDPS from time to time

with the prior written approval of the Bank, such approval not to be unreasonably withheld.

SECTION 2.7 Key Accounts. Attached hereto as Schedule 2.7 is a list of

Merchants that the parties acknowledge are significant relationship customers of the Bank (the "Key Accounts"). If NDPS desires to cause a Merchant Agreement that relates to a Key Account to be terminated or modified in a material respect or to commence or threaten legal proceedings against a Key Account, NDPS shall first give notice to the Bank's Client Relations Representative of its intention to do so (a "Key Account Notice"), which notice shall include a description of NDPS' proposed course of action and the reasons therefor. A Key Account Notice indicating that NDPS desires either to terminate a Key Account because it reasonably believes that a continuation of the Merchant Agreement may result in losses to NDPS as a result of uncollected Chargebacks or Credit Losses or that NDPS intends to seek injunctive relief against the Key Account shall be considered an "Emergency". The Bank must respond to an Emergency on the same Business Day as the Key Account Notice is delivered, if the Key Account Notice is delivered by 12:00 p.m., or the next Business Day, if delivered after 12:00 p.m. If the Key Account Notice does not relate to an Emergency, the Bank shall have five (5) Business Days after delivery of the Key Account Notice to respond.

If the Bank responds to NDPS within the applicable response time that it wishes to become involved in the proposed action involving a Key Account with a view to avoiding or preventing the proposed termination or legal proceeding or otherwise addressing the issues set forth in the Key Account Notice, or the Bank and NDPS shall negotiate in good faith to ensure that a mutually agreeable solution is reached as soon as reasonably possible. In the event that (i) the Bank does not respond to the Key Account Notice within the applicable response time, or (ii) the parties are unable to agree upon a solution (A) on the same Business Day, in the case of an Emergency (or the next Business Day, if the Key Account Notice is delivered after 12:00 p.m.), or (B) within five (5) Business Days after the Bank has responded to any other Key Account Notice, NDPS shall be permitted to proceed with the course of action proposed in the Key Account Notice. Notwithstanding the provisions of this Section 2.7, NDPS agrees that it shall not cause a Merchant Agreement

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in respect of a Key Account to be modified in respect of fees charged to such Merchants for a period of six months from the date of this Agreement.

SECTION 3. SERVICES

SECTION 3.1 NDPS Services. During the term of this Agreement NDPS shall

furnish the NDPS Services in respect of all Merchant Agreements and shall use its Commercially Reasonable Efforts to meet the applicable Service Levels.

SECTION 3.2 Bank Services. During the term of this Agreement the Bank shall

furnish the Bank Services in respect of all Merchant Agreements and shall use its Commercially Reasonable Efforts to meet the applicable Service Levels.

SECTION 3.3 Licences and Permits. Each party shall be responsible for

ensuring compliance with all applicable Laws, Association Rules and Clearing System Rules, including any service levels established thereunder, and obtaining and complying with the terms and conditions of all licences and permits required by Law, Association Rules and Clearing System Rules with respect to the Services to be performed by it or by third parties on its behalf and shall pay all fees, costs and expenses and assume all other obligations associated therewith. NDPS shall be responsible for and shall pay all fines and penalties arising from non-compliance by NDPS with any Merchant Agreement, Laws, Association Rules or Clearing System Rules or third party requirements in respect of its delivery of the NDPS Services. NDPS shall not be responsible for any licences, memberships, sponsorships or permits required to be obtained and/or maintained by the Bank or for any related fees required or incurred in connection with the performance by the Bank of the Bank Services for greater certainty, the Bank shall pay all assessment and membership fees of VISA. The Bank shall be responsible for and shall pay all fines and penalties arising from non-compliance by the Bank with any Merchant Agreement, Laws, Association Rules or Clearing System Rules or third party requirements in respect of its delivery of the Bank Services. The parties acknowledge that the Bank shall not be responsible for any licences or permits or related fees required to be obtained and/or maintained by NDPS.

SECTION 4. DEPOSIT AND SETTLEMENT PROCEDURES

SECTION 4.1 Acceptance, Delivery, and Settlement of Credit Card Transaction

Records.

(a) NDPS shall accept Credit Card Transaction Records from Merchants in electronic form and shall transmit to the Bank in the Ordinary Course of NDPS' business summary information of the amounts to be posted to the accounts of those Merchants whose Merchant Depository Accounts are maintained with the Bank and the amounts to be included on the file to be sent through the applicable Clearing System with respect to those Merchants whose Merchant Depository Accounts are maintained with other financial institutions.

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(b) The Bank shall accept Credit Card Transaction Records from Merchants in documentary form at branches of the Bank and shall cause such transactions to be sent to the Paper Processing Vendor in the Ordinary Course of the Bank's business. NDPS shall use Commercially Reasonable Efforts to ensure that, once the Paper Processing Vendor has entered the relevant information from the Credit Card Transaction Records in documentary form into an electronic format, the Paper Processing Vendor transmits such transaction records to NDPS, and such records shall be Processed by NDPS in the Ordinary Course of NDPS' business.

(c) For the duration of the Transition Period, for transactions which are made by cardholders who have been issued Credit Cards by the Seller the Bank shall credit funds from the Issuing Account (rather than the applicable Settlement Account) to the applicable Merchant Depository

Accounts maintained at the Bank by Merchants in respect of Credit Card Transactions in the Ordinary Course of the Bank's business and such transactions shall not be processed through the Credit Card Interchange System. NDPS agrees to pay the Bank any out-of-pocket costs incurred by the Bank as a result of the processing of Credit Card Transactions pursuant to this Section 4.1(c). The Bank shall ensure that the Issuing Account has adequate funds each day to settle the aforementioned "on us" transactions processed that same day.

- (d) Except as provided in Section 4.1(c), the Bank shall credit funds from the applicable Settlement Account or as otherwise provided by NDPS pursuant to the Credit Facility to the Merchant Depository Accounts maintained with it by Merchants in respect of Credit Card Transactions in the Ordinary Course of the Bank's business.
- (e) Upon the receipt of the information described in Section 4.1(a), the Bank shall, in the Ordinary Course of the Bank's business, Originate and transmit to the applicable Clearing System a file specifying the amounts of funds from the applicable Settlement Account or as otherwise provided by NDPS pursuant to the Credit Facility to be credited to Merchants whose Merchant Depository Accounts are maintained with other financial institutions. If permitted by the applicable Laws, Association Rules and Clearing System Rules, and upon the request of NDPS, the Bank shall use Commercially Reasonable Efforts to offer NDPS all reasonable assistance to enable NDPS to itself Originate Card Transactions and perform EFT through the applicable Clearing System, including but not limited to, serving as the Originating financial institution for such transactions. In such event, NDPS agrees to comply with all applicable Laws, Association Rules and Clearing System Rules.
- (f) The parties acknowledge that, from time to time, there may be insufficient funds in the applicable Settlement Account to allow the Bank to credit Merchants' accounts pursuant to Sections 4.1(d) and (e). In such event,

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the amount of the Shortfall shall be deemed as having been drawn down by NDPS on the date of the Shortfall under the terms of the Credit Facility.

SECTION 4.2 Acceptance, Delivery, and Settlement of Debit Card Transaction

Records.

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- (a) NDPS shall accept Debit Card Transaction Records from Merchants in electronic form and shall process and transmit to the Bank in the Ordinary Course of NDPS' business summary information in the form customarily used or required by the applicable Network Organization including information as to the amounts to be posted to the accounts of those Merchants whose Merchant Depository Accounts are maintained with the Bank.
- (b) The Bank shall credit funds from the applicable Settlement Account, or as otherwise provided by NDPS pursuant to the Credit Facility, to the Merchant Depository Accounts maintained with it by Merchants in respect of Debit Card Transactions in the Ordinary Course of the Bank's business.
- (c) Upon the receipt of the information described in Section 4.2(a), and at the request of NDPS, the Bank shall Originate and transmit a file to the applicable Clearing System to enable a reconciliation of the amounts of funds from the applicable Settlement Account or as otherwise provided by NDPS pursuant to the Credit Facility to be credited to Merchants whose Merchant Depository Accounts are maintained with other financial institutions. If permitted by applicable Laws, Association Rules and Clearing System Rules, and upon the request of NDPS, the Bank shall use Commercially Reasonable Efforts to offer NDPS all reasonable assistance to enable NDPS to itself Originate Card Transactions and to perform EFT through the applicable Clearing System, including without limitation, serving as the Originating financial institution for such transactions. In such event, NDPS agrees to comply with all applicable Laws, Association Rules and Clearing System Rules.
- (d) The Bank shall accept the Debit Card Transaction Records referred to in paragraph (a) for Settlement in the Ordinary Course of the Bank's business as the "Settlement Agent", as such term is defined in the Interac rules, and upon the request of NDPS, shall serve as the "Direct Connector", as such term is defined in the Interac rules.
- (e) The parties acknowledge that, from time to time, there may be insufficient funds in the applicable Settlement Account to allow the

Bank to credit Merchants' accounts pursuant to Section 4.2(b). In such event, the amount of the Shortfall shall be deemed as having been drawn by NDPS on the date of the Shortfall under the terms of the Credit Facility or, if a

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drawdown cannot occur, then such amount shall be repaid to the Bank by NDPS promptly upon receipt of notice thereof.

SECTION 4.3 Acceptance, Delivery and Settlement of Merchant's Edge Card

Transactions.

- (a) NDPS shall accept MasterCard and American Express Card Transaction Records in electronic form from Merchants participating in the Merchant's Edge Program and shall transmit to the Bank in the Ordinary Course of NDPS' business summary information of the amounts to be posted to the accounts of those Merchants whose Merchant Depository Accounts are maintained with the Bank and shall transmit to either American Express or National Bank, as applicable, the transaction information necessary for it to settle the transactions.
- (b) The Bank agrees to credit funds from the applicable Settlement Account or as otherwise provided by NDPS pursuant to the Credit Facility to the Merchant Depository Accounts maintained with it by Merchants in the Ordinary Course of the Bank's business.
- (c) The Bank shall transfer funds from the applicable current account maintained by either National Bank or American Express at the Bank to the applicable Settlement Account in connection with the funds credited pursuant to Section 4.3(b).
- (d) In addition to the foregoing, the parties agree to comply with the agreement between NDPS, the Bank and National Bank of Canada and the agreement between NDPS, the Bank and American Express to be entered into with relevant Merchants in respect of the Merchant's Edge Program.

SECTION 4.4 Amendments. The parties acknowledge that the procedures set out in

Section 4 may be amended by NDPS from time to time provided that such amended procedures are in accordance with applicable Laws, Association Rules and Clearing System Rules and the Merchant Agreements and provided further that (i) the Service Levels set out in Schedule 3 are maintained in all material respects

(subject to amendment of such Service Levels in accordance with the provisions of this Agreement) and (ii) there is no material adverse impact on the Bank's cost of providing Bank Services or Transition Services.

SECTION 5. PAYMENTS AND ACCOUNTS; CLEARING ARRANGEMENTS

SECTION 5.1 General.

- (a) The Bank shall maintain internal, segregated settlement accounts (the "Settlement Accounts"), the sole purpose of which shall be for the Bank to receive funds from the Credit Card Interchange Systems and Network Organizations, as the case may be, in connection with the Merchant

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Business. The Bank shall make the appropriate arrangements and grant any necessary consents required from the Bank in order to permit NDPS to determine the current balance of each Settlement Account at any time and by the means best able to provide NDPS with the most current balance available, including, without limitation and if available, by direct electronic review by NDPS.

- (b) The Bank shall provide NDPS a monthly statement of withdrawals and deposits for each Settlement Account.
- (c) The Bank shall on each Business Day after the transfers referred to in Sections 4.1(d), 4.2(b) and 4.3(b) have been effected, pay any remaining amounts in the Settlement Accounts to an account designated by NDPS (the "NDPS Account").
- (d) The parties agree that, without the express written consent of both the Bank and NDPS, neither NDPS nor the Bank shall, except as provided herein, be entitled to, or to make any withdrawals or take any other action with respect to, the Settlement Accounts.

SECTION 5.2 Withdrawal of Account Fees from Merchant Depository Accounts. On a

monthly basis, or more frequently as determined by NDPS, NDPS shall direct the Bank to withdraw funds from each Merchant Depository Account maintained with the Bank in respect of service fees owed by the related Merchant pursuant to the applicable Merchant Agreement and to Originate and transmit to the applicable Clearing System a file that contains the service fees owed by the Merchant whose Merchant Depository Account is maintained with financial institutions other than the Bank (collectively, the "Account Fees"). NDPS shall, on each Business Day, direct the Bank to withdraw funds from each Merchant Depository Account in the amount of any applicable Chargebacks. The Bank shall cause the Account Fees and Chargebacks, if any, to be deposited into the NDPS Account.

SECTION 5.3 Settlement Accounts. The parties agree that the Settlement

Accounts shall be in the name of the Bank to comply with Association Rules concerning the use by NDPS of the Bank's BIN numbers, as set forth in this Agreement.

SECTION 6. EXCLUSIVITY AND MARKETING

SECTION 6.1 Referral of Potential Merchants.

- (a) The Bank shall, and shall cause its Subsidiaries or any other Person under its Control to, refer only to NDPS any Person in the Territory who expresses interest in obtaining, referring or utilizing Merchant Processing Services, and neither the Bank nor any of its Subsidiaries, nor any other Person under its Control, shall solicit any such Person on their own behalf or on behalf of any Person other than NDPS for Merchant Processing Services.

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- (b) NDPS shall pay the Bank an amount to be agreed upon from time to time by NDPS and the Bank, acting reasonably, for each merchant that enters into a fully executed Merchant Agreement and that is referred to NDPS by a branch of the Bank.
- (c) If NDPS does not wish to enter into a Merchant Agreement with a potential merchant customer referred to NDPS by the Bank, NDPS shall notify the Bank as soon as reasonably practicable and, upon receipt of such notice, the Bank may request that NDPS accept such merchant in exchange for the Bank's agreement to subsidize or otherwise contribute or provide rights of indemnity with respect to the Merchant Agreement. If NDPS and the Bank agree upon the terms and conditions of such agreement, NDPS shall accept such merchant subject to such arrangement.
- (d) If NDPS does not wish to enter into a Merchant Agreement with a potential merchant customer referred to NDPS by the Bank (and the Bank and NDPS do not agree upon the subsidy or other contribution arrangements as described in Section 6.1(c)), or if, in the opinion of NDPS, NDPS does not have the capability of serving the prospective customer, NDPS may refer such prospective customer to a third party selected by NDPS that is acceptable to the Bank, acting reasonably.
- (e) In the event that the third party declines to enter into a merchant agreement or NDPS does not refer a prospective customer to a third party pursuant to Section 6.1(d), then NDPS shall so notify the Bank and the Bank shall have the opportunity to refer the merchant to another Person.

SECTION 6.2 Merchant Depository Accounts. During the term of the Agreement,

NDPS shall use Commercially Reasonable Efforts to encourage new merchant customers to whom the Merchant Business is advertised or branded in association with the Bank Marks to open Merchant Depository Accounts with the Bank. During the term of this Agreement NDPS shall not to solicit or encourage Merchants who maintain their Merchant Depository Accounts with the Bank to transfer such accounts to any other financial institution.

SECTION 6.3 New Products and Services. NDPS and the Bank agree to work

together in the development, distribution and marketing of emerging payment solutions.

SECTION 7. CHARGE-BACKS, CREDIT LOSSES AND RISK MANAGEMENT

SECTION 7.1 Chargebacks and Credit Losses.

- (a) Except as set forth in Section 7.2 and as otherwise provided in the Asset Purchase Agreement or the Transition Agreement, NDPS shall be responsible for, and reimburse the Bank in respect of, all unpaid Chargebacks and Credit Losses and costs of collection, if any, with respect to transactions with Merchants with a sales date occurring on

Effective Time under the Asset Purchase Agreement unless the Chargeback or Credit Loss results from the failure by the Bank to perform its obligations under this Agreement or the Transition Agreement.

- (b) NDPS shall process Chargebacks and Credit Losses relating to the Merchant Agreements in an expeditious manner in the Ordinary Course of its business.
- (c) In the event NDPS, acting reasonably, deems it prudent to establish a reserve (a "Reserve Account") for a Merchant whose Merchant Depository Account is maintained by the Bank, the Bank shall, if and to the extent permitted by the account agreement with the Merchant and by applicable Law, within four (4) hours of the request by NDPS, debit the amount of the reserve specifically requested by NDPS or place a freeze on withdrawals by the Merchant from the Merchant Depository Account. In the event the Merchant is a Key Account, the request from NDPS shall be considered a Key Account Notice relating to an Emergency and shall be dealt with in accordance with Section 2.7. The establishment of a Reserve Account or a freeze on a Merchant Depository Account shall not result in or constitute a waiver or limitation of any rights of set off or other rights which the Bank may have against a Merchant or in respect of the Merchant Depository Accounts in connection with other obligations of any of the Merchants to the Bank.

SECTION 7.2 Payment for Chargebacks and Credit Losses. In respect of each

twelve month period commencing after the Effective Date, the Bank agrees to pay NDPS the amount, if any, by which the aggregate of all unpaid Chargebacks and Credit Losses applicable to any Merchant listed on Schedule 7.2 arising out of

sales transactions occurring during such twelve month period exceeds an amount equal to twice the value of unpaid Chargebacks and Credit Losses experienced by the Bank and attributable to such Merchant during the one year period ending October 31, 1999. The obligation of the Bank in the preceding sentence shall survive until the earliest to occur of (a) three years from the Effective Date of this Agreement and (b) the later of (i) the termination of the Transition Period and, (ii) the date on which such Merchant has entered into a New Merchant Agreement, and (c) the date on which NDPS assigns its interest under the applicable Assigned Merchant Agreement to a third party other than an Affiliate. NDPS shall notify the Bank within a reasonable time after experiencing uncollected Chargebacks and Credit Losses in respect of any such Merchant and to exercise its Commercially Reasonable Efforts to collect all such amounts. NDPS shall act diligently and in a commercially reasonable manner in negotiating a New Merchant Agreement with any of the Merchants listed on Schedule 7.2. As

soon as NDPS becomes aware that it has a right to payment from the Bank under this Section 7.2 in respect of a Merchant, it shall forthwith notify the Bank and the Bank shall have no obligation to pay any amounts under this Section 7.2 that relate to the sales transactions with the Merchant occurring after the date that NDPS could terminate the relevant Merchant Agreement in accordance with its terms once the Bank has been notified of its indemnification obligation set out in this Section 7.2 in respect of the Merchant. NDPS and the Bank agree that:
(i) some of

the Merchants listed on Schedule 7.2 are Merchants for whom the applicable

Merchant Agreement applies to the Merchant and to business divisions or Affiliates of the Merchant, (ii) all such divisions and Affiliates are aggregated (together with the Merchant) for purposes of Schedule 7.2, and (iii)

for each such Merchant, no claim by NDPS for payment under this Section 7.2 may be made unless the total of all unpaid Chargebacks and Credit Losses for the relevant one-year period referred to above exceeds twice the value of unpaid Chargebacks and Credit Losses for the one year period ending October 31, 1999 calculated in respect of the Merchant on an aggregate basis and not on a division-by-division or Affiliate-by-Affiliate basis.

SECTION 7.3 Foreign Interchange.

- (a) The parties acknowledge that, as part of the Merchant Business, the Bank has acquired VISA Credit Card Transactions outside of Canada for the payment of goods or services provided by a Merchant that is a party to an Existing Merchant Agreement ("Foreign Transactions"). If NDPS continues to acquire Foreign Transactions from and after the date hereof, the Bank shall pay to NDPS in respect of each Foreign Transaction an amount (the "Foreign Interchange Amount"), if any,

equal to the difference between:

- (i) the Interchange Fee payable on the Foreign Transaction in accordance with the applicable VISA Rules; and
- (ii) an amount calculated on the same basis (but applying the Interchange Fee in effect at the time of calculation) that the Bank was using to calculate the Interchange Fee payable to VISA prior to November 1, 2000 for the same Foreign Transaction,

subject to a maximum payment per Foreign Transaction equal to the payment that would be required based on the applicable Interchange Fees in effect on the date hereof.

- (b) Any Foreign Interchange Amounts calculated from time to time to be payable by the Bank to NDPS under Section 7.3(a) shall be paid (i) only for the duration of the current term, excluding renewal terms, of the applicable Existing Merchant Agreement, and (ii) only if and to the extent the pricing provisions of the applicable Existing Merchant Agreement cannot be amended during the current term to eliminate the Foreign Interchange Amount.
- (c) NDPS shall deliver a notice (a "Foreign Interchange Notice") to the Bank on or after the last day of each calendar month specifying the aggregate Foreign Interchange Amounts payable by the Bank for such calendar month and setting forth a calculation thereof. The Bank shall have the right to review the relevant books and records of NDPS to confirm the accuracy of NDPS's calculation of the Foreign Interchange

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Amounts. The Bank shall pay the Foreign Interchange Amounts within 10 Business Days of receipt of the Foreign Interchange Notice.

- (d) NDPS agrees to co-operate and render all commercially reasonable assistance to the Bank in connection with any proceedings or negotiations between the Bank and VISA with respect to the interpretation and application of the VISA Association Rules to Foreign Transactions.
- (e) If, as a result of the proceedings or negotiations referred to in paragraph (c), the Bank is successful in obtaining a reduced Interchange Fee for Foreign Transactions and Purchaser receives a reimbursement for Foreign Transactions in respect of which the Bank has paid Foreign Interchange Amounts, then NDPS shall in turn pay to the Bank the amount of the reimbursement (to a maximum equal to the Foreign Interchange Amounts paid for such Foreign Transactions).

SECTION 8. MEMBERSHIP IN CREDIT CARD ASSOCIATIONS AND NETWORK ORGANIZATIONS

SECTION 8.1 VISA and Interac Membership by Bank. During the term of the

Agreement, the Bank shall remain a member of VISA and Interac in Canada and a member of VISA and MasterCard in the United States through an Affiliate and to carry out its obligations as a member thereof in the Ordinary Course.

SECTION 8.2 Compliance with VISA and Interac Requirements by NDPS.

During the term of the Agreement, NDPS shall cooperate with the Bank in connection with NDPS and/or the Bank obtaining and maintaining any approvals from Credit Card Associations, Network Organizations and Clearing Systems as are required in connection with the performance by NDPS of the NDPS Services. After the date that the Bank's BINs and ICAs have been segregated as described in the Asset Purchase Agreement, NDPS shall undertake all reporting, audit, compliance and related procedures ("BIN Reporting") required by the applicable Association Rules with respect to the use of BINs and ICAs in Canada and the United States, whether such BIN Reporting is required to be done on a regular basis or on an ad hoc basis pursuant to a request by the relevant Card Association or any Governmental Entity. Prior to the date that the Bank's BINs and ICAs have been segregated as described above, the Bank shall be responsible for all required BIN Reporting.

SECTION 8.3 Processing and Clearing Arrangements.

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- (a) The Bank shall at all times maintain distinct VISA BIN numbers adequate for use in clearing all of the Credit Card Transactions of NDPS' Merchant Business in Canada. The Bank shall cause a U.S. Affiliate of the Bank to maintain distinct VISA and MasterCard BIN and ICA numbers adequate for use in Clearing the Credit Card Transactions of NDPS' Merchant Business in the United States, unless: (i) there is a change in Laws or Association Rules which would adversely impact the Bank's ability to

continue to provide such ICAs/BINs; or (ii) the Bank within its sole discretion elects to terminate its banking businesses in the United States to an extent that would make the Bank no longer eligible for an ICA/BIN under the applicable Association Rules, and, in either case described in (i) or (ii) above, the Bank gives NDPS 360 days' prior written notice, unless a shorter notice period is required under applicable Laws. For greater certainty, the parties acknowledge that NDPS shall have the right set out in Section 8.3(b) to cause the Bank to assign any or all of such BINs and/or ICAs to a Person designated by NDPS. NDPS shall reimburse the Bank for all out-of-pocket costs payable to VISA and incurred by the Bank or any of its Affiliates in connection with the maintenance and operation of the Canadian BINs for NDPS' Merchant Business in Canada. NDPS shall also (i) reimburse the Bank for all out-of-pocket costs payable to VISA and MasterCard incurred by the Bank or any of its Affiliates in connection with the maintenance and operation of such US ICAs/BINs, (ii) be responsible for the cost of all funding requirements applicable to the US Merchant Business being processed through such US ICAs/BINs, (iii) reimburse the Bank for any increase in the costs incurred by the Bank or any of its Affiliates that are attributable to any incremental capital commitments or allocations that are required to be set aside by the Bank or any of its Affiliates as a result of maintaining and operating such US ICAs/BINs for NDPS' Merchant Business in the United States (which costs shall be consistent with any charges or rates charged by the Bank internally for the capital allocated by the Bank to its divisions and other business units) and iv) be responsible for the performance of all reporting, monitoring and other similar obligations under applicable Laws and Association Rules, consistent with market practice and as may be reasonably requested by the Bank from time to time. Notwithstanding clause (iii) of the preceding sentence, the Bank shall first be required to use Commercially Reasonable Efforts to guarantee or provide similar support in respect of the obligations of its United States Affiliate whose BINs and ICAs will be maintained and operated in satisfaction of the Bank's obligations under this Section 8.3(a), if the Bank is permitted or required to do so by applicable Laws and Association Rules, before it shall be entitled to reimbursement from NDPS in respect of the capital costs incurred in connection with such US BINs and ICAs. If, at any time during the term of this Agreement, the Bank is permitted under the applicable Association Rules to obtain a MasterCard BIN number or an ICA number for use in Canada, the Bank shall, upon notice from NDPS, use Commercially Reasonable Efforts to obtain a MasterCard BIN number or ICA number for use by NDPS in the Merchant Business in accordance with this Agreement. If, at any time during the term of this Agreement, the Bank is permitted under the applicable Association Rules to obtain a BIN number or an ICA number for use in any other jurisdiction, the Bank shall, upon notice from NDPS, use Commercially Reasonable Efforts to obtain such BIN number or ICA number for use by NDPS in the Merchant

Business in accordance with all provisions of this Agreement. Notwithstanding the provisions of this Section 8.3, if, during the term of this Agreement, there is a change of Control of NDPS or Global Payments, the parties shall negotiate in good faith with a view to settling the commercial terms upon which NDPS shall be permitted to continue to use the Bank's BINs and ICAs in connection with the Merchant Business. In the event that the parties are unable to reach agreement within twelve months from such change of Control, the Bank shall have the right to terminate the use of the Bank's BINs and ICAs by NDPS and its Affiliates upon 360 days notice, which notice can be given at any time after such change of Control.

- (b) If NDPS desires the Bank to assign any or all of the ICA and/or BIN numbers used in connection with the Merchant Business, the Bank shall, subject to applicable Laws and Association Rules and upon reasonable notice from NDPS, enter into an assignment agreement, in a form acceptable to the Bank acting reasonably, with an assignee designated by NDPS within a reasonable time after receipt of such notice, whereby such assignee shall assume all of the Bank's obligations and liabilities under the Bank's agreement with the Credit Card Association issuing the ICA and/or BIN numbers as to transactions with a Credit Card Clearing Date occurring after the effective date of such assignment. Prior to the effective date of the assignment, the parties shall in good faith determine the amendments, if any, that are required to this Agreement as a result of the assignment.
- (c) Subject to the terms of applicable Association Rules, NDPS may from time to time request that the Bank become the assignee of any ICA or BIN number that NDPS is then using for processing transactions and/or to become a party to the underlying merchant agreements whose Credit

Card volumes are being processed under such ICA/BIN. Upon the request of NDPS, the Bank shall enter into an assignment agreement, in a form acceptable to the Bank acting reasonably, in respect of such numbers from the then current owner of such ICA/BIN number and/or agree to become a party to the underlying merchant agreements whose Credit Card Transactions are being processed under such numbers it being agreed that the Bank shall have no liabilities or obligations under the assigned merchant agreements other or in respect of such assigned BINs or ICAs to comply with applicable Association Rules. Any such assignment shall be effective only as to transactions with a Credit Card Clearing Date occurring after the effective date of such assignment. Upon the assignment becoming effective, the assigned merchant agreements shall be considered to be New Merchant Agreements for purposes of this Agreement.

SECTION 8.4 Sponsorship. Upon the request of NDPS, and subject to the applicable Association Rules, the Bank agrees to use its Commercially Reasonable Efforts to

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sponsor NDPS and any of its Affiliates and any of the Independent Sales Organizations NDPS utilizes in connection with the Merchant Business as required by the Credit Card Associations and Network Organizations, provided that NDPS shall reimburse the Bank in respect of any out-of-pocket costs incurred by the Bank in respect of such sponsorship.

SECTION 9. SERVICE LEVELS AND AMENDMENTS

SECTION 9.1 Complaints. NDPS shall implement customer complaint policies and procedures consistent with the Ordinary Course of its business to deal with complaints concerning the NDPS Services.

SECTION 9.2 Changes in Law. etc. The parties shall identify and assess the impact on the Services of a change in applicable Laws, Association Rules or Clearing System Rules that relate to the Services (a "Legal Change"). If NDPS or the Bank becomes aware of an impending or actual Legal Change, it shall notify the other of such Legal Change and provide an assessment of its impact. The parties shall in good faith attempt to agree upon any required modifications to the Services required as a result of a Legal Change. While a party is making any agreed upon modifications resulting from a Legal Change, it shall use Commercially Reasonable Efforts to continue to provide the Services to be provided by it at the specified Service Levels. If, however, such Legal Change prevents the party from meeting the Service Levels, the party shall use its Commercially Reasonable Efforts to arrange a reasonable solution which gives effect to the intent of this Agreement as closely as practicable and that delivers Service in the most commercially reasonable manner in the circumstances. If such Legal Change materially affects a party's cost of providing Services, NDPS and the Bank shall in good faith negotiate an adjustment of the applicable Service Levels in accordance with Section 9.3.

SECTION 9.3 Problem Notification. The Bank or NDPS, shall notify the other party in the event either the Bank or NDPS as the case may be becomes aware of an event, occurrence, error, defect or malfunction materially affecting the ability of NDPS or the Bank to perform the Services. Failure by any party to give any notice pursuant to this Section 9.3 relating to a problem relating to the other party shall not relieve the other party of any liability hereunder. If more than one problem arises or occurs at one time, the parties shall mutually agree upon the order of priority in which the problems are to be addressed and resolved.

SECTION 9.4 Root-Cause Analysis and Resolution. Each of NDPS and the Bank shall, promptly after:

- (a) any material failure of either party to provide any of the Services in accordance with this Agreement; or
- (b) a party's repeated failure to provide any of the Services in accordance with this Agreement;

and in any event within three (3) days of receipt of a notice from a party to the other in respect thereof, commence an analysis to identify the cause of such failure; and as soon

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as commercially reasonable thereafter provide a report detailing the cause of, and procedure for correcting, such failure. In addition, the party responsible for the provision of the Service shall deliver to the other party within a commercially reasonable time a corrective action plan that addresses actions to

be taken in an effort to try to avoid a recurrence of such failure.

SECTION 10. SERVICE LOCATIONS AND SECURITY

SECTION 10.1 Rights of Access to NDPS Service Locations. Subject to the

confidentiality requirements in this Agreement or as otherwise agreed to by NDPS and the Bank, the Bank and its Advisors shall be permitted access to any NDPS Service Location during the normal operating hours for such NDPS Service Location and in accordance with any reasonable security procedures in effect at the time of such access; provided, however, that the Bank and its Advisors shall, except in emergency situations, make reasonable accommodation for the need of NDPS to run its business unimpeded, particularly at busy times of the year.

SECTION 10.2 NDPS Service Locations. NDPS agrees that it shall not provide any

of the NDPS Services from a location outside of Canada or the United States without obtaining all required approvals from applicable Governmental Entities.

SECTION 10.3 Security Procedures. As part of the NDPS Services, NDPS shall

implement, maintain and enforce the NDPS Security Policies and Procedures. As part of the Bank Services, the Bank shall implement, maintain and enforce the Bank Security Policies and Procedures.

SECTION 10.4 Unauthorized Access or Copying. The Bank shall be given prompt

notice following NDPS becoming aware of any unauthorized copying of, or access to, the Bank Data, or any part thereof, such notice to be in the form of a reasonably detailed incident report.

SECTION 10.5 Data Security. To the extent that NDPS has, pursuant to this

Agreement, the right to gain access to or use any computer system operated by the Bank or by an Affiliate of the Bank (a "CIBC System"), NDPS acknowledges, agrees and covenants that:

- (a) except as expressly otherwise provided in this Agreement or any of the other Operative Documents, NDPS shall have no right or title to, interest in or ownership of, any CIBC System or any component or portion thereof;
- (b) except as expressly otherwise provided in this Agreement or any of the other Operative Documents, NDPS shall neither permit nor enable anyone other than its employees or Advisors to access or use any CIBC System or any component or portion thereof;
- (c) except as expressly otherwise provided in this Agreement or any of the other Operative Documents, NDPS shall not, and shall not facilitate or assist others to, gain access to or use any CIBC System or any component thereof;
- (d) NDPS shall not, and shall not facilitate or assist others to, reverse compile or disassemble any object code version of any software application or program in the CIBC System;
- (e) NDPS shall not make any untrue or unsubstantiated claim or representation as to the ownership of, or act as the owner of, any CIBC System or any component or portion thereof;
- (f) NDPS shall not, and shall not facilitate or assist others to, gain access to or attempt to gain access through any CIBC System in respect of which NDPS has, under this Agreement or any other Operative Agreement, a right of access, to any other CIBC System or component or portion thereof which NDPS does not, under this Agreement or any other Operative Agreement have the right to access; and
- (g) except as may otherwise be provided in this Agreement or any of the other Operative Documents, NDPS shall not, nor shall it facilitate or assist others to, perform any act that is inconsistent with or in violation of this Agreement, or that may jeopardize the rights of the Bank, its Affiliates or any third party licensors, in the CIBC System.

SECTION 10.6 Rights of Access to Bank Service Locations.

- (a) Subject to the confidentiality requirements in this Agreement or as otherwise agreed to by the parties, NDPS and its Advisors shall be permitted access, for purposes of the Merchant Business, to any Bank Service Location during the normal operating hours for such Bank Service Location and in accordance with any reasonable security procedures in effect at the time of such access; provided, however,

that NDPS and its Advisors shall, except in emergencies, make reasonable accommodation for the need of the Bank to run its business unimpeded, particularly at busy times of the year.

- (b) The Bank agrees to use its Commercially Reasonable Efforts to assist NDPS and to request Intria Items Inc. and Intria-HP Corporation to assist in the migration from the Bank's platform (the "Bank Platform") using Intria Items Inc. and Intria-HP Corporation, on which Card Transactions are processed, to a platform owned and operated by NDPS or its Affiliate including, without limitation, granting reasonable access to such Bank Platform, and disclosing such information related to the configuration, functionality and application programming interfaces of the Bank Platform

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as are reasonably required by NDPS to achieve such migration; provided, however, that such assistance, access and disclosure is subject to:

- (i) the Bank's reasonable security and privacy policies and procedures;
 - (ii) any obligations of confidentiality or like restrictions imposed upon the Bank under any agreements to which the Bank is a party.
- (c) If, in connection with such migration, NDPS requests Intria Items Inc. or Intria-HP Corporation to perform services NDPS shall pay the reasonable costs of Intria Items Inc. or Intria-HP Corporation incurred in connection with such assistance, access and disclosure, provided that NDPS has agreed in advance to pay such costs.

SECTION 10.7 Unauthorized Access or Copying. The Bank shall give NDPS prompt

notice of the Bank becoming aware of any unauthorized copying of, or access to, the NDPS Data, or any part thereof, such notice to be in the form of a reasonably detailed incident report.

SECTION 10.8 Co-operation with Special Investigations. NDPS and the Bank shall

each provide reasonable co-operation and assistance to the other and their respective Advisors with respect to any investigation of a security breach or alleged breach at an NDPS Service Location or a Bank Service Location.

SECTION 11. REPORTS AND DATA

SECTION 11.1 NDPS Reports. As part of the NDPS Services, NDPS shall provide to

the Bank such reports as the Bank and NDPS may mutually agree upon from time to time. The reasonable costs of such reports shall be borne by the Bank except for reports provided which are generated in the Ordinary Course of NDPS's business without additional costs or undue burden.

SECTION 11.2 Bank Reports. As part of the Bank Services, the Bank shall provide

to NDPS such reports as the Bank and NDPS may mutually agree upon from time to time. The reasonable costs of such reporting shall be borne by NDPS except for reports which are generated in the Ordinary Course of the Bank's business without additional costs or undue burden.

SECTION 11.3 Ownership of the Bank Data. Notwithstanding NDPS' use of the Bank

Data in connection with providing the NDPS Services, the Bank Data is and shall remain the property of the Bank or its customers, as applicable. The Bank Data shall not be:

- (a) used in any way, directly or indirectly, by NDPS or its Advisors other than to the extent necessary in connection with the Merchant Business and to provide the NDPS Services;
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- (b) disclosed (other than pursuant to this Agreement) sold, assigned, leased or otherwise provided to third parties; or
 - (c) commercially exploited in any way, directly or indirectly, by or on behalf of NDPS or its Advisors.

SECTION 11.4 Access to the Bank Data. Notwithstanding NDPS' use of the Bank

Data in connection with providing the NDPS Services, at all times during the term of this Agreement, NDPS shall, subject to Section 10, provide the Bank with unrestricted access to the Bank Data used in connection with the Services.

SECTION 11.5 Return of Bank Data. NDPS shall at:

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- (a) the request of the Bank, at any time; and
 - (b) upon the termination of this Agreement;

promptly return to the Bank the Bank Data in its then current format or formats or in such format or formats and on the media reasonably requested by the Bank and mutually agreed upon by the parties, or such portion of it as has been requested by the Bank. For greater certainty, the parties acknowledge that any material costs incurred by NDPS in connection with the transfer of the Bank Data from those existing formats or media to those requested by the Bank shall be borne by the Bank. For greater certainty, the Bank agrees that it shall not request a return of the Bank Data in a manner which shall cause a material change in the Services or request a return of the Bank Data if doing so would otherwise restrict NDPS' ability to perform the NDPS Services under this Agreement or the conduct of the Merchant Business. Following such return, at the Bank's written direction, and upon payment by the Bank of the costs thereof, NDPS shall remove from its databases, erase or destroy any the Bank Data remaining in NDPS' possession, or such portion of it as the Bank may direct. NDPS shall be relieved of its obligations to provide those Services which require the availability of the Bank Data which have been returned to the Bank or destroyed by NDPS in accordance with this Section 11.

SECTION 11.6 Privacy. The parties agree to comply with all of the requirements

of the Privacy Policies and Procedures in connection with the Assigned Merchant Agreements and all applicable privacy Laws, Association Rules and Clearing System Rules in connection with the provision of the Services.

SECTION 11.7 Ownership of NDPS Data. Notwithstanding the Bank's access to the

NDPS Data in connection with providing the Bank Services, the NDPS Data is and shall remain the property of NDPS or its customers, as applicable. The NDPS Data shall not be:

- (a) used, in any way, directly or indirectly, by the Bank or its Advisors other than to the extent necessary in connection with providing the Bank Services;
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- (b) disclosed (other than pursuant to this Agreement) sold, assigned, leased or otherwise provided to third parties; or
 - (c) commercially exploited in any way, directly or indirectly, by or on behalf of the Bank or its Advisors.

SECTION 11.8 Access to NDPS Data. Notwithstanding the Bank's potential access

to NDPS Data in connection with providing the Bank Services, at all times during the term of this Agreement the Bank shall, subject to Section 10, provide NDPS with unrestricted access to NDPS Data used in connection with the Services.

SECTION 11.9 Return of NDPS Data. The Bank shall at:

- (a) the request of NDPS, at any time; and
- (b) upon the termination of this Agreement;

promptly return to the Bank the Bank Data in its then current format or formats or in such format or formats and on the media reasonably requested by NDPS and mutually agreed upon by the parties, or such portion of it as has been requested by NDPS. For greater certainty, the parties acknowledge that any material costs incurred by the Bank in connection with the transfer of NDPS Data from those existing formats or media to those requested by NDPS shall be borne by NDPS. For greater certainty, NDPS agrees that it shall not request a return of NDPS Data in a manner which shall cause a material change in the Services or return the NDPS Data if doing so would otherwise materially restrict the Bank's ability to perform the Bank Services under this Agreement. Following such return, at NDPS' written direction, and upon payment by NDPS of the costs thereof, the Bank shall remove from its databases, erase or destroy any NDPS Data remaining in the Bank's possession, or such portion of it as NDPS may direct. The Bank shall be relieved of its obligations to provide those Services which require the availability of NDPS Data which have been returned to NDPS or destroyed by the Bank in accordance with this Section 11.

SECTION 11.10 Data Mining. The Bank and NDPS agree to work together in good

faith to establish each party's rights to collect, use and distribute the information contained in payment transactions having regard to

- (i) all applicable Laws;

(ii) all contractual obligations of either the Bank of NDPS to any other Persons; and

(iii) the cost of collecting or gaining access to all such information.

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SECTION 12. BUSINESS RECOVERY

SECTION 12.1 Business Recovery Plan. NDPS and the Bank shall:

- (a) maintain their respective Business Recovery Plans in accordance with their terms;
- (b) periodically update and test the operability of their Business Recovery Plans;
- (c) provide the other party with written copies of Business Recovery Plan promptly following any amendment;
- (d) on a periodic basis, certify to the other party that the certifying party's applicable Business Recovery Plan has been successfully tested;
- (e) implement their respective Business Recovery Plans in accordance with the applicable terms;
- (f) consult with the other party regarding the priority to be given to the Services upon the occurrence of an event that triggers any obligation under either party's Business Recovery Plan; and
- (g) not amend their respective Business Recovery Plan that may materially affect the Merchant Business without the prior written consent of the other party, such consent not to be unreasonably withheld.

SECTION 12.2 Force Majeure. Neither NDPS nor the Bank shall be liable for a

failure or delay in the performance of its obligations pursuant to this Agreement, including the failure or delay in respect of providing the Services if, and to the extent, and only for so long as such failure or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, acts of war, terrorism, riots, civil disorders, rebellions, strikes, lock outs or labour or supply disruptions or revolutions or any other similar causes beyond the reasonable control of such party (each, a "Force Majeure Event") provided NDPS or the Bank, as the case may be, continues to use Commercially Reasonable Efforts to recommence performance whenever and to whatever extent possible without delay. If a Force Majeure Event occurs, NDPS or the Bank, as the case may be, shall:

- (a) promptly notify the Bank or NDPS, as the case may be, by telephone (to be confirmed in writing within five (5) days of the inception of such delay) of the occurrence of a Force Majeure Event; and
- (b) describe in reasonable detail the circumstances causing the Force Majeure Event.

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SECTION 13. AUDITS, REGULATORY EXAMINATIONS AND COMPLIANCE

SECTION 13.1 Audits and Inspections. Upon notice, each party shall provide

such internal auditors, external auditors, and inspectors, as the inspecting party or any Governmental Entity having jurisdiction over NDPS or the Bank, as applicable, may designate, with access, as requested, to the Service Locations for the purpose of performing audits or inspections of the NDPS Services or the Bank Services. Each party shall provide such auditors and inspectors any assistance that they may reasonably require, at the expense of the requesting party. If any audit by an auditor designated by a party or a Governmental Entity or Credit Card Association, or Network Organization having jurisdiction over the Bank or NDPS, as applicable, results in a party being notified that it is not in compliance with applicable Laws, Association Rules or Clearing System Rules the party shall, within the period of time specified by such auditor or regulatory authority, use Commercially Reasonable Efforts to comply with such audit or regulatory authority.

SECTION 14. TERM AND TERMINATION OF AGREEMENT

SECTION 14.1 Term of Agreement. Unless otherwise terminated by mutual

agreement of the parties or by operation of the provisions set out herein, this Agreement shall remain in full force and effect for an initial term of ten (10) years from the date hereof and shall be automatically extended for successive one (1) year periods on the same terms and conditions expressed herein, or as

may be amended, unless either party gives the other party written notice of termination at least two hundred and seventy (270) days prior to the expiration of the initial term or any extensions or renewals thereof. In the event the Bank and NDPS are unable to reach agreement on a renewal hereof or in the event of termination in accordance with this Section, the Bank and NDPS agree to work together to accomplish an orderly disengagement and termination of their relationship. Except as specifically set forth above, this Agreement may only be terminated as a result of a Bank Default as set forth in Section 14.2 or as a result of an NDPS Default set forth in Section 14.3 and then only in accordance with the provisions of Section 14.4.

SECTION 14.2 Bank's Default. In the event that:

- (a) the Bank defaults in the performance of any of the Bank Services hereunder where the same Service Level is not achieved in a material way for two consecutive months under this Agreement and a corrective action plan has not been developed during the 30-day period after written notice and demand for cure has been given by NDPS to the Bank (except that such period shall be extended to the extent there shall be in effect any event which shall be deemed a Force Majeure Event);
- (b) notwithstanding any Force Majeure Event, the Bank fails to debit or credit the Merchant Depository Accounts in accordance with Sections 4.1(c) or (d), 4.2(b) or 4.3(b) for three (3) Business Days, fails to transmit the file to the applicable Clearing System as required by Section 4.1(e) or 4.2(c) for

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three (3) consecutive Business Days, fails to debit the Merchant Deposit Accounts in accordance with Section 5.2 within three (3) Business Days of the required date or fails to settle with Interac in accordance with Section 4.2(d) for three (3) Business Days or fails to ensure that the Issuing Account is adequately funded to meet the obligations set forth in Section 4.1(c), and such default is not cured within three (3) Business Days after written notice and demand for cure has been given by NDPS to the Bank (unless such failure is the result of a breach by NDPS of its obligations under this Agreement);
or

- (c) the Bank is adjudged or declared bankrupt or insolvent or makes an assignment for the benefit of creditors, or petitions or applies to any tribunal for the appointment of a receiver, custodian, trustee, or similar officer for it or for any part of its property, or commences any proceedings relating to it under any reorganization, arrangement, readjustment of debt, dissolution or liquidation Law or statute of any jurisdiction whether now or hereafter in effect, or by any act indicates its consent to, approval of, or acquiescence in, any such proceeding for it or for any part of its property, or a receiver, liquidator, assignee, custodian, trustee or similar official is appointed for the Bank, or any of the Bank's property,

then, in any such case the Bank shall be considered to have committed a Bank Default under this Agreement.

SECTION 14.3 NDPS' Default. In the event that:

- (a) NDPS defaults in the performance of any of the NDPS Services hereunder where the relevant Service Level is not achieved in a material way for two consecutive months under this Agreement and a corrective action plan has not been developed during the 30-day period after written notice and demand for cure has been given by the Bank to NDPS committed a Bank Default (except that such period shall be extended to the extent there shall be in effect any event which shall be deemed a Force Majeure Event);
- (b) notwithstanding any Force Majeure Event, NDPS fails to process and transmit or cease to be processed and transmitted information to the Bank in accordance with Sections 4.1(a), 4.2(a) and 4.3(a) for three (3) consecutive Business Days and such default is not cured within three (3) Business Days after written notice and demand for cure has been given by the Bank to NDPS (unless such failure is due to a breach of the Bank's obligations under this Agreement); or
- (c) NDPS is adjudged or declared bankrupt or insolvent or makes an assignment for the benefit of creditors, or petitions or applies to any tribunal for the appointment of a receiver, custodian, trustee, or similar officer for it or for any part of its property, or commences any proceedings relating to it under any reorganization, arrangement, readjustment of debt,

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dissolution or liquidation Law or statute of any jurisdiction whether now or hereafter in effect, or by any act indicates its consent to, approval of, or acquiescence in, any such proceeding for it or for any part of its property, or a receiver, liquidator, assignee, custodian, trustee or similar official is appointed for NDPS, or any of NDPS' property,

then, in any such case, NDPS shall be considered to have committed an NDPS Default under this Agreement.

SECTION 14.4 Termination Period. In the event this Agreement is to be

terminated as a result of a Bank Default under Section 14.2 or a NDPS Default under Section 14.3 of this Agreement, the parties agree that the term of this Agreement shall automatically extend on the same terms and conditions as expressed herein for a transition period of up to two hundred and seventy (270) days during which the parties shall work together and use their Commercially Reasonable Efforts to cause an orderly transition of the Merchant Business.

SECTION 14.5 Termination of Use of Bank Marks. NDPS shall cease to use the

Bank Marks upon commencement of the 270-day period in Section 14.4 and shall comply with the provisions of the Trademark Licence Agreement.

SECTION 15. DESIGNATION OF RESPONSIBLE PERSONNEL

SECTION 15.1 Client Relations Representative. Each of the Bank and NDPS agrees

that it will from time to time designate one or more officers or employees (the "Client Relations Representative") who will be responsible for all communications with the other party relating to the subject matter of this Agreement. The initial Client Relations Representatives of the Bank and NDPS are set forth in Schedule 15 hereto.

SECTION 16. CHANGE OF CONTROL/ASSIGNMENT

SECTION 16.1 Change of Control/Assignment.

- (a) The obligations of the Bank under Sections 6.1 and 6.3 of this Agreement shall terminate at the Bank's sole discretion, upon (A) an assignment of this Agreement by NDPS to any Person other than an Affiliate thereof without the written consent of the Bank; or (B) a change of Control of NDPS or Global Payments; or (C) an assignment by NDPS or an Affiliate thereof of Merchant Agreements representing all or substantially all of the volume of Card Transactions of the Merchant Business at that time.
- (b) The rights of NDPS and its Affiliates to use the Bank's BINs and ICAs in accordance with the provisions of this Agreement shall terminate, at the Bank's sole discretion, upon (A) an assignment of this Agreement by NDPS to any Person other than an Affiliate thereof without the written consent of the Bank; (B) a change of Control of NDPS or Global Payments; or (C) an assignment by NDPS or an Affiliate thereof of Merchant Agreements representing all or substantially all of the volume of

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Card Transactions of the Merchant Business at that time, such that NDPS, Global Payments or the Merchant Business, as the case may be, is Controlled by a Canadian Financial Institution.

SECTION 17. MARKETING

SECTION 17.1 Annual Marketing Plan. The parties agree to enter into a mutually

agreeable marketing plan and to review such plan on an annual basis.

SECTION 18. CREDIT POLICY

SECTION 18.1 Approval of Merchant Qualification Criteria. The Bank has

approved NDPS' current policies with respect to merchant qualification criteria. NDPS agrees to adhere to such merchant qualification criteria. If NDPS makes a change to such criteria, it shall notify the Bank and the Bank shall have five (5) Business Days to object to such new criteria. If the Bank does not object in writing within such time period, such new criteria shall be deemed to be accepted by the Bank. Any objections by the Bank shall be dealt with in accordance with Section 22.

SECTION 19. TERMINALS

SECTION 19.1 Inventory Levels. NDPS will cause its Canadian Affiliate to use

Commercially Reasonable Efforts to maintain the inventory levels of terminals for use in the Merchant Business at levels sufficient for the continuation of the Merchant Business in the Ordinary Course.

SECTION 20. INDEMNIFICATION/LIMITATION OF LIABILITY AND PROCEDURES FOR CLAIMS

SECTION 20.1 Indemnification.

- (a) Subject to the terms of this Agreement, the Bank shall indemnify NDPS and hold NDPS harmless from any liability, loss, cost or expense, including reasonable attorneys' fees and expenses ("Losses") suffered by it or its Affiliates that shall result from or arise out of (i) the breach by the Bank of this Agreement, or (ii) the Bank's violation of applicable Laws, Association Rules and Clearing System Rules, or (iii) the negligence or intentional wrongdoing of the Bank; provided further that if both the Bank and NDPS are jointly sued by a third party and both are deemed to be liable as joint tortfeasors, then the allocation of loss between NDPS and the Bank shall be determined by the court.
- (b) Subject to the terms of this Agreement, NDPS shall indemnify the Bank and hold the Bank harmless from any Losses suffered by it or its Affiliates that shall result from or arise out of (i) the breach by NDPS of this Agreement, or (ii) NDPS' violation of applicable Laws, Association Rules and Clearing System Rules, or (iii) the negligence or intentional

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wrongdoing of NDPS; provided further that if both the Bank and NDPS are jointly sued by a third party and both are deemed to be liable as joint tortfeasors, then the allocation of loss between NDPS and the Bank shall be as determined by the court.

- (c) In case any claim is made or any suit or action is commenced against either party by a third party in respect of which indemnification may be sought under this Section 20.1, the party to be indemnified ("Indemnitee") shall promptly give the indemnifying party ("Indemnitor") notice thereof and the Indemnitor shall be entitled to conduct the defense thereof with counsel reasonably acceptable to the Indemnitee or to participate in the defense thereof, at the Indemnitor's expense. If the Indemnitor elects to conduct any such defense, the Indemnitee shall be entitled to participate in such defense at the Indemnitor's expense. The Indemnitor may (but need not) conduct or participate in the defense of any such claim, suit or action, but the Indemnitor shall promptly notify the Indemnitee if the Indemnitor shall not desire to conduct or participate in the defense of any such claim, suit or action. The Indemnitee may at any time notify the Indemnitor of its intention to settle or compromise any claim, suit or action against the Indemnitee in respect of which payments may be sought by the Indemnitee hereunder (and the defense of which the Indemnitor has not previously elected to conduct or participate in), and the Indemnitee may settle or compromise any such claim, suit or action unless the Indemnitor notifies the Indemnitee in writing (within ten days after the Indemnitee has given the Indemnitor written notice of its intention to settle or compromise) that the Indemnitor reasonably objects to such settlement or compromise or intends to conduct the defense of such claim, suit or action. Any such settlement or compromise of or any final judgment or decree entered on or in any claim, suit or action that the Indemnitee has agreed to or defended or participated in the defense of in accordance herewith shall be deemed to have been consented to by, and shall be binding upon, the Indemnitor as fully as if the Indemnitor had assumed the defense thereof and a final judgment or decree had been entered in such suit or action, or with regard to such claim, by a court of competent jurisdiction for the amount of such settlement, compromise, judgment or decree.
- (d) In case any direct claim is made in respect of which indemnification may be sought under this Section 20.1, the Indemnitee shall promptly give notice to the Indemnitor, which shall specify the factual basis for the claim and the amount of such claim. The Indemnitor shall have sixty (60) days from receipt of notice of the claim within which to make such investigation of the claim as the Indemnitor considers necessary or desirable. For the purpose of such investigation, the Indemnitee shall make available to the Indemnitor reasonable documentation to substantiate the claim, together with all such other information as the Indemnitor may reasonably request. If both parties agree at or before the expiration of

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such time period (or any mutually agreed upon extension thereof) to

the validity and amount of such claim, the Indemnitor shall immediately pay to the Indemnitee the full agreed upon amount of the claim, but failing such agreement the matter shall be referred to the dispute resolution procedures set out in this Agreement.

SECTION 20.2 Limitation of Liability.

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- (a) Neither NDPS nor the Bank shall be liable for failure to provide the NDPS Services or the Bank Services, respectively, if such failure is due to any Force Majeure Event affecting the party not performing, or affecting one of their subcontractors provided that the party hereto affected by such Force Majeure Event cause or condition uses Commercially Reasonable Efforts to resume performing its obligations hereunder as soon as practicable. Neither NDPS nor the Bank shall have any liability for losses, expenses or damages, ordinary, special or consequential of the other party resulting directly or indirectly from such causes or conditions.
 - (b) NDPS agrees to provide the NDPS Services in a prompt and efficient manner and to use Commercially Reasonable Efforts to comply with the Service Levels set forth on Schedule 3; however, failure to comply

with the Service Levels shall not be considered a default condition unless the provisions of Section 14.3(a) regarding the default conditions have been satisfied. NDPS makes no warranties or representations regarding the NDPS Services except as specifically stated in this Agreement. NDPS shall use due care in performing all NDPS Services hereunder and in complying with all Association Rules, Network Organization rules or Clearing System Rules, including, but not limited to, those concerning the processing of Chargebacks and Credit Losses, dispute resolutions, and arbitration. NDPS shall not be responsible in any manner for errors or failures of any Person other than those of NDPS, any Affiliate of NDPS or any Merchant Accounting Processor or Independent Sales Organization designated by NDPS. THIS WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER WARRANTIES, AND THE BANK HEREBY WAIVES ALL OTHER WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE. Should there be any failure in performance or errors or omissions, NDPS shall use Commercially Reasonable Efforts to correct such failure in performance or errors or omissions. Except as the result of a third party claim subject to Section 20.1(a), in no event shall NDPS be liable to the Bank or other third parties for special, indirect, or consequential damages, even if NDPS has been advised of the possibility of such damage.

- (c) The Bank agrees to provide the Bank Services in a prompt and efficient manner and to use Commercially Reasonable Efforts to comply with the

Service Levels set forth on Schedule 3; however, failure to comply

with the Service Levels shall not be considered a default condition unless the provisions of Section 14.2(a) regarding the default conditions have been satisfied. The Bank makes no warranties or representations regarding the Bank Services except as specifically stated in this Agreement. The Bank shall use due care in performing all the Bank Services hereunder and in complying with all Association Rules, Network Organization rules or Clearing System Rules, including but not limited to those concerning membership and its sponsorship of NDPS. The Bank shall not be responsible in any manner for errors or failures of any Person other than those of the Bank or any Affiliate of the Bank. THIS WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER WARRANTIES, AND NDPS HEREBY WAIVES ALL OTHER WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE. Should there be any failure in performance or errors or omissions, the Bank shall use Commercially Reasonable Efforts to correct such failure in performance or errors or omissions. Except as the result of a third party claim subject to Section 20.1(b), in no event shall Bank be liable to NDPS or any third parties for any special, indirect, or consequential damages, even if the Bank has been advised of the possibility of such damage.

SECTION 20.3 Recovery. If, at any time, either the Bank or NDPS has received

damages from the other party and recovers funds, payments, or costs from a third party relating to the liability in respect of which such damages were paid, the amounts so recovered (less the costs of recovery and amounts previously paid to the other party in respect of the Loss) shall be remitted to such other party up to the amounts previously paid by such party.

SECTION 20.4 Notice of Default. Each party all promptly notify the other party

if a default or event of default with respect to it has occurred hereunder.

SECTION 20.5 Notice of Litigation. Each party shall promptly give notice to

the other party of any material claims, proceedings, disputes (including labour disputes), changes or litigation likely or impending which may have a material effect on the fulfilment of any of the terms hereof by it (whether or not any such claim, change, proceeding, dispute or litigation is covered by insurance) of which it is aware. It shall provide the other party with all information reasonably requested, from time to time, concerning the status of such claims, proceedings, changes, disputes, litigation or developments.

SECTION 21. REMEDIES

SECTION 21.1 Remedies of the Bank. Upon the occurrence of an NDPS Default

under this Agreement, after attempting to resolve the matter pursuant to the dispute

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resolution provisions set out in this Agreement, the Bank may do any or all of the following as the Bank, in its sole and absolute discretion, shall determine:

- (a) the Bank may terminate this Agreement in accordance with the provisions hereof, in which case all of the Bank's rights and obligations under the Merchant Agreements shall automatically be assigned and assumed absolutely by NDPS at the commencement of the 270-day period in Section 14.4 and NDPS shall notify Merchants that the Bank is no longer engaged in the provision of services in connection with the Merchant Business;
- (b) the Bank may bring any proceedings in the nature of specific performance, injunction, or other equitable remedy in any instance, it being acknowledged that damages at Law may be an inadequate remedy for a default of the confidentiality provisions of this Agreement applicable to NDPS under this Agreement;
- (c) subject to the limitations contained herein, the Bank may bring any action at Law as may be necessary or advisable in order to recover damages and costs; and/or
- (d) the Bank may exercise any of its other rights and remedies provided for hereunder or otherwise available to it, including a waiver of any NDPS Default;

SECTION 21.2 Remedies of NDPS. Upon the occurrence of a Bank Default under

this Agreement, after attempting to resolve the matter pursuant to the dispute resolution provisions set out in this Agreement, NDPS may do any or all of the following as NDPS, in its sole and absolute discretion, shall determine:

- (a) NDPS may terminate this Agreement in accordance with the provisions hereof, in which case all of the rights and obligations under the Merchant Agreements shall automatically be assigned and assumed by NDPS at the commencement of the 270-day period in Section 14.4 and NDPS shall notify Merchants that the Bank is no longer engaged in the provision of services in connection with the Merchant Business;
- (b) NDPS may bring any proceedings in the nature of specific performance, injunction or other equitable remedy, it being acknowledged that damages at Law may be an inadequate remedy for a default of the confidentiality provisions of this Agreement applicable to the Bank under this Agreement;
- (c) subject to the limitations contained herein, NDPS may bring any action at Law as may be necessary or advisable in order to recover damages and costs; and/or

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- (d) NDPS may exercise any of its other rights and remedies provided for hereunder or otherwise available to it, including a waiver of any Bank Default.

SECTION 21.3 Non-Exclusive Remedies. The non-defaulting party may, in its sole

discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against the defaulting party authorized hereunder or permitted by Law and may proceed to exercise any and all rights hereunder and no remedy for the enforcement of the rights of the non-defaulting party shall be exclusive of any other rights or remedies provided hereunder or at Law or in equity or be dependent upon any such right or remedy and any one or more of such rights or remedies may from time to time be exercised independently or in

combination. All such rights shall be subject to the limitation of liability contained herein.

SECTION 21.4 Equitable Remedies. The defaulting party agrees that the non-

defaulting party's entitlement to seek equitable relief includes such injunction or injunctions as may be required to prevent breaches or further breaches of any of the provisions hereof, and specific enforcement of such provisions by an action instituted in any court having jurisdiction.

SECTION 22. DISPUTE RESOLUTION

SECTION 22.1 Initial Dispute Resolution. If any dispute, claim, question or

difference (a "Dispute") arises out of or in relation to this Agreement, the Bank or NDPS shall contact the other party's Client Relations Representative. The parties' respective Client Relations Representatives shall meet and use their Commercially Reasonable Efforts to negotiate with each other in good faith and understanding of their mutual interests, to reach a just and equitable resolution to the Dispute within ten (10) Business Days of such referral.

SECTION 22.2 Resolution by Committee. If the Dispute cannot be resolved through

the process set out in Section 22.1, the Dispute shall be referred by the party who initially raised the complaint (the "Initiating Party") to a committee comprised the Chief Executive Officer of NDPS, and a senior officer designated by the Bank. Such committee members shall use their Commercially Reasonable Efforts and negotiate in good faith and understanding of the parties' mutual interests, to reach a just and equitable resolution to the Dispute within ten (10) Business Days of such referral.

SECTION 22.3 Resolution by Joint Director Committee. If the Dispute cannot be

resolved through the process set out in Section 22.2, the Dispute shall be referred by the Initiating Party to the Joint Director Committee. The Joint Director Committee shall meet and use its best efforts and negotiate with each other in good faith and understanding of the Parties mutual interests to reach a just and equitable resolution to the Dispute within ten (10) Business Days of such referral.

SECTION 22.4 Arbitration. If a Dispute is not resolved pursuant to Section

22.3, NDPS and the Bank agree, but shall not be obligated, within sixty (60) days after the

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completion of the procedures set forth in Section 22.3, as appropriate, upon notice, to submit the Dispute to formal binding Arbitration in accordance with Section 22.5. If at any time a party commences litigation regarding such Dispute, no Arbitration may subsequently be commenced by the other Party regarding such Dispute without the consent of the parties involved in the litigation.

SECTION 22.5 Arbitration Process. If the parties agree to formal binding

Arbitration the following procedures shall apply.

- (a) The Arbitration shall be held before a panel of three (3) arbitrators (the "Arbitration"). Any party may serve a notice on the other party setting out a statement of dispute, controversy or claim and the facts relating or giving rise thereto, in reasonable detail (the "Statement of Dispute"), and the name of the arbitrator selected by it.
- (b) Within thirty (30) days after receipt of such notice, the receiving party shall respond to the notice by agreeing or commenting on the Statement of Dispute, as the case may be, and by naming its arbitrator.
- (c) The two arbitrators named by the parties shall select the third arbitrator within ten (10) days after agreeing on or commenting on the Statement of Dispute.
- (d) The third arbitrator will chair the Arbitration panel (the "Chair"). The Chair may, upon agreement of each of the members of the Arbitration panel, act as sole arbitrator in respect of procedural matters including scheduling, production of documents and giving directions.
- (e) Save as otherwise provided by this Section 22.5, the Arbitration shall be governed by the provisions of the Arbitration Act, S.O. 1991, C.17 (the "Arbitration Act"); provided, however, that the Arbitration may be administered by any organization agreed upon by the parties and that the parties by agreement, may choose to be governed by the rules of such administering organization. The parties expressly agree that

the provisions of the International Commercial Arbitration Act (Ontario) shall not apply to any Arbitration between them. The arbitrators may not amend or disregard any provision of this Section 22.5 without the consent of the parties.

- (f) The arbitrators selected to act hereunder shall be qualified by profession or occupation to decide the matter in dispute.
- (g) Submission of Written Statements.
 - (i) Within fifteen (15) days of notice to the parties of the appointment of the third arbitrator, each of the parties shall submit written statements to the Chair setting out in sufficient detail the facts and any contentions of Law on which it relies, or the facts and any

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contentions of Law on which the other party relies that it disputes, and the relief such party claims, if any. Each party shall have ten (10) days from the date on which the written statements were received to reply to the written statement submitted by the other party.

- (ii) After submission of all the statements, the arbitrators may give directions for documentary production and disclosure/discovery of each party's case, and for further conduct of the Arbitration bearing in mind the desirability of having cost effective and expeditious dispute resolution on the merits of the case. In the absence of agreement between the parties on production and discovery procedures within thirty (30) days of the last day for delivery of the written statements and replies described in Section 8.05(g) (i), Rules 30, 31, 32, 34 and 35 of the Ontario Rules of Civil Procedure regarding production and discovery will apply to the Arbitration, excepting that the arbitrators shall exercise any powers or fulfil any duties set out in those Rules that would otherwise (in an action) be exercised or fulfilled by the court or a judge.
- (iii) The arbitrators may, upon application by any party, modify or extend any time limit contained in this Section 22.5, including any time limit in the above rules.
- (h) Confidentiality. Save and except as may be necessary in the course of the enforcement of an Arbitration award, the Arbitration process and all Persons participating therein shall be subject to the confidentiality provisions as set out in this Agreement. The arbitrators and all other Persons (not already bound by the confidentiality provisions of this Agreement) participating in the Arbitration shall execute an undertaking to be bound by the confidentiality provisions set out in this Agreement. For greater certainty, the parties agree that the Arbitration shall proceed in the event that any other Person refuses to sign a confidentiality undertaking or agreement.
- (i) Meetings and Hearings.
 - (i) Meetings and hearings of the Arbitration shall take place in Toronto or in such other place as the parties shall agree upon in writing and such meetings and hearings shall be conducted in the English language unless otherwise agreed by such parties and the arbitrators. Subject to the foregoing, the arbitrators may at any time fix the date, time and place of meetings and hearings in the Arbitration, and will give all the Parties adequate notice thereof. Subject to any adjournments which the arbitrators allow, the final

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hearing will be continued on successive Business Days until it is concluded.

- (ii) All meetings and hearings will be in private unless the parties otherwise agree.
- (iii) Any party may be represented at any meetings or hearings by legal counsel.
- (iv) At the Arbitration, each party may examine and re-examine its own witnesses and may cross-examine the other party's witness.
- (j) The Decision.
 - (i) The arbitrators will make and send a decision in writing to the

parties within thirty (30) Business Days after the conclusion of all hearings referred to in Section 22.5(i) unless that time period is extended for a fixed period by the arbitrators on written notice to each party because of illness or other cause beyond the arbitrators' control and, unless the parties otherwise agree, will set out reasons for decision in the decision.

- (ii) The decision of the majority of the arbitrators shall be deemed to be the decision of the Arbitration panel. Where there is no majority decision, the decision of the Chair shall be the decision of the Arbitration panel.
- (iii) Except as provided in the Arbitration Act and as otherwise required by Law, the decision of the arbitrators shall be final and binding on the parties and shall not be subject to any appeal or review procedure, provided that the arbitrators have followed the rules and procedures provided herein in good faith and have proceeded in accordance with the principles of natural justice.

SECTION 23. MISCELLANEOUS

SECTION 23.1 Amendments, Etc. No amendment or waiver of any provision of this agreement, and no consent to any departure by the Bank or NDPS herefrom, shall be effective unless the same shall be in writing and signed by each 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 given.

SECTION 23.2 Notices. All notices required hereunder shall be delivered to the following names and addresses:

- (a) If to the Bank, to: Canadian Imperial Bank of Commerce
c/o CIBC World Markets Inc.
161 Bay Street,

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BCE Place, 7th Floor
Toronto, Ontario M5J 2J8
Attn: Executive Vice President, Card Products,
Collections and Merchant Card Services
Facsimile: (416) 784-6868

with a copy to:

Canadian Imperial Bank of Commerce
Legal and Compliance Division
199 Bay Street, 15th Floor
Commerce Court West
Toronto, Ontario M5L 1A2
Attn: General Counsel
Facsimile: (416) 304-2860

and to:

Blakes, Cassels & Graydon LLP
199 Bay Street, 28th Floor
Commerce Court West
Toronto, Ontario M5L 1A9
Attn: Managing Partner
Facsimile: (416) 863-2653

- (b) If to NDPS to: National Data Payment Systems, Inc.
7240 Parkway Drive, Suite 400
Hanover, Maryland 21076
Attn: General Manager
Facsimile:

- (c) If to Global Payments to: Global Payments Inc.
#2 National Data Plaza
Atlanta, Georgia 30329-2010
Attn.: Office of the Corporate Secretary
Facsimile:

The persons or addresses to which mailings or deliveries shall be made may be changed from time to time by notice given pursuant to the provisions of this Section 23.2. Any notice, demand or other communication given pursuant to the provisions of this Section 23.2. shall be deemed to have been given on the date actually delivered or five days following the date deposited in the mail, properly addressed, postage prepaid, as the case may be.

SECTION 23.3 No Waiver; Remedies. No failure by the Bank or NDPS to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this

Agreement preclude any other or further exercise thereof or the exercise of any other right. The

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remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by Law.

SECTION 23.4 Third-Party Beneficiaries. Neither party to this Agreement

intends this Agreement to benefit or create any right or cause of action in or on behalf of any Person other than the Bank and NDPS and permitted successors and assigns.

SECTION 23.5 Assignment.

- (a) This Agreement shall be binding upon and inure to the successors and permitted assigns. This Agreement and all rights, privileges, duties and obligations of the parties hereto may not be assigned by any party without the prior written consent of the other party; provided, however, that no such consent shall be required (i) for the assignment by any party of its rights and privileges hereunder to an Affiliate of either party or (ii) for the assignment and delegation by any party of its rights, privileges, duties and obligations hereunder to any Person into or with which the assigning party shall merge or consolidate or to which the assigning party shall sell all or substantially all its assets.
- (b) The consent of a party to any assignment by the other party shall not
 - (i) relieve that party of any of its obligations under this Agreement;
 - or (ii) constitute the other party's consent to further assignment.

SECTION 23.6 Governing Law, Attornment. This Agreement shall be governed by,

and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

SECTION 23.7 Entire Agreement. This Agreement embodies the entire

understanding of the parties with respect to the subject matter hereof, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter of this Agreement.

SECTION 23.8 Independent Contractor. Except as expressly provided herein,

nothing herein contained shall be construed as constituting a partnership or joint venture between NDPS and the Bank and each party specifically disclaims any liability for the conduct, performance of services or failure to act of the other party. Except as specifically described in this Agreement, each party intends that it shall be considered an independent contractor of the other for the services performed by it under this Agreement.

SECTION 23.9 Severability. Whenever possible, each provision of this Agreement

will 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 will 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 efforts to re-negotiate any such provision in an effort to retain the spirit and intent of the original provision.

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SECTION 23.10 Execution in Counterparts. This Agreement may be executed by the

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 and the same agreement.

SECTION 23.11 Confidentiality. During the term of this Agreement and for a

period of five (5) years thereafter, the Bank, its Affiliates, and their employees, agents and representatives shall treat the NDPS Data as confidential and will not use or disclose such information to third parties except as required by Law, as needed in connection with any lawsuit, claim, litigation or other proceeding or in connection with tax or regulatory matters, and except to the extent that such information (other than information relating to the Merchant Business or the Assets Sold as defined in the Asset Purchase Agreement) was otherwise known to the Bank prior to disclosure by NDPS or already in the public domain (or subsequently entering the public domain other than as a result of the breach of the Bank's obligations under this Section). During the term of this Agreement and for a period of five (5) years thereafter, NDPS, its Affiliates, and their employees, agents and representatives shall treat the Bank

Data as confidential and will not disclose such information to third parties except as required by Law, as needed in connection with any lawsuit, claim, litigation or other proceeding or in connection with tax or regulatory matters, and except to the extent that such information was otherwise known to NDPS prior to disclosure by the Bank or already in the public domain (or subsequently entering the public domain other than as a result of the breach of NDPS' obligations under this Section).

SECTION 23.12 Joint Announcement; Confidentiality. The Bank and NDPS agree not to publicly disclose the transactions contemplated by this Agreement, provided, however, that promptly after the date hereof, after prior consultation with each other as to the substance and form of the public disclosure, the Bank and NDPS shall make individual announcements or a joint announcement concerning the execution of this Agreement. Any subsequent press releases or public announcements regarding this Agreement and the processing relationship created thereby shall be approved by both parties prior to such public disclosure or announcement.

SECTION 23.13 Waiver of Jury Trial. The Bank and NDPS agree that any suit, action, or proceedings, brought or instituted by either party hereto which in any way relates, directly or indirectly, to this Agreement or any event, transaction, or occurrence arising out of or in any way connected with this Agreement or the dealings of the parties with respect thereto, shall be tried only by a court and not by a jury. THE BANK AND NDPS HEREBY EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING. The Bank and NDPS acknowledge and agree that this provision is a specific and material aspect of this Agreement between the parties and that neither party would enter into this Agreement if this provision were not part thereof.

SECTION 23.14 Time of Essence. Time is of the essence of this Agreement.

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

CANADIAN IMPERIAL BANK OF COMMERCE

By: _____
Name:
Title:

By: _____
Name:
Title:

NATIONAL DATA PAYMENT SYSTEMS, INC.

By: _____
Name: Suellyn P. Tornay
Title: General Counsel

The obligations of National Data Payment Systems, Inc. hereunder are hereby guaranteed by GLOBAL PAYMENTS INC.

GLOBAL PAYMENTS INC.

By: _____
Name:
Title:

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STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this "Agreement") is made as of November 9, 2000 by and among Global Payments Inc., a Georgia corporation (the "Company"), Canadian Imperial Bank of Commerce, a bank governed by the Bank Act (Canada) (the "Investor"), and, acting as guarantor of the Company's obligations hereunder, National Data Corporation, a Delaware corporation ("NDC").

WHEREAS, the Company, through its wholly-owned subsidiary, National Data Payment Systems, a New York corporation ("NDPS"), operates, among other things, a Merchant Business (as defined in the Asset Purchase Agreement, dated as of the date hereof, between NDPS and the Investor (the "Asset Purchase Agreement")) pursuant to agreements between the Investor and certain Merchants (as defined in the Asset Purchase Agreement);

WHEREAS, the Investor desires to sell and transfer, and NDPS desires to purchase and assume, certain assets and liabilities related to the Investor's Merchant Business and to enter into certain other agreements in connection therewith, all on the terms and subject to the conditions set forth in the Asset Purchase Agreement; and

WHEREAS, the Asset Purchase Agreement requires, as a condition to closing, that the Company and the Investor enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, the parties hereto agree as follows:

SECTION 1

DEFINITIONS

1.1. Definitions. Unless otherwise defined herein, capitalized terms

used in this Agreement that are defined in the Asset Purchase Agreement shall have the meanings given such terms in the Asset Purchase Agreement. The following terms shall have the following meanings:

"Closing" has the meaning set forth in Section 3.1.

"Closing Date" has the meaning set forth in Section 3.1.

"Common Stock" has the meaning set forth in Section 4.6(a).

"Company Material Adverse Effect" means, for the purposes of this Agreement, a material adverse effect, singly or in the aggregate taking into account all representations containing a Company Material Adverse Effect qualifier, which could result in a loss of 20% or more in annual revenue, a 20% or more increase in expenses or a 20% or more reduction in the value of the assets of the Company from the revenue, expense and asset values, respectively, set forth on the financial statements of the Company for the twelve

months ended May 31, 2000 (as set forth in the Form 10 Filing) or that would otherwise be reasonably expected to result in a material limitation on the Company's ability to perform its obligations under any of the Operative Documents.

"Company SEC Documents" has the meaning set forth in Section 4.7(a).

"Company's Knowledge" or other references to the "Knowledge of the Company" or words of similar import shall mean the actual knowledge after reasonable inquiry of Paul R. Garcia, Thomas M. Dunn, James Kelly, Barry Lawson, Suellyn Tornay and Vincent Perrelli, or any person who has assumed any of the duties and responsibilities of the any of the foregoing individuals prior to the time the applicable representation or warranty is being made.

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

"Financial Statements" means the balance sheets, statements of income, statements of changes in the Investor's equity in division and statements of cash flows of the Investor in respect of the Merchant Business as at and for the fiscal year ending October 31, 1999 and the nine-month period ending July 31, 2000 and the accompanying statements of income for the year then ended.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Initial Transferred Shares" has the meaning set forth in Section 2.1(a).

"Investor Material Adverse Effect" means, for the purposes of this Agreement, a material adverse effect, singly or in the aggregate taking into account all representations containing an Investor Material Adverse Effect qualifier, which could result in a loss of 5% or more in annual revenue, a 3% or more increase in annual expenses, or a 3% or more reduction in the value of the applicable assets, from the revenues, expense and asset values, respectively, set forth on the Financial Statements or would otherwise be reasonably expected to result in a material limitation on the Investor's ability to perform its obligations under any of the Operative Documents.

"Purchase Price" has the meaning set forth in Section 2.1.

"Remaining Transferred Shares" has the meaning set forth in Section 2.1(b).

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Transferred Shares" has the meaning set forth in Section 2.1.

"Voting Securities" means at any time (i) shares of any class of capital stock or other securities of the Company which are then entitled to vote generally in the election of Directors and not solely upon the occurrence and during the continuation of certain

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specified events, and (ii) securities of the Company convertible into, or exchangeable or exercisable for, the securities described in clause (i), and options, warrants or other rights to acquire such securities (regardless of whether such securities, options, warrants or other rights are then exercisable or convertible).

SECTION 2

PURCHASE AND SALE OF STOCK

2.1. Purchase and Sale of Common Stock. Subject to the terms and

conditions hereof, the Company hereby agrees to issue and sell to the Investor, and the Investor agrees to purchase from the Company, that number of shares of Common Stock equal to 26.25% of the total number of shares of Common Stock outstanding on a diluted basis (as determined in accordance with GAAP) on the Closing Date after giving effect to such purchase (the "Transferred Shares"), for a purchase price equal to the Cash Amount (the "Purchase Price"). The delivery of the Transferred Shares shall occur as follows:

(a) on the Closing Date, the Company shall deliver that number of shares of Common Stock equal to 26.25% of the total number of shares of Common Stock issued and outstanding after giving effect to the purchase (the "Initial Transferred Shares"); and

(b) no later than 60 days following the Closing Date, the Company shall deliver that number of additional shares of Common Stock equal to the difference between (i) 26.25% of the total number of shares of Common Stock outstanding on a diluted basis (as determined in accordance with GAAP) after giving effect to the issuance of the Initial Transferred Shares and calculated as of the Closing Date and (ii) the Initial Transferred Shares.

SECTION 3

CLOSING

3.1. Closing. The closing of the sale and purchase of the

Transferred Shares (the "Closing"), shall take place on the same date as the closing of the transactions contemplated in the Asset Purchase Agreement (the "Closing Date"). The Closing shall take place at the offices of Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York, or at such other location as the parties hereto agree. The Company and the Investor agree to use their Commercially Reasonable Efforts to consummate the Closing on the terms and subject to the conditions set forth in this Agreement. At the Closing, subject to the terms and conditions hereof:

(a) the Company shall deliver to the Investor a certificate

representing the Transferred Shares; and

(b) the Investor shall satisfy the Purchase Price by delivering to (and endorsing in favor of, if required) the Company the same form of consideration received by the Investor from NDPS in satisfaction of the Cash Amount pursuant to Section 4.1(a)(i) of the Asset Purchase Agreement.

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SECTION 4

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants as follows to the Investor and acknowledges and confirms that the Investor is relying upon the following representations and warranties in connection with the purchase by the Investor of the Transferred Shares.

4.1. Organization. The Company is a corporation duly organized and

validly existing under the Laws of the State of Georgia. The Company has all requisite corporate power to own and to carry on its business as now being conducted and is duly qualified, licensed or registered to carry on its business in the jurisdictions in which the ownership of its property or the conduct of its business makes such qualification necessary or where the Company owns or leases any material properties or assets or conducts any material business, except jurisdictions in which the failure to be so qualified, licensed or registered would not, individually or in the aggregate, have or reasonably be expected to result in a Company Material Adverse Effect.

4.2. Authority. The Company has the corporate power and authority to

enter into and perform its obligations under this Agreement and each of the other Operative Documents to which it is a party and to effect the transactions contemplated hereby and thereby. The execution, delivery and performance of the Operative Documents to which it is a party have been approved by all requisite corporate action on the part of the Company, and, assuming this Agreement constitutes the legally valid and binding agreement of the Investor, this Agreement constitutes (and each other Operative Document to which the Company is a party, when executed and delivered, will constitute) a legally valid and binding obligation of the Company, enforceable in accordance with its terms, subject only to any limitation under applicable Laws relating to bankruptcy, insolvency, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies (whether considered in a proceeding in equity or at law).

4.3. Legal Proceedings. Except as set forth on Schedule 4.3, there

are no actions, suits or proceedings pending or, to the Knowledge of the Company, threatened against the Company that are reasonably likely to be adversely determined and that, if adversely determined, would have a Company Material Adverse Effect.

4.4. No Violations. Except as set forth in Schedule 4.4, the

execution, delivery and performance by the Company of this Agreement and the other Operative Documents to which it is a party will not (i) violate, conflict with, result in a breach of or constitute a default under (with or without notice or lapse of time or both) any agreement, indenture, mortgage or lease to which the Company is a party or by which the Company or its properties are bound; (ii) constitute a violation by the Company of any Laws, (iii) violate, conflict with or allow any other Person to exercise any rights under any of the terms or provisions of its constituting documents or by-laws or any contracts or instruments to which it is a party or to which any of its assets or properties are subject, (iv) violate any order, judgment, injunction or decree of any court, arbitrator or Governmental Entity against or binding upon the Company, and/or (v) result in a breach of, or cause the termination or revocation of, any Authorization held by the Company that is necessary to the ownership of its properties or the operation of its businesses, other than, in

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each of the preceding clauses (i) through (vi), such violations, conflicts, breaches, defaults or exercise of rights as would not reasonably be expected to have, either individually or in the aggregate, a Company Material Adverse Effect.

4.5. Compliance with Laws. Except as set forth in Schedule 4.5, the

Company is not in violation of any Law or any Association Rules (as defined in the Marketing Alliance Agreement) or Clearing System Rules (as defined in the Marketing Alliance Agreement) applicable to its business or properties in each

jurisdiction in which the Company carries on business or will carry on business pursuant to the Operative Documents at the time it commences to carry on such business, other than violations which, individually or in the aggregate, would not reasonably be expected to result in a Company Material Adverse Effect. Within the past twelve months and except as set forth on Schedule 4.5, neither

the Company nor NDPS nor any of their respective Affiliates has received notice from any Network Organization or Card Association that the Company or NDPS or any of their respective Affiliates is not in compliance with any Association Rules or Clearing System Rules and has not received notice of the assessment of any fines or penalties due from the Company or NDPS or any of their respective Affiliates to a Card Association or Network Organization.

4.6. Capitalization and Related Matters.

(a) The authorized capital stock of the Company consists of (i) 200,000,000 shares of common stock, no par value (the "Common Stock") and (ii) 5,000,000 shares of preferred stock, no par value; none of which are issued or outstanding. All issued and outstanding shares have been duly authorized and validly issued, are fully paid and nonassessable and have been issued in compliance with applicable federal and state securities Law and not in violation of the preemptive rights of any Person. Except as set forth on Schedule 4.6

attached hereto, there are no options, warrants, conversion rights, preemptive rights, rights of first refusal, or similar rights presently outstanding to purchase or otherwise acquire from the Company any of the Company's securities.

(b) The Transferred Shares to be issued pursuant to the terms of this Agreement have been duly authorized and, when issued in accordance with the terms hereof, will be validly issued, fully paid and nonassessable. The Transferred Shares will be issued free and clear of any Liens, are not and will not be subject to any preemptive rights, rights of first refusal or restrictions on transfer, except as set forth in the Investor Rights Agreement and except for restrictions on transfer under applicable Canadian, United States federal and state securities Laws.

(c) As of November 8, 2000, the authorized capital stock of NDC consists of (i) 200,000,000 shares of common stock, no par value, of which 32,956,215 shares are issued and outstanding, and (ii) 1,000,000 shares of preferred stock, none of which are issued or outstanding. All issued and outstanding shares have been duly authorized and validly issued, are fully paid and nonassessable and have been issued in compliance with applicable federal and state securities Law and not in violation of the preemptive rights of any Person.

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4.7. SEC Filings; Financial Statements; Absence of Certain Changes.

(a) The Company has timely filed all reports, statements and documents required to be filed by it with the SEC since September 8, 2000, including without limitation the Form 10 Filing (collectively, the "Company SEC Documents"), each of which complied in all material respects with the applicable requirements of the Securities Act and the rules and regulations promulgated thereunder, or the Exchange Act and the rules and regulations promulgated thereunder, each as in effect on the date so filed. The Company has heretofore delivered or made available to the Investor or (in the case of any such document not yet filed with the SEC) promptly will deliver or make available to the Investor, in the form filed with the SEC (including any amendments thereto), true and complete copies of the Company SEC Documents. None of such Company SEC Documents (including but not limited to any financial statements or schedules included or incorporated by reference therein) contained when filed (or, if amended or superseded by a filing prior to the Closing Date, then on the date of such amending or superseding filing), any untrue statement of a material fact or omitted to state a material fact required to be stated or incorporated by reference therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) Each of the audited and unaudited pro forma financial statements of the Company (including any related notes thereto) included in the Company SEC Documents, complies or, if not yet filed, will comply as to form in all material respects with all applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto; has been or, if not yet filed, will have been prepared in accordance with GAAP (except, in the case of unaudited quarterly statements, as permitted by Form 10-Q under the Exchange Act) applied on a consistent basis throughout the periods involved (except as may be disclosed in the notes thereto) and fairly presents or, if not yet filed, will fairly present the pro forma financial position and historical combined results of operations and changes in cash flows of the Company as of the respective dates or for the respective periods reflected therein (subject, in the case of unaudited quarterly statements, to normal recurring adjustments that are not material).

(c) Except as and to the extent set forth on Schedule 4.7(c) or the

combined balance sheet of the Company at August 31, 2000, including the notes thereto, included in the Company SEC Documents, the Company has no liabilities, debts, claims or obligations of any nature (whether accrued, absolute, direct or indirect, contingent or otherwise, whether due or about to become due) which would be required to be reflected on a balance sheet or in the notes thereto prepared in accordance with GAAP, and there is no existing condition or set of circumstances which would reasonably be expected, individually or in the aggregate, to result in such a liability, in each case except for (i) liabilities, debts, claims or obligations incurred in the Ordinary Course since August 31, 2000, (ii) liabilities incurred pursuant to the terms of or as contemplated by this Agreement, and (iii) liabilities, debts, claims and obligations that would not, individually or in the aggregate, have or reasonably be expected to have a Company Material Adverse Effect.

4.8. Authorizations. Except as set forth on Schedule 4.8 and except

as would not reasonably be expected to have a Company Material Adverse Effect, no Authorization is required to be obtained or made by or with respect to the Company in connection with the execution, delivery or performance by the Company of the Operative Documents or the consummation of the transactions contemplated hereby or thereby. Except as set forth on

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Schedule 4.8 and except as would not reasonably be expected to have a Company

Material Adverse Effect, all Authorizations necessary for the conduct by the Company of its businesses have been issued or granted to the Company and all such Authorizations are in full force and effect.

4.9. Material Adverse Changes. Since August 31, 2000, no event has

occurred or circumstances exist which has had or could reasonably be expected to result in a Company Material Adverse Effect.

4.10. No Brokers' or Other Fees. Except with respect to Goldman, Sachs

& Co., no broker, finder or investment banker is entitled to any fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Company.

4.11. Offering Valid. Assuming the accuracy of the representations of

the Investor contained in Section 6 hereof, the offer, sale and issuance of the Transferred Shares will be exempt from the registration requirements of the Securities Act and will have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable United States state securities Laws.

SECTION 5

CERTAIN ADDITIONAL AGREEMENTS

5.1. Guarantee. From the date hereof until the Distribution Date, NDC

hereby guarantees full and timely performance by the Company of the Company's obligations under this Agreement.

5.2. Calculation of the Remaining Transferred Shares. Concurrently

with the delivery of the Remaining Transferred Shares pursuant to Section 2.1, the Company shall execute and deliver a certificate of a senior officer of the Company setting forth the capitalization of the Company on a diluted basis (as determined in accordance with GAAP) on such date and the calculation used by the Company to determine the Remaining Transferred Shares to be issued pursuant to the terms of this Agreement, which certificate shall be satisfactory to the Investor.

SECTION 6

REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor represents and warrants as follows to the Company and acknowledges and confirms that the Company is relying upon the following representations and warranties in connection with the sale by the Company of the Transferred Shares.

6.1. Investment Representations. The Investor acknowledges that the

Transferred Shares have not been registered under the Securities Act or under any state securities Laws. The Investor (a) is acquiring the Transferred Shares for investment for its own account,

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not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof, (b) is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the SEC, and (c) acknowledges that the Transferred Shares must be held indefinitely unless subsequently registered under the Securities Act or unless an exemption from the registration requirements of the Securities Act is available.

6.2. Organization. The Investor is a bank governed by the Bank Act

(Canada). The Investor has all requisite corporate power to own and to carry on its business as now being conducted and is duly qualified, licensed or registered to carry on its business in the jurisdictions in which the ownership of its property or the conduct of its business makes such qualification necessary or where the Investor owns or leases any material properties or assets or conducts any material business, except jurisdictions in which the failure to be so qualified, licensed or registered would not, individually or in the aggregate, have or reasonably be expected to result in an Investor Material Adverse Effect.

6.3. Authority. The Investor has the corporate power and authority to

enter into and perform its obligations under this Agreement and each of the other Operative Documents to which it is a party and to effect the transactions contemplated hereby and thereby. The execution, delivery and performance of the Operative Documents to which it is a party have been approved by all requisite corporate action on the part of the Investor, and, assuming this Agreement constitutes the legally valid and binding agreement of the Company, this Agreement constitutes (and each other Operative Document, when executed and delivered pursuant hereto, will constitute) a legally valid and binding obligation of the Investor, enforceable in accordance with its terms, subject only to any limitation under applicable Laws relating to bankruptcy, insolvency, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies (whether considered in a proceeding in equity or at law).

6.4. No Violations. The execution, delivery and performance by the

Investor of this Agreement and the other Operative Documents will not (i) violate, conflict with, result in a breach of or constitute a default under (with or without notice or lapse of time or both) any agreement, indenture, mortgage or lease to which the Investor is a party or by which the Investor or its properties are bound; (ii) constitute a violation by the Investor of any Laws, (iii) violate, conflict with or allow any other Person to exercise any rights under any of the terms or provisions of its constituting documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of its assets or properties are subject, (iv) violate any order, judgment, injunction or decree of any court, arbitrator or Governmental Entity against or binding upon the Investor, and/or (v) result in a breach of, or cause the termination or revocation of, any Authorization held by the Investor that is necessary to the ownership of its properties or the operation of its businesses, other than, in each of the preceding clauses (i) through (v), such violations, conflicts, breaches, defaults or exercise of rights as would not reasonably be expected to have, either individually or in the aggregate, an Investor Material Adverse Effect.

6.5. Authorizations. Except as set forth on Schedule 6.5 and except

as would not reasonably be expected to have an Investor Material Adverse Effect, no Authorization is required to be obtained or made by or with respect to the Investor in connection with the execution, delivery or performance by the Investor of the Operative Documents or the

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consummation of the transactions contemplated hereby or thereby. Except as set forth on Schedule 6.5 and except as would not reasonably be expected to have an

Investor Material Adverse Effect, all Authorizations necessary for the conduct by the Investor of its businesses have been issued or granted to the Investor and all such Authorizations are in full force and effect.

6.6. No Brokers' or Other Fees. Except with respect to CIBC World

Markets Corp., no broker, finder or investment banker is entitled to any fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Investor.

CONDITIONS OF THE INVESTOR'S OBLIGATIONS AT CLOSING

The obligation of the Investor to consummate the Closing is subject to the fulfillment at or before the Closing of each of the following conditions:

7.1. Representations and Warranties. The representations and

warranties of the Company contained in this Agreement and the Operative Documents shall be true and correct (in all material respects, in the case of those representations and warranties which are not by their express terms qualified by reference to materiality) on and as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of the Closing Date, except that any representations and warranties that are made as of a specified date shall be true and correct (in all material respects, in the case of those representations and warranties which are not by their express terms qualified by reference to materiality) as of such date, and the Company shall have executed and delivered a certificate of a senior officer of the Company to such effect. The receipt of such certificate and the consummation of the Closing shall not constitute a waiver by the Investor of any of the representations and warranties of the Company that are contained in this Agreement or in any of the other Operative Documents.

7.2. Performance. The Company and its Affiliates shall have fulfilled

or complied with all covenants contained in this Agreement and in any other Operative Document to be fulfilled or complied with by it or such Affiliate, respectively, at or prior to the Closing, except where the failure to so fulfill or comply would not reasonably be expected to have a Company Material Adverse Effect, and the Company shall have executed and delivered a certificate of a senior officer to that effect. The receipt of such certificate and the consummation of the Closing shall not constitute a waiver by the Investor of the covenants of the Company that are contained in this Agreement or in any of the Operative Documents.

7.3. Legal Investment. On the Closing Date, there shall not be in

effect any Law directing that the purchase and sale of the Transferred Shares and the other transactions contemplated by this Agreement or any of the other Operative Documents not be consummated or which has the effect of rendering it unlawful to consummate such transactions.

7.4. Proceedings and Litigation. No action shall have been commenced

by any Governmental Entity against any party hereto seeking to restrain or delay the purchase and sale

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of the Transferred Shares or the other transactions contemplated by this Agreement or any of the other Operative Documents.

7.5. Blue Sky Compliance. The Company shall have complied with, and

the offer and sale of the Transferred Shares pursuant to this Agreement shall be effective under all United States federal or state or Canadian provincial securities or blue sky Laws applicable thereto.

7.6. Operative Documents. The Investor and an Affiliate of the

Company shall have entered into the Asset Purchase Agreement, the Marketing Alliance Agreement, the General Conveyance Agreement, the Transition Agreement, the Investor Rights Agreement, the Trademark License Agreement and the Credit Facility.

7.7. Bank Regulatory Approvals. The Investor shall have received all

consents and approvals required under the Bank Act (Canada) and the Bank Holding Company Act of 1956, as amended, and any required waiting periods under the HSR Act shall have expired or been terminated, without the imposition of any conditions that either party, in its reasonable discretion, considers unduly burdensome.

7.8. Competition Act and Investment Canada Act. (a) Each of the

Investor and the Company shall have filed all notices and information required under Part IX of the Competition Act (Canada) and satisfied any request for additional information thereunder and the applicable waiting periods shall have expired without the Commissioner of Competition having notified the Company that he intends to apply to the Competition Tribunal for an order under Sections 92, 100 or 104 of the Competition Act (Canada) in respect of the transactions contemplated herein, or the parties shall have received an Advance Ruling Certificate ("ARC") pursuant to the Competition Act (Canada) from the Commission

of Competition; (b) no proceedings shall have been taken or threatened to be taken under the merger provisions of Part VIII or under Section 45 of the Act in respect of the transactions contemplated herein; and (c) Investment Canada shall have provided a receipt to the Company pursuant to the Investment Canada Act or the Company shall have received evidence, satisfactory to it, indicating that the acquisition of the Assets Sold and the Merchant Business is not a reviewable transaction or, if it is a reviewable transaction, the Minister shall have been satisfied or deemed to have been satisfied that such acquisition is likely to be a net benefit to Canada.

7.9. Consummation of the Asset Purchase. All the conditions to

closing set forth in Sections 10.2 and 10.3 of the Asset Purchase Agreement shall have been satisfied and the transactions contemplated in the Asset Purchase Agreement shall have been consummated substantially on the terms set forth therein.

7.10. Calculation of the Initial Transferred Shares. The Company shall

have executed and delivered a certificate of a senior officer of the Company setting forth the total number of shares of capital stock of the Company issued and outstanding on the Closing Date after giving effect to the Closing and the calculation used by the Company to determine the Initial Transferred Shares to be issued pursuant to the terms of this Agreement, which certificate shall be satisfactory to the Investor.

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SECTION 8

CONDITIONS OF THE COMPANY'S OBLIGATIONS AT CLOSING

The obligation of the Company to consummate the Closing is subject to the fulfillment at or before the Closing of each of the following conditions:

8.1. Representations and Warranties. The representations and

warranties of the Investor contained in this Agreement shall be true and correct (in all material respects, in the case of those representations and warranties which are not by their express terms qualified by reference to materiality) on and as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of the Closing Date, except that any representations and warranties that are made as of a specified date shall be true and correct (in all material respects, in the case of those representations and warranties which are not by their express terms qualified by reference to materiality) as of such date, and the Investor shall have executed and delivered a certificate of a senior officer to such effect. The receipt of such certificate and the consummation of the Closing shall not constitute a waiver by the Company of any of the representations and warranties of the Investor that are contained in this Agreement or in any of the other Operative Documents.

8.2. Performance. The Investor shall have fulfilled or complied with

all covenants contained in this Agreement and in any other Operative Document, respectively, to be fulfilled or complied with by it at or prior to the Closing, except where the failure to so fulfill or comply would not reasonably be expected to have a Company Material Adverse Effect, and the Investor shall have executed and delivered a certificate of a senior officer of the Investor to that effect. The receipt of such certificate and the consummation of the Closing shall not constitute a waiver by the Company of the covenants of the Investor that are contained in this Agreement or in any of the other Operative Documents.

8.3. Legal Investment. On the Closing Date, there shall not be in

effect any Law directing that the purchase and sale of the Transferred Shares and the other transactions contemplated by this Agreement or any of the other Operative Documents not be consummated or which has the effect of rendering it unlawful to consummate such transactions.

8.4. Proceedings and Litigation. No action shall have been commenced

by any Governmental Authority against any party hereto seeking to restrain or delay the purchase and sale of the Transferred Shares or the other transactions contemplated by this Agreement or any of the other Operative Documents.

8.5. Blue Sky Compliance. The offer and sale of the Transferred

Shares pursuant to this Agreement shall be effective under all United States federal or state or Canadian provincial securities or blue sky Laws applicable thereto.

8.6. Operative Documents. The Investor and an Affiliate of the

Company shall have entered into the Asset Purchase Agreement, the Marketing Alliance Agreement, the Transition Agreement, the Investor Rights Agreement and the Trademark License Agreement.

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8.7. Bank Regulatory Approvals. The Investor shall have received all

consents and approvals required under the Bank Act (Canada) and the Bank Holding Company Act of 1956, as amended, and any required waiting periods under the HSR Act shall have expired or been terminated, without the imposition of any conditions that either party, in its reasonable discretion, considers unduly burdensome.

8.8. Competition Act and Investment Canada Act. (a) Each of the

Investor and the Company shall have filed all notices and information required under Part IX of the Competition Act (Canada) and satisfied any request for additional information thereunder and the applicable waiting periods shall have expired without the Commissioner of Competition having notified the Company that he intends to apply to the Competition Tribunal for an order under Sections 92, 100 or 104 of the Competition Act (Canada) in respect of the transactions contemplated herein, or the parties shall have received an Advance Ruling Certificate ("ARC") pursuant to the Competition Act (Canada) from the Commission of Competition; (b) no proceedings shall have been taken or threatened to be taken under the merger provisions of Part VIII or under Section 45 of the Act in respect of the transactions contemplated herein; and (c) Investment Canada shall have provided a receipt to the Company pursuant to the Investment Canada Act or the Company shall have received evidence, satisfactory to it, indicating that the acquisition of the Assets Sold and the Merchant Business is not a reviewable transaction or, if it is a reviewable transaction, the Minister shall have been satisfied or deemed to have been satisfied that such acquisition is likely to be a net benefit to Canada.

8.9. Consummation of the Asset Purchase. All the conditions to

closing set forth in Sections 10.1 and 10.3 of the Asset Purchase Agreement shall have been satisfied and the transactions contemplated in the Asset Purchase Agreement shall have been consummated substantially on the terms set forth therein.

SECTION 9

MISCELLANEOUS

9.1. Limitation of Claims. Notwithstanding anything to the contrary

herein, (a) neither the Company nor the Investor shall be entitled to recover from the other party for any claims for indemnity or damages with respect to any inaccuracy or breach of any representations or warranties unless and until the total of all such claims exceeds \$500,000 and then only for the amount by which such claims exceed such amount; (b) in no event shall such recovery exceed Cdn.\$150,000,000 in the aggregate; and (c) in no event shall the Investor or the Company recover more than once with respect to any inaccuracy or breach of the same or similar representations or warranties in this Agreement and the Asset Purchase Agreement with regard to the same event, circumstance or occurrence.

9.2. Expenses. Except as otherwise specifically provided in this

Agreement, all parties shall pay their own costs and expenses in connection with this Agreement and the transactions contemplated hereby, including, but not by way of limitation, all attorney's fees, accounting fees and other expenses.

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9.3. Notices. All notices, demands and other communications hereunder

shall be sent as set forth below, shall be in writing, and shall be delivered in person; deposited in regular mail, sent via national overnight carrier; or sent via facsimile as long as the sending party has telephone confirmation that the entire facsimile was actually received by the receiving party.

(i) If to the Investor to:

c/o CIBC World Markets Inc.
BCE Place, 8th Floor
161 Bay Street
Toronto ON M5J 2S8
Attention: Executive Vice President, Card Products, Collections
and Merchant Card Services
Facsimile No.: (416) 784-6868

with a copy to:

Canadian Imperial Bank of Commerce
Legal and Compliance Division
199 Bay Street
Commerce Court West
15th Floor
Toronto, Ontario M5L 1A2
Attention: Associate General Counsel
Facsimile No.: (416) 304-2860

and to:

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017
Attention: Lee Meyerson, Esq.
Facsimile No.: (212) 455-2502

(ii) If to the Company, to:

National Data Payment Systems, Inc.
#2 National Data Plaza
Atlanta, Georgia 30329-2010
Attention: Office of the Corporate Secretary
Facsimile No.: (404) 728-2990

with a copy to:

National Data Payment Systems, Inc.
#2 National Data Plaza
Atlanta, Georgia 30329-2010

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Attention: Paul R. Garcia, Chief Executive Officer
Facsimile No.: (404) 728-3412

The persons or addresses to which mailings or deliveries shall be made may be changed from time to time by notice given pursuant to the provisions of this Section 9.2. Any notice, demand or other communication given pursuant to the provisions of this Section 9.2 shall be deemed to have been given on the date actually delivered.

9.4. Third Party Beneficiaries. Except as provided in Section 9.6,

neither party to this Agreement intends this Agreement to benefit or create any right or cause of action in or on behalf of any Person other than the Company, the Investor or NDC.

9.5. Independent Contractors. Nothing contained in this Agreement or

any other Operative Document shall be construed as constituting a partnership, joint venture or agency between the Company and the Investor. Rather, the parties shall be deemed independent contractors for all purposes.

9.6. Successors and Assigns. All terms and provisions of this

Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective transferees, successors and permitted assigns. This Agreement and the rights, privileges, duties and obligations of the parties hereto may not be assigned or delegated by either party without the written consent of the other party; provided, however, that no such consent shall be required for the assignment (or designation of performance) by either party of its rights, privileges, duties and obligations hereunder to a Person controlled, controlled by or under common control with such party (it being understood that no such assignment (or designation of performance) shall relieve the assigning party of its duties or obligations hereunder).

9.7. Amendments and Waivers. This Agreement, any of the instruments

referred to herein and any of the provisions hereof or thereof shall not be amended, modified or waived in any fashion except by an instrument in writing signed by the parties hereto or thereto. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder 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 hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

9.8. Severability of Provisions. If any provision of this Agreement,

or the application of any such provision to any Person or circumstance, shall be held invalid by a court of competent jurisdiction, the remainder of this

Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

9.9. Counterparts. This Agreement may be executed in one or more

counterparts, all of which taken together shall constitute one instrument.

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9.10. Governing Law. This Agreement shall be governed by and construed

in accordance with the Laws of the State of New York applicable to contracts made and to be performed therein. The Company and the Investor hereby agree to submit to the jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof in any action or proceeding arising out of or relating to this Agreement. The parties hereto irrevocably and unconditionally waive trial by jury in any legal action or proceeding in relation to this Agreement and for any counterclaim therein.

9.11. Captions. The captions contained in this Agreement are for

convenience of reference only and do not form a part of this Agreement.

9.12. Entire Agreement. The making, execution and delivery of this

Agreement by the parties hereto have been induced by no representations, statements, warranties or agreements other than those herein expressly set forth. This Agreement and the other written instruments specifically referred to herein embody the entire understanding of the parties and there are no further or other representations, warranties, agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof. The Schedules attached to this Agreement shall, for all purposes of this Agreement, form an integral part of it.

9.13. Joint Announcement; Confidentiality. Except as required by Law

or by any stock exchange, the Company and the Investor agree not to publicly disclose the transactions contemplated by this Agreement, provided, however, that promptly after the date hereof, after prior consultation with each other as to the substance and form of the public disclosure of the transactions contemplated by this Agreement, the Company and the Investor shall make individual announcements or a joint announcement of the execution of, and the transactions provided for under, this Agreement. Notwithstanding the foregoing, after the Closing, and subject to the confidential provisions set out in any of the Operative Documents, nothing herein shall prevent either party from disclosing, either publicly or otherwise, that the transaction contemplated herein took place, provided that any such disclosure does not contain any information regarding any term or condition of this Agreement or any Operative Document which has not been previously disclosed pursuant to a mutually agreed press release or which has not been approved for disclosure by the other party.

9.14. Gender and Number. Any reference in this Agreement or any other

Operative Document to gender includes all genders and words importing the singular number only shall include the plural and vice versa.

9.15. Currency. All references in this Agreement or any other

Operative Document to dollars, unless otherwise specifically indicated, are expressed in United States dollars.

9.16. Time of the Essence. Time shall be of the essence of this

Agreement.

9.17. Headings. The section headings of this Agreement are for

convenience and shall not by themselves determine the interpretation of this Agreement.

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9.18. Survival of Warranties. The representations and warranties of

the parties contained in or made pursuant to this Agreement shall survive for a period of one year from the date of the Closing.

9.19. Additional Agreements of the Parties. Each of the parties, as

promptly as practicable after the execution of this Agreement, will (i) make, or cause to be made, all such filings and submissions under all Laws applicable to it, as may be required for it to consummate the purchase and sale of the Transferred Shares in accordance with the terms of this Agreement, (ii) use its Commercially Reasonable Efforts to obtain, or to cause to be obtained, all

Authorizations necessary or advisable to be obtained by it in order to consummate such transfer, and (iii) use its Commercially Reasonable Efforts to take, or to cause to be taken, all other actions which are necessary or advisable in order for it to fulfill its obligations under this Agreement. The parties will coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing including, without limitation, providing each other with all notices and information supplied to or filed with any Governmental Entity (except for notices and information which the Company or the Investor, in each case acting reasonably, considers highly confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Governmental Entity.

9.20. Termination. This Agreement shall be terminated and the ----- transactions contemplated hereby abandoned at any time prior to the Closing upon the earlier to occur of:

(a) the mutual consent of the Company and the Investor; or

(b) termination of the Asset Purchase Agreement in accordance with the provisions of Article XI thereof.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date above set forth.

GLOBAL PAYMENTS INC.

By: /s/

Name:
Title:

CANADIAN IMPERIAL BANK OF COMMERCE

By: /s/

Name: Richard E. Venn
Title: Senior Executive Vice President

By: /s/

Name: David Marshall
Title: Vice Chairman

With respect to Sections 4.6(c) and 5.1 only:

NATIONAL DATA CORPORATION

By: /s/

Name:
Title:

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EXHIBIT 21.1

After the distribution, Global Payments expects to have the following subsidiaries, each of which will be wholly owned by the Registrant, except as noted below:

Name - - - - -	Jurisdiction of Incorporation -----
National Data Payment Systems, Inc.	New York
NDC Check Services, Inc.	Illinois
NDPS Comerica Alliance, LLC	Delaware
Global Payment Systems LLC (Note 1)	Georgia
Global Payment Holding Company	Delaware
GPS Holding Limited Partnership (Note 2)	Delaware
Global Payment Systems of Canada, Ltd	Canada
Merchant Services U.S.A., Inc.	North Carolina
NDC Holdings (UK) Ltd.	Georgia
CheckRite Recovery Service, Inc.	New Jersey
CheckRite of Phoenix (Note 3)	Colorado
NDPS Holdings, Inc.	Delaware
NDC Gaming Services, Inc.	Illinois

Note 1. Global Payment Systems LLC is .3% owned by Global Payments, .01% owned by NDC Holdings (UK) Ltd. and 92.19% owned by GPS Holding LP.

Note 2. GPS Holding Limited Partnership is .85% owned by Global Payments, 84.61% owned by Global Payment Holding Company and 14.54% owned by NDPS Holdings, Inc.

Note 3. CheckRite of Phoenix is 51% owned by Global Payments.

NATIONAL DATA CORPORATION
National Data Plaza
Atlanta, Georgia 30329-2010

, 2000

Dear Fellow Stockholder:

I am pleased to inform you that the previously announced spin-off of our eCommerce business will take place on _____, 2000. The eCommerce business will be owned by Global Payments Inc., our new wholly owned subsidiary, the shares of which will be distributed to you in the spin-off.

You will receive 0.8 of a Global Payments share for each NDC share held. You do not have to take any action to receive your Global Payments shares. You will not be required to pay anything or to surrender your NDC shares.

The enclosed Information Statement describes the distribution and provides important financial and other information about Global Payments. Please read it carefully.

Sincerely,

Robert A. Yellowlees
Chairman and Chief Executive
Officer

INFORMATION STATEMENT RELATING TO THE DISTRIBUTION
BY NATIONAL DATA CORPORATION
OF GLOBAL PAYMENTS INC. COMMON STOCK

We have prepared this statement to provide you with information about the spin-off of Global Payments by NDC. NDC will effect the spin-off by distributing shares of our common stock to you. That is why we also refer to the spin-off as the distribution.

The number of shares of our stock that you will receive will be based on the number of shares of NDC common stock that you held at the close of business on _____, 2000, the record date for the distribution.

Global Payments provides electronic transaction processing and funds transfer services to merchants, corporations, financial institutions, and government agencies. We serve as an intermediary in the exchange of information and funds between merchants and credit card issuers, enabling consumers, corporations, and government agencies to purchase goods and services through the use of credit cards. We also provide debit card, business-to-business purchasing card, check guarantee, check verification and recovery, and terminal management services.

The number of NDC shares that you own will not change as a result of the distribution. No vote of stockholders is required in connection with the distribution. We are not asking you for a proxy. Please do not send us a proxy or your share certificates. There is no current public trading market for our shares, although a "when-issued" trading market may develop prior to the distribution. Our shares will be listed on the New York Stock Exchange, under the symbol "GPN."

If you have any questions regarding the distribution, you may contact SunTrust Bank, Stock Transfer Department, P.O. Box 4625, Atlanta, Georgia 30302, or by telephone at (800) 568-3476, or NDC's Investor Relations Department at NDC, National Data Plaza, Atlanta, Georgia 30329-3010, or by telephone at (404) 728-2363.

You should carefully consider the Risk Factors described in this Information Statement beginning on page 9.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Information Statement is truthful or complete. Any representation to the contrary is a criminal offense.

This Information Statement is not an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is _____, 2000.

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SUMMARY OF THE DISTRIBUTION

Q: WHAT BUSINESS WILL GLOBAL PAYMENTS CONDUCT FOLLOWING THE DISTRIBUTION?

A: After the distribution, we will continue operating NDC's current eCommerce business and following the purchase of the merchant acquiring business of Canadian Imperial Bank of Commerce, we will also operate that business. See the description of our business in the summary beginning on page 4, and under "Global Payments' Business" beginning on page 37.

Q: WHEN WILL I RECEIVE MY GLOBAL PAYMENTS SHARES?

A: If you hold NDC shares in your own name as a stockholder of record, the distribution agent will automatically mail to you a Global Payments common stock certificate. You should allow several days after the distribution date, _____, 2000, for the mail to reach you.

If you hold NDC shares through your stockbroker, bank or other nominee, you are probably not a stockholder of record and your receipt of Global Payments shares depends on your arrangements with the nominee that holds your NDC shares for you. NDC anticipates that stockbrokers and banks generally will credit their customers' accounts with Global Payments shares on or about _____, 2000, but you should check with your stockbroker, bank or other nominee. For more details, please refer to "The Distribution--Manner of Effecting the Distribution" on page 16.

Q: WHEN WILL MY GLOBAL PAYMENTS SHARES BEGIN TRADING?

A: We expect that regular trading will begin on the New York Stock Exchange on _____, 2000. A temporary form of trading called "when-issued trading" may occur for Global Payments common stock on or

about , 2000 and continue through , 2000. A when-issued listing may be identified by the "wi" letters next to Global Payments common stock on the New York Stock Exchange Composite Tape. If when-issued trading develops, you may buy or sell Global Payments common stock in advance of the distribution. For an explanation of when-issued trading, see "The Distribution--Listing and Trading of the Global Payments Shares" beginning on page 17.

Q: HOW WILL THE DISTRIBUTION AFFECT MY NDC SHARES?

A: Following the distribution, NDC shares will continue to be listed and traded on the New York Stock Exchange under the symbol "NDC." The distribution will not affect the number of outstanding shares of NDC stock or any rights of NDC stockholders. NDC common stock will continue to trade on a regular basis and may also trade on an "ex-dividend" basis, reflecting an assumed post-distribution value for NDC Common Stock. Ex-dividend trading in NDC Common Stock, if available, could last from on or about , 2000 through , 2000. If this occurs, an additional listing for NDC common stock, followed by the "x" letters will appear on the New York Stock Exchange Composite Tape. For a complete discussion please read "The Distribution--Listing and Trading of the Global Payments Shares" beginning on page 17.

Q: WHAT IF I WANT TO SELL MY NDC SHARES OR MY GLOBAL PAYMENTS SHARES?

A: If you do decide to sell any shares, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your NDC shares or your Global Payments shares, or both. The following information may be helpful in discussions with your stockbroker, bank or other nominee.

Beginning about , 2000 and continuing through , 2000, New York Stock Exchange practice of when-issued trading should generally allow you to sell your NDC shares either

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together with the right to receive the Global Payments shares in the distribution or without the right to receive the Global Payments shares. If you sell your NDC shares with the right to receive the Global Payments shares, you (or your broker or bank) will be required to transfer to the buyer the Global Payments shares you receive in the distribution. You should also be able to sell your right to receive the Global Payments shares without selling your NDC shares.

Sales of NDC shares with the right to receive the Global Payments shares should generally settle in a three business day settlement period. Sales of NDC shares without the right to receive the Global Payments shares and sales of the Global Payments shares without NDC shares are expected to settle four business days following the date certificates for the Global Payments shares are mailed. Check with your stockbroker, bank or other nominee. Beginning about , 2000, you may only sell your NDC shares and Global Payments shares separately.

Q: WILL I BE PAID DIVIDENDS ON MY GLOBAL PAYMENTS SHARES?

A: We may, but cannot assure you, that we will pay cash dividends on our stock in the future. Please refer to "Dividend Policy" on page 29 for a full discussion.

Q: IS THE DISTRIBUTION TAXABLE FOR UNITED STATES FEDERAL INCOME TAX PURPOSES?

A: No. NDC has received a tax ruling from the Internal Revenue Service stating in principle that the distribution will be tax-free to NDC and to NDC stockholders. Any cash you receive for fractional shares may be taxable to you. If you have any questions, please consult your tax advisor.

Q: WILL THERE BE ANY CHANGE IN THE UNITED STATES FEDERAL TAX BASIS OF MY NDC SHARES AS A RESULT OF THE DISTRIBUTION?

A: Yes, your tax basis in your NDC shares will be reduced. Please refer to "The Distribution--Certain Federal Income Tax Consequences" beginning on page 18 for a complete discussion.

Q: WHAT TYPE OF RELATIONSHIP WILL GLOBAL PAYMENTS HAVE WITH NDC AFTER THE DISTRIBUTION?

A: After the distribution, NDC and Global Payments will operate independently as separate public companies. Prior to the distribution, Global Payments and NDC will enter into the following agreements:

- . Distribution Agreement
- . Tax Sharing And Indemnification Agreement

- . Employee Benefits Agreement
- . Real Estate Agreements
- . Intercompany Systems/Network Services Agreement
- . Batch Processing Agreement, and
- . Transition Support Agreement.

After the distribution, NDC and Global Payments will not have any other material contracts or other arrangements between them. For a full description of these agreements and arrangements, see "Relationship Between NDC and Global Payments Following the Distribution" beginning on page 20.

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Q: WILL NDC COMPLETE THE DISTRIBUTION EVEN IF THE ACQUISITION OF CIBC'S MERCHANT ACQUIRING BUSINESS CANNOT BE COMPLETED?

A: Yes. After the distribution, we plan to complete the acquisition of CIBC's merchant acquiring business if all of the conditions in the asset purchase agreement, including the regulatory approvals in the United States and Canada, have been satisfied or waived.

Q: WHEN WILL THE ACQUISITION OF CIBC'S MERCHANT ACQUIRING BUSINESS OCCUR?

A: We expect the acquisition to occur within 10 days after the distribution is completed, subject to regulatory approvals.

Q: WHERE CAN I GET MORE INFORMATION?

A: If you have any questions relating to the mechanics of the distribution and the delivery of stock certificates or the trading of NDC or Global Payments shares prior to the distribution, you can contact the distribution agent:

SunTrust Bank
Stock Transfer Department
P.O. Box 4625
Atlanta, Georgia 30302

After the distribution, Global Payments shareholders with inquiries related to the distribution or their investment in Global Payments should contact

Global Payments Inc.
Four Corporate Square
Atlanta, Georgia 30329
Attention: Suellyn P. Tornay
Corporate Secretary
(800) 568-3476
(404) 728-3288

After the distribution, NDC stockholders with inquiries relating to the distribution or their investment in NDC should contact:

National Data Corporation
National Data Plaza
Atlanta, Georgia 30329-2010
Attention: Patricia A. Wilson
Corporate Secretary
(404) 728-2363

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SUMMARY OF OUR BUSINESS

This summary highlights selected information from this information statement relating to our business. To better understand our business and financial position, you should carefully review this entire information statement including the risks described in "Risk Factors" beginning on page 9 and the combined financial statements and the notes thereto beginning on page F-1.

Why We Sent This Document To You

We are sending you this document because you were an owner of NDC common stock on the record date. This document describes Global Payments' business, the risks associated with that business, the relationship between NDC and Global Payments after the distribution, and other information to assist you in evaluating the benefits and risks of holding or disposing of the Global Payments shares that you will receive in the distribution. You should be aware of certain risks relating to the distribution and Global Payments' business, which are described in this document beginning on page 8.

We enable consumers, corporations, and government agencies to purchase goods and services by providing electronic transaction processing services. We serve as an intermediary in the exchange of information and funds that must occur between merchants and credit card issuers before a transaction can be completed. As part of NDC, Global Payments has provided credit card transaction processing services since 1968. Since that time, we have expanded our business to include processing for debit cards and business-to-business purchasing cards, check guarantee services, check verification and recovery services, and terminal management services. We collectively refer to these as our merchant service offerings. In addition, we provide funds transfer services to domestic and international financial institutions, corporations, and government agencies in the United States, Canada, and Europe.

In our merchant services product offering, we have a high percentage of recurring revenues and process over 1.6 billion transactions per year servicing more than 775,000 merchant locations. We provide our electronic transaction processing services directly to our merchant customers, as well as to financial institutions and independent sales organizations who purchase and resell our services to their own portfolio of merchant customers. We offer end-to-end services, which means that we believe that we have the ability to fulfill all of our customers' needs with respect to electronic transaction processing.

We operate in one business segment, electronic transaction processing, and provide products and services through our merchant services and funds transfer offerings. We market our services through a variety of sales channels including a sizable dedicated sales force, independent sales organizations, independent sales representatives, an internal telesales group, alliance bank relationships, and financial institutions. We provide our services primarily using network telecommunications infrastructure.

Global Payments Inc. was formed on September 1, 2000. Currently we do not have any operations, assets or liabilities. At the time of the distribution, NDC's eCommerce business segment will be contributed to us and will be reorganized as Global Payments Inc. Please refer to "Relationship Between NDC and Global Payments Following the Distribution--The Distribution Agreement" for a complete description of the reorganization.

The information in this information statement assumes that we will complete the acquisition of CIBC's merchant acquiring business. You should read the description of the acquisition set forth below and the more detailed description of the transaction set forth in "Summary of the Purchase of CIBC Merchant Acquiring Business" beginning on page 62.

Recent Developments

Purchase of Merchant Acquiring Business and Ten-Year Marketing Alliance with Canadian Imperial Bank of Commerce.

On November 9, 2000, we agreed to acquire certain net assets of the merchant acquiring business of Canadian Imperial Bank of Commerce and to form a 10-year marketing alliance with CIBC to offer VISA credit and debit card payment products and services to merchants in Canada. The acquisition and the related marketing alliance will significantly broaden our scope and presence in North America and will provide merchants served by CIBC's merchant acquiring business with a larger array of existing and new payment solutions. We expect to close the acquisition after the distribution is completed, subject to regulatory approvals.

The CIBC merchant acquiring business is largely comparable to our merchant services offering. CIBC's service offerings include card processing services consisting of credit and debit card authorization and the capture of related transaction data, settlement and funding services, customer support services, terminal deployment, merchant statements and risk management. During 1999, this business processed approximately 800 million transactions from approximately 140,000 merchant locations in Canada.

The revenues of the business are generated by approximately 140,000 merchant locations, which are marketed through a combination of a direct sales force, referrals from CIBC's approximate 1,200 bank branch locations comprising CIBC's branch network and an independent sales organization. The merchants served by the business include leading North American grocers, specialty retailers, home furnishings retailers, automotive service station chains and department stores. For the 12 months ended October 31, 1999, CIBC's merchant acquiring business reported revenues of \$87 million (U.S.) and income before taxes of \$23 million (U.S.). For the nine months ended July 31, 2000, CIBC's merchant acquiring business had revenues of \$67 million (U.S.) and income before taxes of \$13 million (U.S.).

As part of our business strategy, we are focused upon internal and external opportunities to expand our merchant services product offering. This acquisition and our alliance with CIBC will provide us with a significant presence in the Canadian market, for which we presently have a modest share.

Additionally, management believes this acquisition will allow us to better leverage our fixed cost infrastructure and cross-sell both companies' services in the United States and Canada.

Divestiture of Card Issuing Business

We recently divested our card issuing business for cash consideration approximately equal to the net book value. Revenues related to those services were approximately \$8.8 million in fiscal 2000.

Summary Historical Combined Financial Data

The summary historical combined financial data of Global Payments set forth below should be read in conjunction with the Combined Financial Statements of the NDC eCommerce Business Segment, including the Notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this information statement.

The historical income statement data for each of the three years ended May 31, 2000 and the historical balance sheet data as of May 31, 2000 and 1999 are derived from the combined financial statements included elsewhere in this document that have been audited by Arthur Andersen LLP, NDC's and Global Payments' independent public accountants. The historical income statement data for the three months ended August 31, 2000 and 1999 and the years ended May 31, 1997 and 1996 and the historical balance sheet data as of August 31, 2000 and 1999 and May 31, 1998, 1997 and 1996 are derived from unaudited combined financial statements that have been prepared by management. Operating costs and expenses in the historical income statements reflect direct charges of the business together with certain allocations by NDC for corporate services, communication and other shared services that have been charged to our company based on usage or other methodologies appropriate for such expenses. In the opinion of management, these allocations have been

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made on a reasonable basis and approximate all the material incremental costs we would have incurred had we been operating on a stand-alone basis, except for the pro forma adjustments relating to the distribution included in the Pro Forma Combined Financial Statements included elsewhere in this information statement.

Summary Combined Financial Data

<TABLE>
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	Historical						
	Three Months Ended		Year Ended May 31,				
	August 31,						
	2000	1999	2000	1999	1998	1997	1996
	(In thousands except per share data)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue.....	\$ 87,191	\$ 89,828	\$340,033	\$330,051	\$291,547	\$257,679	\$180,924
Operating expenses:							
Cost of service.....	45,881	46,022	181,479	169,805	153,518	142,479	95,588
Sales, general and administrative.....	24,728	23,267	95,342	83,571	80,055	75,622	61,315
Operating income.....	16,582	20,539	63,212	76,675	57,974	39,578	24,021
Other income (expense), net.....	(2,518)	(2,321)	(9,440)	(10,074)	(7,366)	(3,134)	2,261
Earnings before income taxes.....	14,064	18,218	53,772	66,601	50,608	36,444	26,282
Provision for income taxes.....	5,415	7,014	20,725	25,265	19,531	13,811	8,715
Net income.....	\$ 8,649	\$ 11,204	\$ 33,047	\$ 41,336	\$ 31,077	\$ 22,633	\$ 17,567
Basic earnings per share(1).....	\$ 0.33	\$ 0.41	\$ 1.24	\$ 1.53	\$ 1.21	\$ 0.93	\$ 0.73
Total assets.....	\$ 285,850	\$ 298,706	\$287,946	\$289,667	\$276,753	\$260,134	\$249,292
Due to NDC.....	\$ 75,014	\$ 89,875	\$ 96,125	\$ 89,375	\$109,375	\$ 71,875	\$ 15,000
Line of Credit.....	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Long-term obligations...	\$ 6,506	\$ 8,882	\$ 7,232	\$ 15,774	\$ 6,616	\$ 5,067	\$ 7,876
Total shareholder's equity.....	\$ 132,690	\$ 106,062	\$120,885	\$108,013	\$ 84,896	\$104,044	\$168,861

</TABLE>

(1) Using the distribution ratio of 0.8 of a share of Global Payments common

stock for each share of NDC common stock held. Weighted average shares outstanding is computed by applying the distribution ratio to the historical NDC weighted average shares outstanding for all periods presented.

Summary Pro Forma Combined Financial Data (Unaudited)

The summary pro forma combined financial data reflects adjustments to the historical combined balance sheet of Global Payments as if the distribution to shareholders and the acquisition of CIBC's merchant acquiring business had occurred on August 31, 2000 and to the historical combined income statements of Global Payments as if the distribution and the acquisition had occurred on June 1, 1999. The summary pro forma combined financial data should be read in conjunction with the Pro Forma Combined Financial Statements, including the Notes thereto, included elsewhere in this information statement.

Summary Pro Forma Combined Financial Data(2)

<TABLE>
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	Three Months Ended August 31, 2000			Year Ended May 31, 2000		
	Historical	Pro Forma(3)	Pro Forma As Adjusted(4)	Historical	Pro Forma(3)	Pro Forma As Adjusted(4)
(In thousands, except per share data)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue.....	\$ 87,191	\$ 87,191	\$112,928	\$340,033	\$340,033	\$430,796
Operating expenses:						
Cost of service.....	45,881	45,881	61,250	181,479	181,479	237,227
Sales, general and administrative.....	24,728	25,051	27,591	95,342	99,039	110,018
Operating income.....	16,582	16,259	24,087	63,212	59,515	83,551
Other income (expense), net.....	(2,518)	(2,932)	(4,778)	(9,440)	(10,073)	(14,821)
Earnings before income taxes.....	14,064	13,327	19,309	53,772	49,442	68,730
Provision for income taxes.....	5,415	5,131	7,805	20,725	19,058	27,711
Net income.....	\$ 8,649	\$ 8,196	\$ 11,504	\$ 33,047	\$ 30,384	\$ 41,019
Basic earnings per share(1).....	\$ 0.33	\$ 0.31	\$ 0.32(5)	\$ 1.24	\$ 1.14	\$ 1.14
Total assets.....	\$285,850	\$285,850	\$434,090	\$287,946	\$287,946	
Due to NDC.....	\$ 75,014	\$ --	\$ --	\$ 96,125	\$ --	
Line of Credit.....	\$ --	\$ 75,014	\$ 75,014	\$ --	\$ 96,125	
Long-term obligations...	\$ 6,506	\$ 6,506	\$ 8,335	\$ 7,232	\$ 7,232	
Total shareholders' equity.....	\$132,690	\$132,690	\$269,536	\$120,885	\$120,885	

</TABLE>

- (1) Using the distribution ratio of 0.8 of a share of Global Payments common stock for each share of NDC common stock held. Weighted average shares outstanding is computed by applying the distribution ratio to the historical NDC weighted average shares outstanding for all periods presented.
- (2) For further detail of pro forma adjustments, see pages F-20 through F-25.
- (3) Gives effect to the distribution as if it had occurred on June 1, 1999 for the combined income statements and August 31, 2000 for the combined balance sheet.
- (4) Gives effect to the distribution and the acquisition of CIBC's merchant acquiring business as if it had occurred on June 1, 1999 for the combined income statements and August 31, 2000 for the combined balance sheet.
- (5) As presented above, the acquisition is accretive to our basic earnings per share, and management believes, assuming operating synergies can be achieved following the acquisition, that the acquisition will continue to be accretive in the future.

Quarterly Pro Forma Combined Financial Data

<TABLE>
<CAPTION>

Quarter Ended	Historical	Pro Forma(2)	Pro Forma As Adjusted(3)
-----	-----	-----	-----

(In thousands, except per share data)

<S>	<C>	<C>	<C>
Revenues:			
August 31, 1999.....	\$ 89,828	\$ 89,828	\$114,397
November 30, 1999.....	84,174	84,174	106,107
February 28, 2000.....	81,827	81,827	103,837
May 31, 2000.....	84,204	84,204	106,455
	-----	-----	-----
	\$340,033	\$340,033	\$430,796
	=====	=====	=====
Operating Income:			
August 31, 1999.....	\$ 20,539	\$ 19,551	\$ 28,776
November 30, 1999.....	15,275	14,235	19,184
February 28, 2000.....	13,420	12,509	17,061
May 31, 2000.....	13,978	13,220	18,530
	-----	-----	-----
	\$ 63,212	\$ 59,515	\$ 83,551
	=====	=====	=====
Net Income:			
August 31, 1999.....	\$ 11,204	\$ 10,499	\$ 14,979
November 30, 1999.....	8,023	7,286	9,353
February 28, 2000.....	6,930	6,272	8,109
May 31, 2000.....	6,890	6,327	8,577
	-----	-----	-----
	\$ 33,047	\$ 30,384	\$ 41,019
	=====	=====	=====
Basic Earnings Per Share(1):			
August 31, 1999.....	\$ 0.41	\$ 0.39	\$ 0.41
November 30, 1999.....	0.30	0.27	0.26
February 28, 2000.....	0.26	0.24	0.23
May 31, 2000.....	0.26	0.24	0.24
	-----	-----	-----
	\$ 1.24	\$ 1.14	\$ 1.14
	=====	=====	=====

</TABLE>

- - - - -

- (1) Using the distribution ratio of 0.8 of a share of Global Payments common stock for each share of NDC common stock held. Weighted average shares outstanding is computed by applying the distribution ratio to the historical NDC weighted average shares outstanding for all periods presented.
- (2) Gives effect to the distribution as if it had occurred on June 1, 1999 for the combined income statements and August 31, 2000 for the combined balance sheet.
- (3) Gives effect to the distribution and the acquisition of CIBC's merchant acquiring business as if it had occurred on June 1, 1999 for the combined income statements and August 31, 2000 for the combined balance sheet.

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RISK FACTORS

The distribution and ownership of our common stock involve risks. Our business, financial condition or results of operations could be adversely affected by any of the following risks. In addition, you should keep in mind that the risks described below are not the only risks that we face. The risks described below are the risks that we currently believe are material risks of ownership of our common stock; however, additional risks not presently known to us, or risks that we currently believe are not material, may also impair our business operations.

Risks Relating To The Distribution

Our shares of common stock may not trade on the NYSE at a price that reflects the distribution ratio.

It could be assumed that our common stock would initially trade at a price equal to a percentage of the price of NDC's shares, based on the distribution ratio. We cannot assure you that this will be the case, or that our shares will be actively traded. Some of the NDC stockholders who receive our shares may decide that they do not want shares in Global Payments, and may sell their shares immediately following the distribution. This may delay the development of an orderly trading market in the Global Payments shares for a period of time following the distribution. Until the Global Payments shares are fully distributed and an orderly market develops, the prices at which the Global Payments shares trade may fluctuate significantly and may be lower or higher than the price that would be expected based on the distribution ratio. In addition, the price of our shares may be depressed until investors have an opportunity to fully familiarize themselves with our business and how it relates to and competes within the electronic payments industry.

If the distribution fails to qualify as a tax-free transaction, you and NDC could be subject to substantial tax liability

NDC has received a tax ruling relating to the qualification of the distribution as a tax-free distribution within the meaning of Section 355 of the Internal Revenue Code, which generally is binding on the IRS. However, the continuing validity of a tax ruling is subject to certain factual representations and assumptions. If the distribution were not to qualify as a tax-free distribution, NDC would recognize taxable gain equal to the excess of the fair market value of our common stock distributed to NDC's stockholders over NDC's tax basis in the stock. In addition, each NDC stockholder who receives our common stock in the distribution would generally be treated as receiving a taxable distribution in an amount equal to the fair market value of the stock.

If the distribution qualified under Section 355 of the Code but was disqualified as tax-free to NDC because of certain post-distribution circumstances, such as an acquisition of Global Payments within two years after the distribution that, together with the distribution, is treated as pursuant to a single plan, NDC would recognize taxable gain but the distribution would generally remain tax-free to each NDC stockholder.

Although any U.S. federal income taxes imposed in connection with the distribution generally would be imposed on NDC and its stockholders, we would be liable for all or a portion of such taxes in the following circumstances:

- . First, as part of the distribution, NDC and our company will enter into a tax sharing and indemnification agreement. This agreement will generally allocate, between NDC and us, the taxes and liabilities relating to the failure of the distribution to be tax-free. In addition, under the tax sharing agreement, if the distribution fails to qualify as a tax-free distribution because of an acquisition of our stock or assets, or some other action of ours, then we will be solely liable for any resulting corporate taxes. For a more complete discussion of the allocation of taxes and liabilities between NDC and us under the tax sharing agreement, please see "Relationship Between NDC and Global Payments Following the Distribution--Tax Sharing and Indemnification Agreement."

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- . Second, aside from the tax sharing agreement, under U.S. federal income tax laws, we and NDC would be jointly and severally liable for NDC's federal income taxes resulting from the distribution being taxable. This means that even if we do not have to indemnify NDC for any tax liabilities if the distribution fails to be tax-free, we may still be liable for any part of, including the whole amount of, these liabilities and expenses if NDC fails to pay them.

The cost of operations reflected in the historical financial statements included in this information statement are based on an allocation of a portion of NDC's costs to our business and may not accurately reflect what our actual costs will be in the future

Prior to the distribution, our business was operated by NDC as a part of its broader corporate organization rather than as a stand-alone company. NDC assisted us by providing financing as well as other corporate and other related allocated services. Following the distribution, NDC will provide us telecommunications and transaction processing services, systems support, tax return preparation support, and various corporate support services during a transition period.

We are in the process of creating our own business functions to replace those NDC will provide to us. We may not be able to develop these same functions at the same cost as NDC.

In addition to our operational costs, our historical financial information also contains other assumptions about our expenses that may change after the distribution:

- . our consolidated financial statements reflect allocations, primarily with respect to corporate overhead, for services provided to us by NDC, which may not reflect the actual costs we will incur for similar services as a stand-alone company;
- . in our consolidated financial statements we recorded a portion of the debt and related interest expense of NDC for those periods, which allocations do not reflect the actual financing costs we will incur as a stand-alone company; and
- . the financial information does not reflect changes that we expect to occur in the future as a result of our separation from NDC, including changes in how we fund our operations as well as tax and employee matters.

Therefore, no assumptions regarding our future performance should be made based on our consolidated financial statements. For additional information about our past financial performance and the basis of presentation of our consolidated financial statements, including our estimates of interest expense, please see "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes thereto included elsewhere in this information statement.

We have not yet executed our credit agreement, and will not complete the transaction unless it is fully executed before the distribution

We have a commitment from a syndicate of financial institutions for a \$110 million revolving line of credit. This line of credit is needed to fund the cash dividend we must make to NDC to fund our share of NDC's pre-distribution debt, and is also needed for our working capital and acquisition needs after the distribution. Based on this commitment, we have negotiated a credit agreement with the financial institutions; however, the credit agreement will not be executed until immediately prior to the distribution, which is scheduled for , 2000. If for any reason we or the financial institutions fail to execute the credit agreement, the distribution could be delayed.

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Risks Relating to Global Payments

The integration of the operations of CIBC's merchant acquiring business could result in increased operating costs if the anticipated synergies of operating both businesses as one are not achieved, a loss of strategic opportunities if management is distracted by the integration process, and a loss of customers if our service levels drop during or following the integration process.

Following the distribution, we will complete the acquisition of the merchant acquiring business of CIBC. The integration of CIBC's business with ours presents several challenges, including the fact that it is almost entirely based in Canada, where we currently have limited operations. If the integration process does not proceed smoothly, the following factors could reduce our revenues, increase our operating costs and result in a loss of the projected synergies of operating the two businesses as one:

- . if we are not successful in integrating the benefits plans, duties and responsibilities, and other factors of interest to the management and employees of the acquired business, we could lose employees to our competitors in Canada, which could significantly affect our ability to operate the business and complete the integration;
- . if the integration process causes any delays with the delivery of our services, or the quality of those services, we could lose customers to our competitors; and
- . completing the distribution, the acquisition and the related integration, could divert the attention of our management from other strategic matters including possible acquisitions and alliances, and planning for new product development or expansion into new electronic payments markets.

Following the acquisition of 26.25% of our common stock by CIBC, certain U.S. banking regulations will limit the types of business in which we can engage.

Following the acquisition of 26.25% of our common stock by CIBC, technically we will be considered as though we were a subsidiary of CIBC for purposes of certain U.S. banking regulations, and will be subject to the same restrictions on our business activities as are applicable to CIBC. As a general matter, we will be able to operate our merchant service and funds transfer businesses as we have historically but our ability to expand into unrelated businesses may be limited unless they are activities the act allows or the Federal Reserve Board (the primary U.S. federal regulator for CIBC and its U.S.-based subsidiaries) approves. The applicable regulations are interpreted to mean that a company will be deemed a subsidiary of a bank holding company, and therefore subject to the regulations, if the bank holding company owns 25% or more of the equity of a company. These restrictions are contained in the Bank Holding Company Act, as recently amended by the Gramm-Leach-Bliley Act. The restrictions on our business activities would also apply to any investments or alliances that we might consider.

The Bank Holding Company Act limits CIBC and its subsidiaries to activities that are closely related to the business of banking. Under the Gramm-Leach-Bliley amendments, certain well managed and well capitalized companies may elect to be treated as "financial holding companies," and may thus also engage in certain financial activities such as insurance and securities underwriting. CIBC has elected to be a financial holding company. If CIBC ever fails to maintain its status as a financial holding company, they and we would lose the

benefit of the expanded activities provided by the Gramm-Leach-Bliley amendments and may have to divest of certain businesses or investments.

In being considered a subsidiary of CIBC for purposes of certain U.S. banking regulations, we will be subject to supervision and examination by the Federal Reserve Board. We and CIBC will be required to comply with the Federal Reserve Board's regulatory requirements prior to commencing new activities, engaging in acquisitions or making new investments. Should CIBC fail to be in compliance with the Federal Reserve Board's regulatory requirements, it could affect our ability to obtain necessary approvals or clearances. Such limitations could impede our ability to compete with other companies not subject to such restrictions.

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Additionally, CIBC is subject to Canadian banking regulations, specifically the Bank Act (Canada), which among other things limits the types of the business which CIBC may conduct, directly or indirectly, and the types of investments which CIBC may make. CIBC's shareholding in our company is currently permissible pursuant to certain provisions of the Bank Act.

The Government of Canada had proposed, prior to Canada's recent federal election, certain amendments to the Bank Act and related legislation. It is anticipated that such legislation will be reintroduced in the Canadian Parliament in substantially the same form next year. Under such legislation CIBC will be permitted to continue to hold its interest in us, as long as the business undertaken by us is consistent with the applicable provisions of the Bank Act. If we undertake businesses inconsistent with the businesses in which CIBC is permitted to hold an interest, CIBC may be required, pursuant to the provisions of the Bank Act, to dispose of its shares prior to the expiration of the restrictions on re-sale that we have negotiated with CIBC.

We have agreed with CIBC, in effect, that we will not undertake any business inconsistent with the permitted investment provisions of the Bank Act. Our ability to expand into other businesses will be governed by the undertaking and the applicable provisions of the Canadian banking legislation at the relevant time. For a more complete discussion of the banking regulations we are subject to please see "Business--Banking Regulations."

With the acquisition of CIBC's merchant acquiring business, we will be exposed to foreign currency risks and risks from our variable rate credit facility with CIBC that could reduce our earnings and significantly increase our cost of capital.

After we acquire the assets of CIBC's merchant acquiring business, we will have significant operations in Canada which will be denominated in Canadian dollars. The repatriation of our earnings in Canada will subject us to the risk that currency exchange rates between Canada and the United States will fluctuate and we will lose some of our earnings when they are exchanged into U.S. dollars. Additionally, our credit facility with CIBC will carry an interest rate based on Canadian Dollar LIBOR (C\$LIBOR). This rate will fluctuate with market rates, and if it increases, our cost of capital will also increase which will reduce our earnings from operations. The credit facility will have an initial term of 364 days and is renewable only at the consent of CIBC. CIBC may choose not to renew the credit facility at which point we will have to find alternative financing or fund the Canadian merchants ourselves. Alternative financing may carry a higher interest rate which would reduce our earnings from operations. We may not have the cash flow necessary to fund the Canadian merchants ourselves, and we may lose those customers as a result.

After the acquisition, we will be dependent on CIBC to continue to provide services to merchants under a transition arrangement, and the failure of CIBC to provide those services could result in our loss of the business of the merchants we are receiving in the acquisition.

Following the acquisition, CIBC will continue to provide some services to the merchants included in the merchant acquiring business we are acquiring from CIBC. If CIBC does not provide those services in a satisfactory manner we may not be able to perform such services ourselves and may not be able to find other third party service providers. In that instance, the merchants may terminate their contracts with us and move their business to another electronic processing provider, which could have a significant effect on our revenues and earnings.

In order for us to continue to grow and increase our profitability, we must continue to expand our share of the existing electronic payments market and also expand into new markets, including internet payment systems

Our future growth and profitability depends upon our continued expansion within the electronic payments markets in which we currently operate, the further expansion of these markets, the emergence of other markets for electronic transaction processing, including internet payment systems, and our ability to penetrate these markets. As part of our strategy to achieve this

expansion, we are continually looking for acquisition opportunities, investments and alliance relationships with other businesses that will allow us to increase our

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market penetration, technological capabilities, product offerings and distribution capabilities. We may not be able to successfully identify suitable acquisition, investment and alliance candidates in the future, and if we do, they may not provide us with the benefits we anticipated. Once completed, investments and alliances may not realize the value that we expect.

Our expansion into new markets is also dependent upon our ability to apply our existing technology or to develop new applications to meet the particular service needs of each new payment services market. We may not have adequate financial and technological resources to develop products and distribution channels that will satisfy the demands of these new markets. If we fail to expand into new and existing electronic payments markets, we will not be able to continue to grow our revenues and earnings.

In order to remain competitive and continue to grow our revenues, we must continually update our products and services, a process which could result in increased research and development costs in excess of historical levels and the loss of revenues and customers if the new products and services do not perform as intended or are not accepted in the marketplace.

The electronic payments market in which we compete includes a wide range of products and services including electronic transaction processing, reporting on transactions and other customer support services. The market is characterized by technological change, new product introductions, evolving industry standards and changing customer needs. In order to remain competitive, we are continually involved in a number of research and developments projects. These projects carry the risks associated with any research and development effort, including cost overruns, delays in delivery and performance problems, but in the electronic payments market these risks are even more acute. Our market is constantly experiencing rapid technological change. Any delay in the delivery of new products or services could render them less desirable by our customers, or possibly even obsolete. In addition, the products and services we deliver to the electronic payments market are designed to process very complex transactions and deliver reports and other information on those transactions, all at very high volumes and processing speeds. Any performance issue that arises with a new product or service could result in significant processing or reporting errors. As a result of these factors, our research and development efforts could result in increased costs that could reduce our operating profit, a loss of revenue if promised new products are not timely delivered to our customers, or a loss of revenue or possible claims for damages if new products and services do not perform as anticipated.

Some of our competitors are larger and have greater financial and operational resources than we do which may give them an advantage in our market in terms of the price offered to customers or the ability to develop new technologies.

We operate in the payments systems industry. Our primary competitors in this industry include other independent processors, as well as certain major national and regional banks, financial institutions and independent sales organizations. According to industry reports such as The Nilson Report, First Data Corporation and its affiliates is the largest competitor in our industry. First Data and others who are larger than we are, have greater financial and operational resources than we have. This may allow them to offer better pricing terms to customers in the industry, which could result in a loss of our potential or current customers or could force us to lower our prices as well. Either of these actions could have a significant affect on our revenues. In addition, larger competitors have the ability to devote more financial and operational resources than we can to the development of new technologies, including Internet payment processing services, that provide improved operating functionality and features to their product and service offerings. If successful, their development efforts could render our product and services offerings less desirable to customers, again resulting in the loss of customers or a reduction in the price we could demand for our offerings.

We are dependent on NDC for the provision of critical telecommunications services, network systems and other related services for the operation of our business, and the failure of NDC to provide those services in a satisfactory manner could affect our relationships with customers and our financial performance.

Under the terms of the intercompany systems/network services agreement between NDC and us, NDC will provide us with a continuation of the telecommunication services from the carriers who have and will continue

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to provide telecommunication services to NDC, including engineering and procurement. In addition, NDC will supply us with the necessary network

systems services, including operations and administrative services and computing hardware and software facilities, technical support for transaction processing, cash management and file transfer and communications hardware and software system services. See "The Distribution--Intercompany Systems/Network Services Agreement." These services, especially telecommunications services, are an essential communications link between us and our customers and an essential component of the services that we provide. If NDC should not continue to perform these services efficiently and effectively, our relationships with our customers may be adversely affected and customers may terminate their use of our services. If we are not able to successfully develop the capacity to provide these services prior to the expiration of our agreement with NDC or if NDC does not provide such services in an efficient and effective manner during the term of that agreement, we are not certain whether we could locate alternative sources of such services, particularly telecommunications services, or that, if available, such services would be available on favorable terms.

Our revenues from the sale of services to VISA and MasterCard organizations are dependent upon our continued VISA and MasterCard certification and financial institution sponsorship.

In order to provide our transaction processing services, we must be designated a certified processor by, and be a member service provider of, MasterCard and an independent sales organization of VISA. This designation is dependent upon our being sponsored by member clearing banks of both organizations and our continuing adherence to the standards of the VISA and MasterCard associations. The member financial institutions of VISA and MasterCard, some of which are our competitors, set the standards with which we must comply. If we fail to comply with these standards, our designation as a certified processor, a member service provider or as an independent sales organization could be suspended or terminated. The termination of our member service provider status or our status as a certified processor, or any changes in the VISA and MasterCard rules that prevent our registration or otherwise limit our ability to provide transaction processing and marketing services for the VISA or MasterCard organizations would most likely result in the loss of these organizations as customers and lead to a reduction in our revenues.

Increases in credit card association fees may result in the loss of customers or a reduction in our profit margin.

From time to time, VISA and MasterCard increase the fees (interchange fees) that they charge processors such as us. We could attempt to pass these increases along to our merchant customers, but this might result in the loss of those customers to our competitors who do not pass along the increases. If competitive practices prevent our passing along all such increased fees to our merchant customers in the future, we would have to absorb a portion of such increases thereby increasing our operating costs and reducing our profit margin.

We may become subject to additional U.S. state taxes that cannot be passed through to our merchant customers, in which case our profitability could be adversely affected.

Transaction processing companies like us may be subject to taxation by various U.S. states on certain portions of our fees charged to customers for our services. Application of this tax is an emerging issue in our industry and the states have not yet adopted uniform regulations on this topic. If we are required to pay such taxes and are not able to pass the tax expense through to our merchant customers, our operating costs will increase, reducing our profit margin.

Anti-takeover provisions of our articles of incorporation and by-laws, our rights agreement and provisions of Georgia law could delay or prevent a change of control that you may favor

Provisions of our articles of incorporation and by-laws, our rights agreement and provisions of applicable Georgia law, which will be in effect after the distribution, may discourage, delay or prevent a merger or other change of control that shareholders may consider favorable. The provisions of our articles and by-laws, among other things, will

- . divide our board of directors into three classes, with members of each class to be elected in staggered three-year terms;

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- . limit the right of shareholders to remove directors;
- . regulate how shareholders may present proposals or nominate directors for election at annual meetings of shareholders; and
- . authorize our board of directors to issue preferred shares in one or more series, without shareholder approval.

Please see "Relationship Between NDC and Global Payments Following the Distribution--Distribution Agreement," "Description of Global Payments Capital Stock" and "Anti-takeover Effects of Our Articles of Incorporation, By-laws, Rights Agreement and Georgia Law" for a more detailed description of these agreements and provisions.

Also, under Section 355(e) of the Internal Revenue Code the distribution would be treated as a taxable transaction if one or more persons acquire directly or indirectly 50% or more of our or NDC's stock (measured by vote or value) as part of a plan or series of related transactions that is linked to the distribution under the rules of Section 355(e). For this purpose, any acquisitions of our stock or NDC stock within two years before or after the distribution are presumed to be part of such a plan, although NDC or we may be able to rebut that presumption. If such an acquisition of our stock triggers the application of Section 355(e), under the tax sharing agreement, we would be required to indemnify NDC for the resulting tax. This indemnity obligation might discourage, delay or prevent a change of control that shareholders may consider favorable. Please see "The Distribution--Certain Federal Income Tax Consequences" and "Relationship Between NDC and Global Payments Following the Distribution--Tax Sharing and Indemnification Agreement" for a more detailed discussion of Section 355(e) of the Code and the tax sharing agreement.

We may not be able or we may decide not to pay dividends at a level anticipated by shareholders on our common stock, which could reduce your return on shares you hold.

The payment of dividends is at the discretion of our board of directors and will be subject to our financial results, our working capital requirements, the availability of surplus funds to pay dividends and restrictions under our credit facility. No assurance can be given that we will be able to or will choose to pay any dividends in the foreseeable future. See "Dividend Policy" and "Management's Discussion and Analysis of Financial Condition and Results of Operations--Credit Facility."

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FORWARD LOOKING STATEMENTS

When used in this information statement, in documents that we incorporate by reference and elsewhere by our management, from time to time, the words "believes," "anticipates," "expects," "intends" and similar expressions are intended to identify forward-looking statements concerning our business operations, economic performance and financial condition, including in particular, our business strategy and means to implement the strategy, our objectives, the amount of future capital expenditures, the likelihood of our success in developing and introducing new products and expanding our business, and the timing of the introduction of new and modified products or services. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These statements are based on a number of assumptions and estimates that are inherently subject to significant risks and uncertainties, many of which are beyond our control, cannot be foreseen, and reflect future business decisions that are subject to change. As a result of a variety of factors, actual results could differ materially from those anticipated in our forward-looking statements. The factors that could affect our results include: (a) those set forth under the heading "Risk Factors" in this information statement; and (b) those set forth from time to time in our press releases and reports and other filings made with the Securities and Exchange Commission. We caution that such factors are not exclusive. All of the forward-looking statements made herein are qualified by these cautionary statements and readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

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THE DISTRIBUTION

On _____, 2000, NDC's Board of Directors declared a pro rata distribution, payable to the holders of record of NDC common stock at the close of business on the record date of _____, 2000, equal to 0.8 of a share of common stock of Global Payments for every share of NDC common stock outstanding on the record date. The distribution will be effective at 11:59 p.m., Eastern Standard Time, on _____, 2000. Stock certificates representing the Global Payments shares will be mailed to record holders by SunTrust Bank shortly after the effective date of the distribution. Global Payments shares should be credited to accounts with stockbrokers, banks or nominees of NDC stockholders that are not record holders on or about _____, 2000.

Reasons for the Distribution

The board of directors and management of NDC believe that the distribution is in the best interests of NDC's stockholders. The following discussion is a summary of the reasons considered by the board in reaching this conclusion.

NDC has been engaged in both the health information services and eCommerce businesses for more than two decades. In the last five years there has been a significant expansion in the range of products and services as well as the breadth of distribution channels for each line of business. The businesses have also been affected by market consolidation and specialization as well as by growing acceptance of the Internet by target markets and customers. As a result of these changes and other developments, NDC's previous reliance on common product development, common computer operations and support, and common marketing management for the two businesses began to cause operational and management challenges. NDC recognized that these changes called for dedicated management for each business that could focus on the unique opportunities and requirements of that business.

Several years ago NDC began a move toward specialization of operations and personnel by these two businesses. This movement toward specialization culminated in April 1999 in the establishment for business organizational purposes of two separate businesses, each with its own chief executive officer and separate line management, and the related alignment of common staff support. This realignment along business lines has culminated with NDC's decision to separate its two businesses through the proposed distribution of the eCommerce business. Some of the benefits anticipated from the distribution include:

- . Management Focus. The distribution will facilitate and promote greater management focus. In the last two years, in its efforts to increase management focus, NDC appointed additional separate management--a chief executive officer and key operations management--for each of the two businesses. However, NDC concluded that the limitations and conflicts resulting from the ownership of both businesses in a single consolidated group did not permit maximum focus in each line of business.
- . Conflicts Among, and Difficulties Setting Corporate Objectives and Allocations. The common ownership and control of the two businesses created difficulties in setting company-wide corporate objectives. Even though NDC's two businesses each had its own chief executive officer, those officers ultimately were responsible to and under the control of NDC's chief executive officer and board of directors, as well as being subject to judgments and requirements of common financial, legal, and human resources staffs. These corporate groups had a responsibility for both businesses, but lacked a specific focus on either. As a result, the ultimate decisions on major matters affecting each business, including allocations of capital, staff support, and other resources, had to be made by a group of persons whose time, energies, and priorities are shared among, as opposed to being directly tied to one of, these two disparate businesses.
- . Partiality of Customers and Business Partners. Customers are increasingly partial to doing business with companies whose top management is exclusively focused on the client's specific business. Similarly, potential business partners have a preference to partner with companies whose top management are focused on and understand the subtleties of their markets as they

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attempt to develop compatible products, services, and distribution models. The creation through the distribution of two separate, independent companies each with its own management team focused on their respective business should contribute significantly to remedying this impaired relationship with customers and business partners.

- . Recruitment of Key Personnel. Being a hybrid company has impaired the ability of NDC to effectively recruit and secure middle and professional-level personnel. NDC has experienced significant competition in recruiting new personnel, particularly from single-business competitors offering incentive competition directly tied to the success of the more narrowly focused business involved.
- . Retention of Key Personnel. Similar to recruitment, NDC has experienced added difficulties in the retention of key personnel, particularly given the perceived attractiveness and perceived advantages in today's environment of working for a singularly focused as opposed to hybrid organization.
- . Differing Markets and Customers. NDC's two businesses engage in businesses in distinct and differing markets with widely differing customers. The ability of a single corporate management team and board of directors to understand market trends and to focus on and successfully operate across those businesses has become increasingly difficult as the nature of the businesses become more complex and diverging.
- . Disparate Business Models. The two businesses compete in two wholly

differing competitive environments requiring increasingly disparate skill sets and experience. The creation of two separate and independent organizations through the spin-off of the eCommerce business will better enable us as well as the health information services business of NDC to identify, recruit, and retain management and supervisory personnel possessing the requisite skills and experience singularly focused on, dedicated to, and necessary to be competitive in the respective businesses.

- . Access to Capital Markets. NDC historically has accessed the capital markets at the parent company level. In turn, within that corporate structure, the health information services and eCommerce businesses have financed their capital needs through intercompany debt and annual predetermined budgeting mechanisms. To obtain financing, each business currently competes with the other for a finite amount of capital within the current corporate structure. As NDC is presently organized, it would be difficult for the health information services and eCommerce businesses to separately raise necessary capital on the most attractive terms for their respective growth and working capital needs based on the assets, performance, and prospects of their own business. The ability of NDC, and consequently the health information services and eCommerce businesses, to raise capital is largely interdependent and co-dependent of the combined assets, performance, and prospects of the two businesses. The distribution of Global Payments into a separate, stand-alone, public company will permit the two businesses to look to and to raise capital from the public and private capital markets based on the merits and prospects of its own business without regard to the other.

Manner of Effecting the Distribution

The general terms and conditions relating to the distribution are set forth in a Distribution Agreement between NDC and Global Payments. For a detailed discussion of the terms of the agreement see "Relationship Between NDC and Global Payments Following the Distribution--Distribution Agreement" beginning on page 20.

The actual total number of Global Payments shares to be distributed will depend on the number of NDC shares outstanding on the record date. Options to purchase NDC shares held by NDC employees who will become Global Payments employees will, under certain conditions, be replaced by options to purchase Global Payments shares. See "Relationship Between NDC and Global Payments Following the Distribution-- Employee Benefits Agreement" beginning on page 22.

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Fractional shares of Global Payments will not be issued. For those stockholders who own a fractional NDC share as of the record date, the distribution agent will aggregate all fractional Global Payments shares that they are otherwise entitled to into whole shares, and will sell such whole shares in the open market at then prevailing prices. All stockholders who were entitled to receive fractional shares of our stock will receive cash in the amount of their pro rata share of the total sale proceeds, net of brokerage commissions. Such sales are expected to be made as soon as practicable after the mailing of the stock certificates to the record holders.

No NDC stockholder will be required to pay any cash or other consideration for the Global Payments shares received in the distribution, or to surrender or exchange NDC shares in order to receive Global Payments shares. The distribution will not affect the number of, or the rights attaching to, outstanding NDC shares. No vote of NDC stockholders is required or sought in connection with the distribution, and NDC stockholders will have no appraisal rights in connection with the distribution.

Results of the Distribution

After the distribution, Global Payments will be a separate public company. Immediately after the distribution, Global Payments expects to have approximately _____ holders of record of Global Payments shares and approximately _____ Global Payments shares outstanding, based on the number of stockholders of record and outstanding NDC shares on _____, 2000. The actual number of Global Payments shares to be distributed will be determined as of the record date.

The distribution will not affect the number of outstanding NDC shares or any rights of NDC stockholders.

Listing and Trading of the Global Payments Shares

The Global Payments shares have been approved for listing on the New York Stock Exchange, subject to official notice of issuance, under the symbol "GPN." Prior to the distribution, we do not expect any public trading market for shares to exist, except that beginning on _____, 2000, the Global Payments shares are expected to trade on a "when-issued" basis on the New York

Stock Exchange for settlement when the distribution occurs. The term "when-issued" means trading in shares prior to the time the Global Payments shares are actually available or issued. If the distribution conditions are not satisfied and the Global Payments shares are not distributed, all "when-issued" trading will become null and void. If the distribution closes as planned, it is expected that "regular way" trading will commence on _____, 2000 at 9:30 a.m. New York time.

Some of the NDC stockholders who receive Global Payments shares may decide that they do not want shares in a company that provides our products and services, and may sell their Global Payments shares following the distribution. This may delay the development of an orderly trading market in the Global Payments shares for a period of time following the distribution. Until the Global Payments shares are fully distributed and an orderly market develops, the prices at which the Global Payments shares trade may fluctuate significantly and may be lower or higher than the price that would be expected for a fully distributed issue. Prices for Global Payments shares will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity of the market for the Global Payments shares, Global Payments' results of operations, investors' perception of Global Payments, its products and services, the amount of dividends that Global Payments pays, changes in economic conditions in our industry and general economic and market conditions.

Following the distribution, NDC common stock will continue to be listed and traded on the New York Stock Exchange under the symbol "NDC." As a result of the distribution, the trading price of NDC common stock immediately following the distribution will likely be lower than the trading price of NDC common stock immediately prior to the distribution. Until the market has fully analyzed the operations of NDC without the operations of Global Payments, the prices at which NDC common stock trades may fluctuate significantly.

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Global Payments shares distributed to NDC stockholders will be freely transferable, except for Global Payments shares received by persons who may be deemed to be "affiliates" of Global Payments under the federal Securities Act of 1933. Persons who may be deemed to be affiliates of Global Payments after the distribution generally include individuals or entities that control, are controlled by, or are under common control with Global Payments and may include certain directors, officers and significant shareholders of Global Payments. Persons who are affiliates of Global Payments will be permitted to sell their Global Payments shares only pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act, such as the exemptions afforded by Section 4(1) of the Securities Act and the brokerage sales provisions of Rule 144 thereunder. We estimate that persons who may be deemed to be affiliates of Global Payments immediately after the distribution will beneficially own approximately

Global Payments shares, or less than % of the outstanding Global Payments shares. We estimate that persons who may be deemed to be affiliates of Global Payments immediately after the acquisition will beneficially own approximately Global Payments shares, or less than % of the outstanding Global Payments shares.

Certain Federal Income Tax Consequences

The following is a summary of the material U.S. federal income tax consequences of the distribution. It is not intended to address the tax consequences for every NDC stockholder. In particular, this summary does not cover state, local or non-U.S. income and other tax consequences. Accordingly, stockholders are strongly encouraged to consult their individual tax advisors for information on the tax consequences applicable to their individual situations. In addition, stockholders residing outside of the United States are encouraged to seek tax advice regarding the tax implications of the distribution.

NDC has received a tax ruling from the IRS stating in principle that, among other things, the distribution will qualify as a tax-free distribution under Section 355 of the Internal Revenue Code. In accordance with this tax ruling:

- . No gain or loss will be recognized by NDC upon the distribution of Global Payments common stock to NDC's stockholders.
- . No gain or loss will be recognized by NDC's stockholders as a result of their receipt of Global Payments common stock in the distribution except to the extent that a stockholder receives cash in lieu of any fractional shares.
- . A NDC stockholder who receives cash as a result of the sale of a fractional share of Global Payments common stock by the distribution agent on behalf of such stockholder will be treated as having received the fractional share in the distribution and then having sold the fractional share. Accordingly, the stockholder will recognize gain or loss equal to the difference between the cash received and the amount of

tax basis allocable (as described below) to the fractional share. Such gain or loss will be capital gain or loss if the fractional share would have been held by the stockholder as a capital asset.

- . A stockholder's tax basis in NDC common stock will be apportioned between NDC common stock and Global Payments common stock received in the distribution on the basis of the relative fair market values of the shares at the time of the distribution.
- . The holding period for capital gains purposes of Global Payments common stock received in the distribution will include the holding period of NDC common stock on which the distribution was made, provided that the stockholder holds the NDC common stock as a capital asset on the date of the distribution.

A tax ruling relating to the qualification of a spin-off as a tax-free distribution within the meaning of Section 355 of the code generally is binding on the IRS. However, the continuing validity of a tax ruling is subject to certain factual representations and assumptions. Neither we nor NDC are aware of any facts or circumstances that would cause the representations and assumptions contained in the tax ruling request made by NDC to be untrue.

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If the distribution were not to qualify as a tax-free distribution, NDC would recognize taxable gain equal to the excess of the fair market value of the Global Payments common stock distributed to NDC's stockholders over NDC's tax basis in the Global Payments common stock. In addition, each NDC stockholder who receives Global Payments common stock in the distribution would generally be treated as receiving a taxable distribution in an amount equal to the fair market value of Global Payments common stock.

Under Section 355(e) of the code, the distribution will be disqualified if one or more persons acquire directly or indirectly 50% or more of our or NDC's stock (measured by vote or value) as part of a plan or series of related transactions that is linked to the distribution under the rules of Section 355(e) of the code. Section 355(e) of the code also creates a rebuttable presumption that any acquisition that occurred two years before or after a Section 355(a) distribution is part of such a plan unless it is established that the distribution and acquisition are not pursuant to a plan or series of related transactions. If the distribution qualified under Section 355 of the code but was disqualified under Section 355(e) of the code, NDC would recognize taxable gain but the distribution would remain generally tax-free to each NDC stockholder. For example, if there is an acquisition of Global Payments within two years after the distribution that, together with the distribution, is treated as pursuant to a single plan, NDC would recognize taxable gain but the distribution would generally remain tax-free to each NDC stockholder. We are not aware of any such transactions that would violate Section 355(e) of the code and, therefore, trigger a gain. In addition, we and NDC have made representations in the tax sharing agreement that no transactions will occur in violation of Section 355(e) of the code. No assurance can be given, however, that such transactions will not occur within the two year period following the distribution. In the event that such transactions do occur, the party violating the representations contained in the tax sharing agreement will indemnify the other for any resulting tax liability.

The foregoing is only a summary of the material U.S. federal income tax consequences of the distribution under current law and is intended for general information only. Each NDC stockholder should consult his or her tax advisor as to the particular consequences of the distribution to such stockholder, including the application of state, local and non-U.S. tax laws, and as to possible changes in tax law that may affect the tax consequences described above.

REASONS FOR FURNISHING THIS DOCUMENT

This information statement is being furnished solely to provide information to NDC stockholders who will receive Global Payments shares in the distribution. It is not an inducement or encouragement to buy or sell any securities of NDC or Global Payments.

RELATIONSHIP BETWEEN NDC AND GLOBAL PAYMENTS FOLLOWING THE DISTRIBUTION

For purposes of governing certain of the ongoing relationships between NDC and Global Payments after the distribution and to provide for an orderly transition to the status of two independent companies, we will enter into the agreements described in this section with NDC. These agreements were negotiated before the distribution, and thus were negotiated between affiliated parties. We anticipate that the terms of these agreements will equitably reflect the benefits and costs of our ongoing relationship with NDC.

The forms of agreements summarized in this section are included as exhibits to the Registration Statement on Form 10 that we have filed with the Securities

and Exchange Commission. See "Where You Can Obtain Additional Information" beginning on page 70.

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Distribution Agreement

We will enter into a distribution agreement with NDC which details among other things the principal corporate transactions required to effect the distribution and certain other agreements relating to the continuing relationship between us and NDC after the distribution.

The distribution agreement provides that on or prior to the effective date of the distribution, NDC will have contributed to Global Payments all of the issued and outstanding capital stock of those subsidiaries conducting our business, and all assets, including intellectual property used in the conduct of NDC's electronic transaction processing and information systems and services business; and we will have issued to NDC that number of Global Payments shares equal to the amount of shares to be distributed in the distribution.

The distribution agreement also provides generally that all assets and liabilities of Global Payments and the business of providing electronic transaction processing and information systems and services conducted by NDC prior to the distribution will be vested solely in Global Payments after the distribution. NDC will have no interest in the assets and business of Global Payments and will have no obligation with respect to the liabilities of the business after the distribution. Similarly, Global Payments and its subsidiaries will have no interest in the assets of NDC's other businesses and will have no obligation with respect to the liabilities of NDC's businesses after the distribution.

Under the distribution agreement and effective as of the date of the distribution, we will assume, and will agree to indemnify NDC against, all liabilities, litigation and claims, including related insurance costs, arising out of our business, and NDC will retain, and will agree to indemnify us against, all liabilities, litigation and claims, including related insurance costs, arising out of NDC's businesses, excluding the NDC eCommerce business segment. An indemnified party may not recover from the other party if the liability is covered by proceeds received by the indemnified party from any third party insurance policy.

The distribution agreement provides that the distribution will not occur until all of the following conditions are satisfied or waived by the NDC board of directors:

- . A favorable tax ruling is received from the IRS;
- . The registration statement on Form 10, of which this information statement is a part, has been declared effective under the federal Securities Exchange Act;
- . The Global Payments board of directors named in this information statement has been elected and the Global Payments articles of incorporation and by-laws have been adopted and are in effect;
- . The Global Payments common stock has been approved for listing on the New York Stock Exchange, subject to official notice of issuance;
- . We have entered into an agreement establishing our new credit facility;
- . We have performed our obligations under the distribution agreement; and
- . No order shall have been issued, or be in effect, by any court preventing consummation of the distribution.

The tax ruling, the financing commitment, the effectiveness of the Form 10 and the approval for listing on the New York Stock Exchange of the Global Payments common stock have been received. Neither we nor NDC are aware of any material condition that has not been satisfied or will not be satisfied or waived in order to complete the distribution.

Following the satisfaction or waiver of the conditions enumerated above, the distribution agreement provides that on or prior to the effectiveness of the distribution, NDC will deliver to the distribution agent a certificate or certificates representing all of the outstanding shares of Global Payments common stock. NDC will instruct the distribution agent to distribute those shares on _____, 2000 or as soon thereafter as

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practicable in a proportion equal to 0.8 of a share of Global Payments common stock for each share of NDC common stock outstanding as of _____, 2000.

Tax Sharing and Indemnification Agreement

We will enter a tax sharing and indemnification agreement with NDC that will govern the allocation between the companies of federal, state, local, and foreign tax liabilities and related tax matters, such as the preparation and filing of tax returns and tax contests, for the taxable periods before and after the distribution.

The tax sharing agreement has the following provisions that concern events which might occur after the distribution that could have an adverse affect on the tax treatment of the distribution:

- . Each company will be responsible for, and will indemnify the other company from and against, any tax liability resulting from any action that may be inconsistent with the tax treatment of the contributions to capital and the distribution as contemplated in the IRS ruling request.
- . Each company will be responsible for, and will indemnify the other company from and against, any tax liability resulting from any breach of a factual statement or representation made by such indemnifying company to the IRS in connection with the IRS ruling request.
- . To maintain the tax-free treatment of the distribution, there are material limitations on transactions in which either company may be involved during the two year period following the distribution date. Specifically, during this two year period, a company may not engage in any of the following transactions unless they obtain (i) a private letter ruling from the IRS or an opinion from tax counsel providing that the transaction will not affect the tax-free treatment of the distribution and the preceding contributions of capital, and (ii) the consent of the other party to the tax sharing agreement:
 - . the liquidation or merger with another corporation,
 - . the issuance of more than 35% of the company's capital stock,
 - . the redemption, purchase, or reacquisition of the company's own capital stock,
 - . the disposition or sale, other than in the ordinary course of business, of more than 40% of the assets constituting the company's current trades or business being relied upon in the IRS ruling request,
 - . the discontinuance of the active conduct of the company's current trades or businesses being relied upon in the IRS ruling request; or
 - . any other transaction resulting in the direct or indirect acquisition of the indemnifying company's stock representing 50% or greater interest in such company within the meaning of Section 355(e) of the Internal Revenue Code.

If a company enters into any of these transactions, without the required IRS private letter ruling or opinion from tax counsel, or without the other party's consent, such company will be responsible for, and will indemnify the other company from and against, any tax liability resulting from any such transaction.

The Tax Sharing and Indemnification Agreement also contains the following technical provisions:

- . We will be responsible for the respective federal, state and foreign income tax liabilities attributable to any of Global Payments' subsidiaries relating to all taxable periods. Accordingly, we will indemnify NDC and its subsidiaries against any such tax liabilities attributable to any of our subsidiaries.
- . Similarly, NDC will be responsible for the respective federal, state and foreign income tax liabilities attributable to NDC or its subsidiaries relating to all taxable periods. Accordingly, NDC will

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indemnify us and our subsidiaries against any such tax liabilities attributable to any of NDC's remaining subsidiaries.

- . Any tax refund or tax benefit received by either company that is on account of or otherwise attributable to the other company will be paid by the receiving company to the other company.
- . Following the distribution, the company to which a tax return relates generally will be responsible for preparing and filing such return, with the other company providing the requisite information, assistance, and cooperation.
- . Each company generally will be responsible for handling, settling, and

contesting any tax liability for which it is liable under the terms of the tax sharing agreement.

Employee Benefits Agreement

We will enter into an employee benefits agreement with NDC concerning our employee benefits obligations in connection with the distribution. Under the agreement, we will assume certain liabilities for pension, welfare and other employee benefits with respect to our employees and agree to establish certain benefit plans for these individuals.

The employee benefits agreement does not preclude us from discontinuing or changing such plans, or establishing any new plans, at any time after the distribution. In addition, the agreement represents an agreement between NDC and us and does not create or establish any contract with, or other right or interest of, any of our employees or those of NDC or any other party with respect to employee benefits.

Retirement Plans

Effective before or immediately after the distribution, we will establish our own qualified defined contribution plan under Section 401(k) of the Internal Revenue Code, and nonqualified supplemental executive retirement plan, which generally will be the same as NDC's respective plans as in effect at that time. In addition, NDC will transfer to the Global Payments defined benefit pension plan a proportionate share of assets allocable to the accrued benefits for our employees under the NDC defined benefit pension plan. NDC also will transfer to the Global Payments 401(k) plan assets equal to the account balances under the NDC 401(k) plan of our employees. We will recognize the service and compensation of our employees that was recognized previously by the NDC retirement plans.

Effective as of the date of the distribution, our pilot supplemental executive retirement plan will assume and we will be solely responsible for the liabilities under the NDC supplemental executive retirement plan with respect to the applicable employees. NDC will have no liability after the effective date of the distribution for the accrued benefits of any Global Payments employee under the NDC supplemental executive retirement plan.

Health and Welfare Plans

As of the distribution, we will assume all liabilities and responsibilities for providing health and welfare benefits to our employees. Prior to the distribution, we understand that NDC will use its best efforts to have each insurance carrier that insures a NDC health or welfare plan issue a policy to us that is identical to the respective NDC policy.

Stock and Incentive Compensation Plans

In addition to the plans discussed above, we will establish certain nonqualified stock and incentive compensation plans and arrangements similar to those currently offered by NDC. These plans and arrangements include a long-term incentive plan providing for stock options and awards of restricted stock for employees and a stock option plan for non-employee directors. The treatment of awards or grants to our employees under

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NDC's stock-based plans is described below. We further intend to establish an employee stock purchase plan under Section 423 of the code for our employees that will allow them to invest in our future growth by purchasing Global Payments stock at a discount to market prices.

Stock Options

Pursuant to the employee benefits agreement, each stock option for NDC common stock granted under any of NDC's stock option plans and outstanding as of the date of the distribution will be adjusted to reflect the distribution as described below.

Each NDC option will be adjusted to reflect the effect of the distribution by multiplying the number of shares by a fraction:

- . the numerator of which is the fair market value of one share of NDC common stock immediately before giving effect to the distribution, determined by reference to the closing price of the NDC common stock trading "regular way" as reported on the New York Stock Exchange on the day prior to the "ex-dividend" date, and
- . the denominator of which is the fair market value of one share of NDC common stock immediately after giving effect to the distribution, determined by reference to the opening price of the NDC common stock trading "regular way" as reported on the New York Stock Exchange on the "ex-dividend" date.

The result will be rounded down to the nearest whole share. Similarly, the exercise price of the NDC option will be divided by the same fraction and rounded up to the nearest cent. Each adjusted NDC option will otherwise have the same terms and conditions as were applicable to the NDC option as of the close of the distribution.

For purposes of the option plans, each of our employees will be treated as if their employment had been terminated by NDC as of the date of the distribution. Any NDC option held by a Global Payments employee will be replaced with an option to acquire Global Payments common stock. Each replacement Global Payments stock option will have an aggregate intrinsic value equal to or less than the aggregate intrinsic value of the forfeited NDC option. Each replacement Global Payments option will have the same vesting and terms as the forfeited NDC option it replaces, except that:

- . the Global Payments option will be exercisable for the largest number of whole shares of Global Payments common stock determined by multiplying the number of shares of NDC common stock underlying the forfeited NDC option by a fraction:
- . the numerator of which is the fair market value of one share of NDC common stock immediately before giving effect to the distribution, determined by reference to the closing price of the NDC common stock trading "regular way" as reported on the New York Stock Exchange on the day prior to the "ex-dividend" date, and
- . the denominator of which is the fair market value of one share of Global Payments common stock immediately after giving effect to the distribution, determined by reference to the opening price of the Global Payments common stock trading "regular way" as reported on the New York Stock Exchange on the "ex-dividend" date; and
- . the exercise price for the Global Payments option will equal the amount obtained by dividing the exercise price of the forfeited NDC option by the same fraction, and rounding up to the nearest cent.

Because Mr. Yellowlees will have continuing responsibilities with Global Payments after the distribution as the Chairman of our Board of Directors, his NDC options (other than those that will expire shortly after the distribution, which will be adjusted as provided above) will be split into options to acquire Global Payments

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common stock and NDC common stock. His NDC options will be adjusted by dividing the exercise price by a fraction:

- . the numerator of which is the fair market value of one share of NDC common stock immediately before giving effect to the distribution, determined by reference to the closing price of the NDC common stock trading "regular way" as reported on the New York Stock Exchange on the day prior to the "ex-dividend" date, and
- . the denominator of which is the fair market value of one share of NDC common stock immediately after giving effect to the distribution, determined by reference to the opening price of the NDC common stock trading "regular way" as reported on the New York Stock Exchange on the "ex-dividend" date and rounding up to the nearest cent. All other terms of his NDC options, including the number of NDC shares underlying the option, and time for vesting and exercise, will remain unchanged.

In addition, for each NDC option held by Mr. Yellowlees at the close of the distribution (other than his NDC options that will expire shortly after the distribution), Global Payments will grant to him an option to acquire the largest number of whole shares of Global Payments common stock determined by multiplying the number of option shares underlying his NDC option by the number of shares of Global Payments common stock to be distributed for each one share of NDC common stock in the distribution. The exercise price of such Global Payments option will be determined by dividing the pre-adjustment exercise price of his NDC option by a fraction:

- . the numerator of which is the fair market value of one share of NDC common stock immediately before giving effect to the distribution, determined by reference to the closing price of the NDC common stock trading "regular way" as reported on the New York Stock Exchange on the day prior to the "ex-dividend" date, and
- . the denominator of which is the fair market value of one share of Global Payments common stock immediately after giving effect to the distribution, determined by reference to the opening price of the Global Payments common stock trading "regular way" as reported on the New York Stock Exchange on the "ex-dividend" date, and rounding up to the nearest cent.

All other terms of his Global Payments options, including the time for

vesting and exercise, will be the same as in his adjusted NDC options. The aggregate intrinsic value of Mr. Yellowlees' Global Payments options and NDC options immediately after giving effect to the distribution will not be greater than the aggregate intrinsic value of his NDC options immediately before giving effect to the distribution.

Restricted Stock Awards

Restricted stock awards held by NDC employees at the date of the distribution will not be affected by the distribution, except that the holders thereof will receive a distribution of Global Payments common stock as part of the distribution. Such shares of Global Payments common stock will bear the same restrictions and risks of forfeiture as apply to the shares of restricted NDC common stock as to which they were distributed.

For purposes of the restricted stock awards, each Global Payments employee will be treated as if their employment had been terminated by NDC as of the date of the distribution. Any NDC restricted stock award held by a Global Payments employee will be replaced with a Global Payments restricted stock award. Such replacement award will consist of the largest whole number of shares of Global Payments common stock determined by dividing the fair market value of the forfeited NDC restricted stock award immediately before giving effect to the distribution by the fair market value of one share of Global Payments common stock immediately after giving effect to the distribution, determined by reference to the opening price of the Global Payments common stock trading "regular way" as reported on the New York Stock Exchange on the "ex-dividend" date. Such replacement Global Payments restricted stock awards will have the same restrictions,

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terms and conditions (including the remaining vesting periods) as were applicable to the corresponding forfeited NDC restricted stock awards, except that references to employment will refer to employment by us or our affiliates rather than by NDC or its affiliates. NDC will use reasonable efforts to cancel any certificates in such Global Payments employees' names with respect to restricted shares of NDC common stock.

Employee Stock Purchase Plan

Effective as of the date of the distribution we will establish an employee stock purchase plan for the benefit of our employees that is substantially similar to NDC's current plan.

Real Estate Agreements

Headquarters Lease Agreement

We will enter into a lease agreement with NDC for approximately 85,000 rentable square feet of space owned by NDC in Building I of National Data Plaza. The term of the lease will be for three years, at fair market rental rates. We will also have the non-exclusive right to use the cafeteria, as well as the conference rooms on the first floor of Building II. The lease will be a full service lease, with NDC responsible for performance of all maintenance and repair as well as payment of all utility costs and real property taxes associated with Building I. NDC will provide us with an allowance to be applied toward the cost of re-modeling work as well as additional work required by us and approved by NDC.

Additional Office Space (Subleases and Assignments)

We will enter into a sub-lease agreement with NDC for a portion of NDC's existing office space located in San Diego, California. NDC will also enter into a sub-lease with us for a portion of our existing office space in St. Louis, Missouri. Both of these sub-lease agreements will be "pass through" sub-leases with the applicable sub-lessee assuming the obligations of the existing lease (as in effect on the date of the distribution) with respect to the sub-leased space. In addition, we will be taking an assignment of several other NDC office space leases around the country.

Intercompany Systems / Network Services Agreement

The Services. We will enter into an exclusive intercompany services agreement with NDC for telecommunications services, and transaction processing services and support.

As part of the telecommunications services under the agreement, we will continue to receive telecommunications service from the carriers that will continue to provide telecommunication services to NDC. In addition, NDC will supply us with the necessary engineering, procurement, operations and administrative services.

The transaction processing services include facilities, operations, and technical support for transaction processing and file transfer services.

NDC intends to segregate and split our local area network and wide area network support and engineering, email support, customer service system support, financial systems support and personal computer and printer support functions to us prior to the distribution. In the event that there are some of these functions that have not been transferred at the time of the distribution, then NDC will continue to support these functions for a period not to exceed twelve months (24 months in the case of human resources and payroll systems).

Allocation of Costs. We will be charged for our use of the services based on an allocation of costs. Where technology and services are shared by NDC and us, we will pay a percentage of NDC's overall costs based on our share of the aggregate costs. Where services are provided by NDC to us exclusively, rather than

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being shared, we will pay NDC the direct cost of the services. Other services will be charged to us based on NDC's actual manpower costs to provide the services, including all costs directly associated with such manpower.

Our allocation of costs will be calculated at the beginning of each fiscal year, based on the projected use of shared technology services. We will estimate our need for services monthly on a 12 month rolling forecast basis, based on which NDC will make commitments of personnel, equipment and other costs. Actual costs allocated to us will be based on actual costs expended by NDC to provide our technology needs. In the case of telecommunications services, where services are provided exclusively to us as identified by the carrier in its billing to NDC, we will pay those specific charges; otherwise, costs will be allocated based on proportionate usage. If our actual use of services is less than projected, our cost will decrease as long as NDC is not subject to third party contract minimums.

Acknowledgement of certain principles relating to shared systems. In the agreement, we acknowledge certain principles relating to the fact that the services NDC will provide will utilize shared systems:

- . the computing services will be provided to us by NDC using the same integrated and networked system that provides similar services to NDC;
- . the telecommunications services will be managed and supervised as part of similar services obtained for NDC's business using the same integrated and networked system;
- . the costs to both parties to obtain telecommunications services will likely increase if the parties are unable to take advantage of their combined volume needs;
- . the parties are sharing systems, and diminution of quality, or performance will impact both parties equally; and
- . NDC is not providing the services to make a profit.

Term of the Agreement. The initial term of the agreement is three years, with an option to renew for up to two additional years. If, with our consent, NDC enters into new contracts for telecommunications services or renews an existing contract for such services in order to provide telecommunications services to us, and that contract expires after the term of our agreement with NDC, then our agreement will be extended until NDC's new telecommunication contract expires for the sole purpose of obtaining service pursuant to those contracts. The contract will also be extended for up to 12 months if we ask for termination assistance services that extend beyond the contract term.

Termination for Convenience. We can terminate the entire services agreement for convenience by giving NDC at least one year's advance notice and paying the termination fee. The termination fee will include all costs incurred or to be incurred by NDC as a result of the termination, including the balance of software license or maintenance agreements, the book value or remaining lease balance of any facility installations installed for us, the impact of NDC's inability to meet telecommunications contract minimums, and one-half of any other costs reasonably incurred by NDC that are directly related to splitting or transferring hardware or software to us.

Service Levels. We have agreed with NDC on a procedures manual that sets out applicable service levels and the remedies we have if such service levels are not met. If a service level for a particular service is not set forth in the procedures manual, and we request that one be established, NDC, with our assistance, will assess the historical service levels for the 12 months prior to the effective date and will propose a service level. If accepted, it will be added to the procedures manual. The parties intend that services will be provided at a level not less than the service levels immediately prior to the distribution.

Jointly Owned Software. NDC has internally developed certain software, some of which supported NDC's business and our business. The shared software will be jointly owned by NDC and us, but each party's use of it will be subject to

certain restrictions. NDC will not be permitted to use the shared software to operate

any business substantially similar to our ecommerce business (except to perform the services for us). We will not be permitted to use the shared software to operate any business substantially similar to the health care information services business of NDC. Neither of us may sell nor license the shared software to any third party without the consent of the other party.

Transaction Processing Agreement

We will enter into a transaction processing agreement with NDC for a transition period pursuant to which we will provide NDC with claims processing for transactions that are not time sensitive, printing services, backup tapes, system backup and offsite storage services, that are currently performed on systems that we own. The services will be provided to NDC based on an allocation of costs. The term of the agreement begins on the date of the distribution and ends on May 31, 2001, unless extended in accordance with its terms.

Transition Support Agreement

We will enter into a transition support agreement with NDC prior to the date of distribution under which, in exchange for the fees specified in such agreement, NDC will agree to continue to provide tax return preparation, stock option administration services, lease negotiation and administration services, and certain other administrative services, and we will agree to provide certain administrative services to NDC and the use of space in one of our offices. The transition support agreement will provide that each of Global Payments and NDC will undertake to provide the same degree of care and diligence as each of us use in providing these services to our businesses and subsidiaries. Provision of services under the transition support agreement will terminate no later than three years following the effective date of the distribution.

CAPITALIZATION

The following table sets forth our historical and pro forma combined debt and capitalization at August 31, 2000. This data should be read in conjunction with our historical combined balance sheet and the notes thereto, appearing elsewhere in this information statement. The pro forma information set forth below gives effect to the distribution as if it had occurred on August 31, 2000 and the pro forma, as adjusted, gives effect to the distribution as if it had occurred on August 31, 2000 and the acquisition of CIBC's merchant acquiring business as if it had occurred on August 31, 2000. This information may not necessarily reflect the debt and capitalization of Global Payments in the future or as it would have been had we been a separate, independent company at August 31, 2000 or had the distribution and the acquisition actually been effected on such date.

Based upon the relative financial conditions, results of operations and prospects of NDC and Global Payments, NDC determined that \$96.1 million would be an appropriate allocation to Global Payments of the existing NDC debt at May 31, 2000. For the three months ended August 31, 2000 Global Payments made net repayments of \$21.1 million, thereby reducing this \$96.1 million due to NDC to \$75.0 million as of August 31, 2000. Accordingly Global Payments will make a net cash payment to NDC at the time of the distribution equal to \$75.0 million adjusted for the net cash contributions of eCommerce operations between September 1 and the actual date of the distribution. This will be the only cash paid to NDC, except for final adjustments according to the distribution agreement. We have a commitment for a \$110 million revolving line of credit. It will fund the cash due to NDC to reflect our share of NDC's pre-distribution debt used to establish our initial capitalization. This line of credit will also be used to meet our working capital and acquisition needs after the distribution. Consistent with the allocation of NDC debt at May 31, 2000, NDC utilized a rollback approach to allocate the anticipated portion of the NDC consolidated groups debt for all historical periods. This treatment records the current proposed debt allocation percentage for all historical periods.

<TABLE>
<CAPTION>

	August 31, 2000		
	Historical	Pro Forma(1)	As Adjusted(2)
	(In thousands except share data)		
<S>	<C>	<C>	<C>
Due to NDC.....	\$ 75,014	--	--
Line of credit.....	--	\$ 75,014	\$ 75,014
Long-term debt, excluding current portion.....	--	--	--

Shareholder's Equity:			
NDC equity investment.....	133,004	--	--
Preferred stock, no par value, 5,000,000 authorized, none issued..	--	--	--
Common stock, no par value, 200,000,000 shares authorized, none issued and outstanding (Historical) and 26,279,708 issued and outstanding (Pro Forma(1)) 35,633,502 issued and outstanding (Pro Forma, as adjusted(2)).....	--	--	--
Paid in capital.....	--	133,004	269,850
Cumulative translation adjustment...	(314)	(314)	(314)
	-----	-----	-----
Total Shareholder's Equity.....	132,690	132,690	269,536
	-----	-----	-----
Total Capitalization.....	\$207,704	\$207,704	\$344,550
	=====	=====	=====

</TABLE>

- - - - -

- (1) Pro forma combined debt and capitalization at August 31, 2000 presents the financial condition of Global Payments as if the distribution had occurred on August 31, 2000 with adjustments made for the repayment of the amount due to NDC with proceeds from a new bank line of credit and reclassification of the NDC equity investment to paid in capital.
- (2) Pro forma, as adjusted, combined debt and capitalization at August 31, 2000, presents the financial condition of Global Payments as if the distribution and the acquisition of CIBC's merchant acquiring business had occurred on August 31, 2000, with adjustments made for the repayment of the amount due to NDC with proceeds from a new bank line of credit, reclassification of the NDC equity investment to paid in capital and the issuance of common shares in connection with the acquisition as an increase to paid in capital.

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DIVIDEND POLICY

Our dividend policy will be set by our Board of Directors after the effective date of the distribution. The declaration and payment of dividends is at the discretion of our Board of Directors and will be subject to our financial results and the availability of surplus funds to pay dividends. Georgia law prohibits us from paying dividends or otherwise distributing funds to our shareholders, except out of legally available funds. No such distribution may be made if as a result the company would not be able to pay its debts as they become due in the usual course of business or its total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the company were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.

The amount of any quarterly cash dividends will depend on a number of factors, including our financial condition, capital requirements, results of operations, future business prospects and other factors our Board may deem relevant, including restrictions on our ability to declare and pay dividends and distributions on the Global Payments shares. We may, but cannot assure you, that we will pay cash dividends on our stock in the future. We also cannot assure you that such dividends, if commenced, will be at a rate equivalent to that currently paid by NDC or that such dividends will not be increased, decreased or terminated.

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SELECTED FINANCIAL DATA

The selected historical combined financial data of Global Payments set forth below should be read in conjunction with our combined financial statements, including the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this information statement. The income statement data for each of the three fiscal years ended May 31, 2000 and the balance sheet data as of May 31, 2000 and 1999 are derived from the audited combined financial statements included elsewhere in this information statement. The income statement data for the three months ended August 31, 2000 and 1999 and the years ended May 31, 1997 and 1996 and the balance sheet data as of August 31, 2000 and 1999 and May 31, 1998, 1997 and 1996 are derived from the unaudited combined financial statements that have been prepared by management.

We were formed in September, 2000 for the purpose of taking title to the stock of the NDC subsidiaries operating as its eCommerce business. We do not have a recent operating history as an independent company. Our historical combined financial statements contained in this document reflect periods during

which neither we nor any of our subsidiaries operated as an independent company, and certain assumptions were made in preparing such financial statements.

The financial information we have included in this information statement reflects the historical results of operations and cash flows of Global Payments with adjustments made for corporate services provided to us by NDC and interest expense and related debt based on the current proposed debt allocation percentage. Operating costs and expenses reflect direct charges of the eCommerce business together with certain allocations by NDC for corporate services, communication and other shared services that have been charged to our company based on usage or other methodologies appropriate for such expenses. In the opinion of management, these allocations have been made on a reasonable basis and approximate all the material incremental costs we would have incurred had we been operating on a stand-alone basis, except for the pro forma adjustments relating to the distribution included elsewhere in this information statement.

<TABLE>
<CAPTION>

Selected Financial Data							
	Three Months Ended		Year Ended May 31,				
	August 31,		2000	1999	1998	1997	1996
	2000	1999	2000	1999	1998	1997	1996
(In thousands except per share data)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue.....	\$ 87,191	\$ 89,828	\$340,033	\$330,051	\$291,547	\$257,679	\$180,924
Operating expenses:							
Cost of service.....	45,881	46,022	181,479	169,805	153,518	142,479	95,588
Sales, general and administrative.....	24,728	23,267	95,342	83,571	80,055	75,622	61,315
Operating income.....	16,582	20,539	63,212	76,675	57,974	39,578	24,021
Other income (expense), net.....	(2,518)	(2,321)	(9,440)	(10,074)	(7,366)	(3,134)	2,261
Earnings before income taxes.....	14,064	18,218	53,772	66,601	50,608	36,444	26,282
Provision for income taxes.....	5,415	7,014	20,725	25,265	19,531	13,811	8,715
Net income.....	\$ 8,649	\$ 11,204	\$ 33,047	\$ 41,336	\$ 31,077	\$ 22,633	\$ 17,567
Basic earnings per share(1).....	\$ 0.33	\$ 0.41	\$ 1.24	\$ 1.53	\$ 1.21	\$ 0.93	\$ 0.73
Total assets.....	\$ 285,850	\$ 298,706	\$287,946	\$289,667	\$276,753	\$260,134	\$249,292
Due to NDC.....	\$ 75,014	\$ 89,875	\$ 96,125	\$ 89,375	\$109,375	\$ 71,875	\$ 15,000
Long-term obligations...	\$ 6,506	\$ 8,882	\$ 7,232	\$ 15,774	\$ 6,616	\$ 5,067	\$ 7,876
Total shareholder's equity.....	\$ 132,690	\$ 106,062	\$120,885	\$108,013	\$ 84,896	\$104,044	\$168,861

</TABLE>

(1) Using the distribution ratio of 0.8 of a share of Global Payments common stock for each share of NDC common stock held. Weighted average shares outstanding is computed by applying the distribution ratio to the historical NDC weighted average shares outstanding for all periods presented.

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

The following discussion should be read in conjunction with "Selected Financial Data," and the other financial information appearing elsewhere in this information statement. Except for the historical information contained herein, the discussions in this document contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, but are not limited to, those discussed under "Risk Factors" beginning on page 8, as well as those discussed elsewhere in this information statement.

We are one of the largest independent electronic transaction processing service providers in the world. We provide a wide range of end-to-end electronic commerce solutions to merchants, corporations, financial institutions and government agencies. We market our products and services through a variety of distinct sales channels including a sizable, dedicated direct sales force, independent sales organizations, independent sales representatives, an internal telesales group, alliance bank relationships and financial institutions. We have a high percentage of recurring revenues and process over 1.6 billion transactions per year servicing more than 775,000 merchant locations.

Components of Income Statement

We derive our revenues from three primary sources: (i) charges based on volumes and fees for merchant services; (ii) charges based on transaction quantity; and (iii) equipment sales, leases 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 line, our reputation for providing timely and reliable service, competition within our industry, and general economic conditions.

Cost of service consists primarily of the cost of network telecommunications capability, transaction processing systems, personnel to develop and maintain applications and operate computer networks and to provide customer support, and depreciation and occupancy costs associated with the facilities performing these functions. Sales, general and administrative expenses consist primarily of salaries, wages and related expenses paid to sales, non-revenue customer support functions and administrative employees and management, commissions to independent contractors, advertising costs, other selling expenses, employee training costs and occupancy of leased space directly related to these functions.

Other income and expense consists of minority interest in earnings expense, interest expense and other miscellaneous items of income and expense.

Our earnings before interest, taxes, depreciation and amortization, or EBITDA, is defined as operating income plus depreciation and amortization. This statistic and its results as a percentage of revenue may not be comparable to similarly titled measures reported by other companies. EBITDA is not a measurement of financial performance under generally accepted accounting principles and is not presented as a substitute for net income or cash flow from operating, investing or financing activities determined in accordance with generally accepted accounting principles. However, we believe this statistic is a relevant measurement and provides a comparable cash earnings measure, excluding the impact of the amortization of acquired intangibles and potential timing differences associated with capital expenditures and the related depreciation charges.

Impact of Impending Acquisition

On November 9, 2000, we entered into an asset purchase agreement with CIBC to purchase substantially all of the assets of their merchant acquiring business. The assets comprise the business of accepting, processing and settling credit and debit card transaction records for merchants.

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The revenues of the business are generated by the merchant locations, which are marketed through a combination of a direct sales force, referrals from CIBC's approximate 1,200 bank branch locations comprising CIBC's branch network and an independent sales organization.

On a proforma basis, this acquisition is expected to add approximately \$91 million to revenues and \$24 million to operating income annually. The acquisition is expected to be accretive to our basic earnings per share, and we believe, assuming operating synergies can be achieved, the acquisition will continue to be accretive in the foreseeable future.

We believe the cash flows from operations of the acquisition on a stand-alone basis will be sufficient to meet the needs of our operations, except for short-term borrowing needs under the CIBC credit facility explained in greater detail below. There are no other material capital commitments expected with respect to this acquisition.

Results Of Operations

First Quarter Ended August 31, 2000 Compared to First Quarter Ended August 31, 1999

The following table provides comparisons of our results of operations for the first quarter ended August 31, 2000 and 1999, respectively:

<TABLE>

<CAPTION>

Three Months Ended August 31,					

2000		1999		2000 vs.	

	Actual	% of Revenue	Actual	% of Revenue	1999 Change

	(in millions)		(in millions)		

<S>	<C>	<C>	<C>	<C>	<C>
Revenue.....	\$87.2		\$89.8		(3)%
Operating expenses:					
Cost of service.....	45.9	53 %	46.0	51 %	-- %
Sales, general and administrative.....	24.7	28 %	23.3	26 %	6 %
	-----	---	-----	---	---
Operating income.....	16.6	19 %	20.5	23 %	(19)%
Other income (expense)...	(2.5)	(3)%	(2.3)	(3)%	(9)%
	-----	---	-----	---	---
Earnings before income taxes.....	\$14.1	16 %	\$18.2	20 %	(23)%
	=====	===	=====	===	===
Depreciation and Amortization.....	\$ 5.0	6 %	\$ 5.1	6 %	(2)%
EBITDA.....	\$21.6	25 %	\$25.6	29 %	(16)%
Net cash provided by operating activities....	17.3	20 %	21.5	24 %	(20)%
Net cash used in investing activities....	(2.0)	(2)%	(1.9)	(2)%	5 %
Net cash used in financing activities....	(16.8)	(19)%	(18.9)	(21)%	(11)%

</TABLE>

Our revenue decrease of \$2.6 million or 3% in the first quarter ended August 31, 2000 reflects volume growth in merchant acquiring card processing services offset by declines in other merchant services product offerings and funds transfer offerings compared to the prior year's first quarter. We expect this decline to continue in the next quarter primarily due to the recent divestiture of product offerings in merchant services and funds transfer.

Cost of service decreased \$0.1 million the first quarter ended August 31, 2000 from the prior year's first quarter. As a percentage of revenue, cost of service increased to 53% in the first quarter ended August 31, 2000 compared to 51% in the prior year's first quarter. These increases are primarily due to a change in the product and service revenue mix to a higher cost service coupled with investments in infrastructure. These investments may continue in the next quarter.

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Sales, general and administrative expenses increased \$1.4 million or 6% in the first quarter ended August 31, 2000 from the prior year's first quarter. As a percentage of revenue, these expenses increased to 28% for the first quarter ended August 31, 2000 compared to 26% in the prior year's first quarter. These increases are primarily due to investments in distribution channel expansion, sales staffing and programs, and management and related corporate costs in anticipation of becoming a separate public entity.

Operating income decreased \$3.9 million or 19% to \$16.6 million in the first quarter ended August 31, 2000 from \$20.5 million in the prior year's first quarter. As a percentage of revenue, our operating income margin decreased to 19% in the first quarter ended August 31, 2000 from 23% in the prior year's first quarter. This decline is due primarily to the factors described above.

EBITDA for the first quarter ended August 31, 2000 was \$21.6 million compared to \$25.6 million in the prior year's first quarter. Earnings before income taxes were \$14.1 million in the first quarter ended August 31, 2000 compared to \$18.2 million in the prior year's first quarter.

Total other expense increased \$0.2 million for the first quarter ended August 31, 2000 compared to the prior year's first quarter. This increase was primarily the result of increased minority interest expense due to improved partnership earnings and an increase in MasterCard's earnings participation percentage.

Fiscal Year Ended May 31, 2000 Compared to Fiscal Year Ended May 31, 1999

The following table provides comparisons of our results of operations for fiscal years 2000 and 1999:

<TABLE>
<CAPTION>

	2000		1999		2000 vs. 1999 Change
	Actual	% of Revenue	Actual	% of Revenue	
	(in millions) <C>	<C>	(in millions) <C>	<C>	
Revenue.....	\$340.0		\$330.1		3 %
Operating expenses:					
Cost of service.....	181.5	53 %	169.8	52 %	7 %
Sales, general and administrative.....	95.3	28 %	83.6	25 %	14 %
	-----	---	-----	---	---
Operating income.....	63.2	19 %	76.7	23 %	(18) %
Other income (expense) ..	(9.4)	(3) %	(10.1)	(3) %	(7) %
	-----	---	-----	---	---
Earnings before income taxes.....	\$ 53.8	16 %	\$ 66.6	20 %	(19) %
	=====	===	=====	===	===
Depreciation and Amortization.....	\$ 20.0	6 %	\$ 19.9	6 %	-- %
EBITDA.....	\$ 83.2	24 %	\$ 96.6	29 %	(14) %
Net cash provided by operating activities...	41.3	12 %	60.5	18 %	(32) %
Net cash used in investing activities...	(11.0)	(3) %	(14.0)	(4) %	(21) %
Net cash used in financing activities...	(28.9)	(9) %	(46.2)	(14) %	(37) %

</TABLE>

Our revenue increase of \$9.9 million or 3% in fiscal 2000 reflects 4% growth in revenue from merchant services product offerings partially offset by a 4% decline in revenues from funds transfer product offerings compared to the prior year. We expect this decline in funds transfer revenue to continue in fiscal 2001, primarily due to a recent divestiture of a product offering. The growth in merchant services revenue is due primarily to the addition of new merchant relationships coupled with increased usage of credit cards, debit cards and checks from existing customers.

Cost of service increased \$11.7 million or 7% in fiscal 2000 from the prior year. As a percentage of revenue, cost of service increased to 53% in fiscal 2000 compared to 52% in the prior year. These increases are

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primarily due to a change in the product and service revenue mix to a higher cost service coupled with investments in infrastructure. These investments may continue in fiscal 2001.

Sales, general and administrative expenses increased \$11.7 million or 14% in fiscal 2000 from the prior year. As a percentage of revenue, these expenses increased to 28% for fiscal 2000 compared to 25% in the prior year. These increases are primarily due to investments in distribution channel expansion, sales staffing and programs, customer service improvements, product development activities, and management and related corporate costs in anticipation of becoming a separate public entity. We anticipate increased expenses for the next fiscal year as a result of operating as a stand-alone company.

Operating income decreased \$13.5 million or 18% to \$63.2 million in fiscal 2000 from \$76.7 million in the prior year. As a percentage of revenue, our operating income margin decreased to 19% in fiscal 2000 from 23% in the prior year. This decline is due primarily to the factors described above.

EBITDA for fiscal 2000 was \$83.2 million compared to \$96.6 million in the prior year. Earnings before income taxes were \$53.8 million in fiscal 2000 compared to \$66.6 million in the prior year.

Total other expense decreased \$0.7 million for fiscal 2000 compared to the prior year. This decrease was primarily the result of decreased interest expense due to the retirement of the \$6.0 million note related to a prior acquisition.

Fiscal Year Ended May 31, 1999 Compared to Fiscal Year Ended May 31, 1998

The following table provides comparisons of our results of operations for

fiscal years 1999 and 1998:

<TABLE>
<CAPTION>

	1999		1998		1999 vs. 1998 Change
	Actual	% of Revenue	Actual	% of Revenue	
	(in millions)		(in millions)		
<S>	<C>	<C>	<C>	<C>	<C>
Revenue.....	\$330.1		\$291.5		13 %
Operating expenses:					
Cost of service.....	169.8	52 %	153.5	53 %	11 %
Sales, general and administrative.....	83.6	25 %	80.0	27 %	5 %
Operating income.....	76.7	23 %	58.0	20 %	32 %
Other income (expense) ..	(10.1)	(3) %	(7.4)	(3) %	36 %
Earnings before income taxes.....	\$ 66.6	20 %	\$ 50.6	17 %	32 %
Depreciation and Amortization.....	\$ 19.9	6 %	\$ 18.4	6 %	8 %
EBITDA.....	\$ 96.6	29 %	\$ 76.4	26 %	26 %
Net cash provided by operating activities...	60.5	18 %	45.8	16 %	32 %
Net cash used in investing activities...	(14.0)	(4) %	(25.6)	(9) %	(45) %
Net cash used in financing activities...	(46.2)	(14) %	(21.4)	(7) %	116 %

</TABLE>

The revenue increase of \$38.6 million or 13% in fiscal 1999 primarily reflects the full year impact of the CheckRite acquisition, growth of programs directed at vertical industry offerings, and growth within the existing customer base. This growth was reflected in an increase in the volumes of merchant sales and transactions processed due to a larger customer base and increased consumer usage of credit cards, debit cards and checks.

Cost of service increased \$16.3 million or 11% in fiscal 1999 from the prior year. The increase was primarily due to higher operating costs associated with increased transaction growth. Total cost of service, as a percentage of revenue, was 52% in fiscal 1999 compared to 53% in the prior year.

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Sales, general and administrative expenses increased \$3.6 million or 5% in fiscal 1999 from the prior year due primarily to costs related to the integration of the CheckRite acquisition offset by lower corporate allocated expenses.

Operating income increased \$18.7 million or 32% to \$76.7 million in fiscal 1999 from \$58.0 million in the prior year. As a percentage of revenue, the Company's operating income margin increased to 23% in fiscal 1999 from 20% in the prior year. These increases are primarily due to the factors described above.

EBITDA for fiscal 1999 was \$96.6 million compared to \$76.4 million in the prior year. Earnings before income taxes in fiscal 1999 grew by 32% to \$66.6 million from \$50.6 million in the prior year.

Total other expense increased \$2.7 million for fiscal 1999 compared to the prior year. This increase was primarily the result of higher interest expense due to increased utilization of capital leases as a financing option for capital expenditures.

Liquidity and Capital Resources

Net cash provided by operating activities decreased 20% to \$17.3 million for the first quarter ended August 31, 2000 from \$21.5 million for the prior year's first quarter driven primarily by the decrease in earnings. Net cash used in investing activities was \$2.0 million for the first quarter ended August 31, 2000 compared to \$1.9 million in the prior year's first quarter. Net cash used in financing activities decreased 11% to \$16.8 million for the first quarter ended August 31, 2000 from \$18.9 million in the prior year's first quarter.

Cash flow generated from operations provides us with a significant source of liquidity to meet our needs. At May 31, 2000, we had cash and cash equivalents totaling \$2.8 million. Net cash provided by operating activities decreased 32% to \$41.3 million for fiscal 2000 from \$60.5 million for the prior year. This difference is driven primarily by the decrease in earnings, changes in deferred income taxes and changes in net merchant processing funds partially offset by changes in income taxes and reduced accounts receivable. The changes in net merchant processing funds reflect fluctuations in the timing of credit card settlement and funding of merchants and may vary from month to month. In addition to timing and cutoff, the balance is also influenced by volume growth and interchange rates. The change in income taxes was due to reduced taxable income and timing of estimated payments. The reductions in accounts receivables resulted from improved collections.

Net cash used in investing activities was \$11.0 million for fiscal 2000 compared to \$14.0 million for the prior year. This is primarily due to a 1999 system development project that was completed in early 2000.

Net cash used in financing activities decreased to \$28.9 million for fiscal 2000 from \$46.2 million in the prior year. The net effect of the payments and borrowings due to NDC is \$6.8 million in borrowings for fiscal 2000 compared to a \$20.0 million payment for the prior year. Principal payments under capital lease arrangements and other long term debt increased to \$9.5 million for fiscal 2000 from \$3.6 million in the prior year due primarily to the retirement of a \$6.0 million note payable related to a prior acquisition.

We believe that our current level of cash and borrowing capacity under our committed line of credit described below, along with future cash flows from operations, are sufficient to meet the needs of our existing operations and planned requirements for the foreseeable future. As detailed in Footnote 14 to the Combined Financial Statements, we had \$27.2 million in lease commitments as of May 31, 2000. We currently have no other material capital commitments or planned expansions. Over the next two to three years, we may develop our own hardware and software facilities for the transaction processing, cash management, file transfer and related communications functions in an effort to improve productivity and reduce cost of services. If undertaken, this development would increase our capital expenditures above historical levels over the next two to three years. In addition, if we close the acquisition of CIBC's merchant acquiring business, we will begin the planning and development process which will allow us to assume the processing services CIBC will initially provide to the Canadian merchants under a transition arrangement. This development effort will also increase our capital expenditures above historical levels over the next two years. We regularly evaluate cash requirements for current operations, commitments, development activities and acquisitions. We may elect to raise additional funds for these purposes, either through the issuance of debt or equity or otherwise, as appropriate.

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Credit Facilities

Our short-term and long-term liquidity needs depend upon our level of net income, accounts receivable, accounts payable and accrued expenses. We have a commitment for a \$110 million revolving line of credit. It will fund the cash due to NDC to reflect our share of NDC's pre-distribution debt used to establish our initial capitalization. This line of credit will also be used to meet our working capital and acquisition needs after the distribution. This line has a variable interest rate based on market rates and customary origination-related fees and expenses. The credit agreement will contain certain financial and non-financial covenants customary for financings of this nature. The facility will have a three year term.

With our agreement to acquire certain assets of the CIBC merchant acquiring business, we have entered into related agreements to operate the business, including a credit facility. Canadian merchant acquiring businesses typically advance payment to merchants for credit card transactions before receiving the interchange reimbursement from the card issuing banks. This business model differs sharply from the U.S. where merchant funding only occurs after we receive the funds from the card issuing banks. CIBC has agreed to provide us with a revolving credit facility which will be available to us to fund the approximate two day interval between our payment of Canadian merchants and our receipt of the interchange fee.

The credit facility will provide us with a line of credit of up to C\$140 million with an additional overdraft facility available to cover larger advances during periods of peak usage of credit and debit cards, and will carry an interest rate based on Canadian Dollar LIBOR (C\$LIBOR). It contains customary covenants and events of default. The line of credit will be secured by a first priority security interest in our accounts receivable from VISA Canada/International, and will be guaranteed by us and our subsidiaries. This guarantee will be subordinated to our primary credit facility discussed above. The CIBC credit facility will have an initial term of 364 days from the date of the closing of the acquisition and it is renewable annually at CIBC's option.

Market Risk / Interest Rate Risk

We have secured a commitment for a line of credit which has a variable interest rate based on LIBOR. Accordingly, we are exposed to the impact of interest rate movement. We have performed an interest rate sensitivity analysis over the near term with a 10% change in interest rates. Based on this analysis, our net income is not subject to material interest rate risk. We also do not have exposure to material market risk from changes in foreign currency rates, commodity rates or equity rates.

Seasonality, Inflation and Economic Downturns

We are subject to the impact of general economic conditions; however, this has historically been tempered by the continued demand for electronic processing of payments. We are also subject to certain seasonal fluctuations such as peak activity during the winter holiday buying season.

We do not believe that the rate of inflation has had a material effect on our operating results because the underlying growth in the mix of electronic transactions tends to outpace any dampening of sales levels due to higher inflation.

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GLOBAL PAYMENTS' BUSINESS

General

As an electronic transaction processor, we enable consumers, corporations, and government agencies to purchase goods and services through the use of credit cards. Our role is to serve as an intermediary in the exchange of information and funds that must occur between merchants and credit card issuers before a transaction can be completed. As part of NDC, Global Payments has provided credit card transaction processing services since 1968. Since that time, we have expanded our business to include debit card, business-to-business purchasing card, check guarantee, check verification and recovery, and terminal management services, and collectively refer to these as our merchant service offerings. In addition, we provide funds transfer services to domestic and international financial institutions, corporations, and government agencies in the United States, Canada, and Europe.

Although a credit card transaction may appear simplistic, a complex process involving various participants in an intricate series of electronic connections is necessary to make it possible. Aside from electronic transaction processors, participants in this process include card issuers, cardholders, merchants, and card associations. Card issuers are financial institutions that issue credit cards to approved applicants and are identifiable by their trade name typically imprinted on the issued cards. The approved applicant is referred to as a cardholder, and may be any entity for which an issuer wishes to extend a line of credit, such as a consumer, a corporation, or a government agency.

The term merchant is generally used to refer to any location where a credit card is used, such as retail stores, restaurants, corporate purchasing departments, universities, and government agencies. The card may be used at any merchant location that meets the qualification standards of the card associations, known as Mastercard and VISA, or other issuers such as American Express, Discover, and Diners Club. The card associations consist of card issuer members and were essentially created to establish uniform regulations that govern much of the industry.

Before a merchant accepts a credit card as a payment alternative to cash, it must receive information from the card issuer that the card is authentic and that the impending transaction value will not cause the cardholder to exceed a defined credit limit. The merchant must also eventually be compensated for the value of the purchased good, which also involves the card issuer. The card issuer then seeks reimbursement from the cardholder in the form of a monthly credit card bill. The merchant and the card issuer, however, generally do not interface directly with each other, and, instead rely on electronic transaction processors and card associations to exchange the required information and funds between them.

Thus, as an electronic transaction processor, we serve as an intermediary in the exchange of credit card transaction information and funds between merchants and card associations. The card associations then use a system known as interchange to transfer the information and funds between electronic transaction processors and card issuers, thus completing the required link between merchants and card issuers described above.

We have a high percentage of recurring revenues and process over 1.6 billion transactions per year servicing more than 775,000 merchant locations. The acquisition of CIBC's merchant acquiring business will add over 800 million transactions per year and approximately 140,000 merchant locations in Canada. Based on this data and on industry publications such as The Nilson Report, we believe that we are one of the largest electronic transaction processors in the world. We provide services directly to our merchant customers, as well as to

financial institutions and independent sales organizations who purchase and resell our services to their own portfolio of merchant customers.

We offer end-to-end services, which means that we believe that we have the ability to fulfill all of our customers' needs with respect to electronic transaction processing. We market our services through a variety of sales channels including a sizable, dedicated sales force, independent sales organizations, independent sales representatives, an internal telesales group, alliance bank relationships, and financial institutions. We provide our services primarily using network telecommunication infrastructure.

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Industry Overview / Target Markets

We believe that there are significant opportunities for continued growth in the application of transaction processing services to the electronic commerce market. Both the consumer-to-business and business-to-business aspects of electronic commerce demand a growing array of processing and support services. A large percentage of retail transactions still utilize cash and checks. Merchants continue to encourage electronically authorized and settled transactions using credit and debit cards as a more efficient means of transacting business. The rapid growth of retail credit card transactions, as well as the increased utilization of debit cards, has directly correlated to the historic growth of our business. In addition, we believe that the proliferation of "loyalty" or co-branded cards that provide consumers with added benefits should contribute to increased use of credit and debit cards in the future. Both of these market trends should increase demand for our services.

Business-to-business electronic data interchange using purchasing card technology and its associated systems software is providing businesses with increased efficiency and is providing us with strong growth in industries that have not traditionally utilized credit cards. Purchasing cards and the related business-to-business electronic data interchange replace the costly, time-consuming paper ordering and invoicing with inexpensive, real-time electronic payment processing transactions.

We believe that the number of electronic transactions will continue to grow in the future and that an increasing percentage of these transactions will be processed via the Internet. The Internet will be a major factor in accelerating the continued conversion from paper to electronic pulse, which will result in greater growth opportunities for our business. The Internet is an important component in our strategy for expansion of services to new customers. We believe that "brick and mortar" retailers will be successful virtual retailers as they leverage their brand awareness, along with emerging "e-tailers" that are creating broader transactions markets. Our Internet-related services include secure credit and debit card processing and tax payment services.

Payment processing service providers such as Global Payments provide high volume electronic transaction processing and support services directly to banking institutions and other new entrants into the business. The shift in the industry from traditional financial institution providers to independent providers is due in large part to more efficient distribution channels, as well as increased technological capabilities required for the rapid and efficient creation, processing, handling, storage, and retrieval of information. These capabilities have become increasingly complex, requiring significant capital commitments to develop, maintain, and update the systems necessary to provide these advanced services at a competitive price.

As a result, several large merchant processors, including our company, have expanded their operations through the creation of alliances or joint ventures with banks and have acquired new merchant portfolios from banks that previously serviced these merchant accounts.

Strategy

Our business strategy centers on providing a full range of electronic transaction processing services in the markets we serve. We believe that this strategy provides the greatest opportunity for leveraging our existing infrastructure and maintaining a consistent base of recurring revenues. We believe that the electronic commerce market presents attractive opportunities for continued growth. In pursuing our business strategy, we seek both to increase our penetration of existing markets and to continue to identify and create new markets through the following:

- . development of value-added applications, enhancement of existing products, and development of new systems and services;
- . expansion of distribution channels (including the Internet); and
- . acquisition of, investments in, or alliances with, companies that have compatible products, services, development capabilities and/or distribution capabilities.

Products and Services

We operate in one business segment, electronic transaction processing, and provide products and services through our merchant services and funds transfer offerings. A summary description of these services follows.

Merchant Services

Our merchant services offerings include credit and debit card transaction processing, business-to-business purchasing card transaction processing, check guarantee, check verification and recovery, and terminal management services.

Credit card and business-to-business purchasing card processing are essentially the same service, except that credit card processing is used to describe a consumer acquiring goods or services from a retail location, whereas business-to-business card processing is used to describe a corporate purchasing department acquiring such goods as office supplies or raw materials from a corporate vendor. We also provide certain debit card transaction processing services, which are similar to credit card transactions, except that the information and funds are exchanged between the merchant and a cardholder's personal bank account, instead of between the merchant and a credit card issuer.

Our card processing services can be marketed in several distinct categories: authorization, electronic draft capture, settlement, retrieval of credit card receipts, charge back resolution, merchant accounting, risk management, and support services. Revenue for these services are primarily based on a percentage of transaction value or on a specified amount per transaction. We also typically charge for various processing fees, unrelated to number of transactions or transaction value.

Authorization and electronic draft capture are related services and generally refer to the process whereby the card issuer indicates whether a particular credit card is authentic and whether the impending transaction value will cause the cardholder to exceed a defined credit limit. The authorization process typically begins when a cardholder presents a card for payment at a merchant location and the merchant swipes the card's magnetic strip through a point of sale terminal card reader. The terminal electronically records sales draft information, such as the credit card identification number, transaction date, and dollar value of the goods or services purchased, and then automatically dials a pre-programmed phone number connected to the network of an electronic transaction processor, such as Global Payments. The electronic transaction processor then routes the request to the applicable card association, such as Mastercard or Visa. The card association then routes the authorization request to the card issuer, who determines a response based on the status of the cardholder's account. The response is then returned to the merchant's terminal via the same communication network. This entire authorization and response process occurs within seconds once the merchant swipes the card's magnetic strip through the point of sale terminal card reader.

After a transaction has been authorized, the merchant must be compensated for the value of the purchased good or service, which is typically described as settlement. We use our network telecommunication infrastructure and the Federal Reserve's Automated Clearing House system to ensure that our merchants receive the proper funds due to them for the value of the goods or services that the cardholder purchased. We also provide retrieval of credit card receipts and charge back resolution services, both of which relate to cardholders disputing an amount that has been charged to their credit card. We not only retrieve the original sales draft from the merchant location, but also review the dispute and handle the related exchange of information and funds between the merchant and the card issuer if a charge is to be reversed.

Our merchant accounting services allow merchants to monitor portfolio performance, control expenses, disseminate information, and track profitability through the production and distribution of detailed statements summarizing electronic transaction processing activity. Our risk management services allow financial institutions to monitor credit risk, thereby enhancing the profitability of their merchant portfolios. Our risk management services include credit underwriting, credit scoring, fraud control, account processing, and collections. We also provide our customers with various support services, such as working with merchants to set-up their credit card programs or resolving issues relating to their terminal card readers.

Check guarantee services include comprehensive check verification and guarantee services designed for a merchant's specific needs and risk adversity. Since this offering guarantees all checks that are electronically verified (primarily using point-of-sale check readers) through our extensive database,

merchants may safely expand their revenue base by applying less stringent requirements when accepting checks. If a verified check is dishonored, check guarantee provides the merchant with reimbursement of the check's face value, and then collects the check through its internal collection services. To protect against this risk, verification databases are used that contain information on historical delinquent check writing activity and up-to-date consumer bank account status. Revenue for these services is primarily derived from a percentage of the face value of each guaranteed check.

Check verification and recovery services are similar to those provided in the check guarantee service (verification primarily through point-of-sale check readers), except that this service does not guarantee its verified checks. This service provides a low-cost, loss-reduction solution for merchants wishing to quickly measure a customer's check presentment worthiness at the point of sale, while not having to incur the additional expense of check guarantee services. Revenue for these services is primarily derived from the service fees collected from delinquent check writers, fees charged to merchants based on a transaction rate per verified check, and fees to charged to merchants for specialized services, such as electronic re-deposits of dishonored checks.

The terminal management offering provides a variety of products and services relating to electronic transaction processing equipment, such as terminal programming and deployment, set-up and telephone training, maintenance and equipment replacement, warehousing and inventory control, customer service and technical support, customized reporting, and conversions. We provide these services directly to our own portfolio of merchants, as well as indirectly to merchants on behalf of our financial institution and independent sales organization customers. Revenue is derived from equipment sales and rentals, programming and deployment fees, and repairs and maintenance services.

Funds Transfer

The electronic funds transfer set of offerings includes a wide variety of services such as cash management and account balance reporting, management information and deposit reporting. These products and services provide financial, management and operational data to corporate and government agencies worldwide and allow these organizations to exchange such information with financial institutions and other service providers. We also provide an Internet tax filing and payment service that allows financial institutions and government agencies to offer corporate taxpayers a secure and convenient method of paying taxes electronically. Security on the system is handled through both encryption/decryption and multi-level password access and operates through a web site that serves as the portal for securely receiving tax information and delivering the transaction for payment.

Alliances and Direct Investments

Our strategy includes direct investment in or formation of business alliances with financial institutions and other distributors as well as with emerging payment technology companies to leverage our existing customer relationships and infrastructure and to accelerate product time-to-market. During fiscal year 2000, we made a direct investment in a company that offers Internet users secure and convenient ways to make purchases over the Internet. Additionally, we announced several alliances with emerging payment technology companies providing capability such as electronic barter and billing through established vehicles such as phone bills.

Sales and Marketing

We market our services to the electronic commerce markets through a variety of distinct sales channels including a sizable, dedicated sales force, independent sales organizations, independent sales representatives, an internal telesales group, alliance bank relationships, and financial institutions.

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Additionally, we market directly to customers primarily through print advertising and direct mail efforts. We participate in major industry tradeshow and publicity events and actively employ various public relations campaigns. This strategy is intended to utilize the lowest delivery cost system available to successfully acquire target customers.

International Operations

We operate facilities in Canada and Europe as part of our funds transfer service offerings. We also will operate additional facilities in Canada following our acquisition of CIBC's merchant acquiring business.

Employees

As of September 30, 2000, Global Payments and its subsidiaries had approximately 1,600 employees. The acquisition of the CIBC merchant acquiring business will add approximately 100 employees. Many of our employees are highly skilled in technical areas specific to electronic transaction processing, and we believe that our current and future operations depend substantially on

retaining such employees. Our employees are not represented by any labor unions and we believe our employee relations to be excellent.

Competition

We operate in the payment systems industry. Our primary competitors in this industry include other independent processors, as well as certain major national and regional banks, financial institutions and independent sales organizations. Certain of these companies are privately-held, and the majority of those that are publicly-held do not release the information necessary to precisely quantify our relative competitive position. Based on industry publications such as The Nilson Report, management believes, however, that we are one of the largest electronic transaction processors in the world. According to that report, one of our competitors, First Data Corporation and its affiliates, is the largest electronic transaction processor.

The most significant competitive factors related to our services are their value-added features, functionality, price and the reliability of our service, as well as breadth and effectiveness of distribution channel, the manner in which we deliver our services.

These competitive factors will continue to change as new distribution channels and alternative payment solutions are developed by us and our competitors. Although the Internet does not currently reflect a significant form of payment processing when compared to traditional forms, it is a rapidly emerging medium that will likely have a growing impact on the industry.

Our primary strategy to distinguish ourselves from our competitors is focused on differentiating ourselves by offering a variety of solutions to our customers. These enhanced services involve vertical market features, and sophisticated reporting features that add value to the information obtained from our electronic commerce transaction processing databases. We believe that our knowledge of these specific markets, the size and effectiveness of our dedicated sales force, and our ability to offer specific, integrated solutions to our customers, including hardware, software, processing, and network facilities, and our flexibility in packaging these products are positive factors that enhance our competitive position.

Properties

Our corporate headquarters are located in Atlanta, Georgia. We occupy a five-story 85,000 square foot building at Four Corporate Square in Atlanta, Georgia. The facility is leased from NDC. Our merchant services business maintains support operations in Hanover, Maryland in a 35,000 square foot facility. After the acquisition, our merchant services business will also have operations based in Toronto, Canada.

In addition to the above facilities, we will lease or rent a total of 34 other facilities. We own or lease a variety of computers and other related equipment for our operational needs. We continue to upgrade and expand our computers and related equipment in order to increase efficiency, enhance reliability, and provide the necessary base for business expansion.

We believe that our facilities and equipment are suitable and adequate for our business as presently conducted.

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Legal Proceedings

We are party to a number of claims and lawsuits incidental to our business. In our opinion, the ultimate outcome of such matters, in the aggregate, will not have a material adverse impact on our financial position, liquidity or results of operations.

Banking Regulations

Following our acquisition of CIBC's merchant acquiring business, CIBC will own 26.25% of our common stock. As a result of CIBC's equity interest in our company, we will be considered a subsidiary of CIBC for U.S. bank regulatory purposes. CIBC is a Canadian Bank with operations in the United States. Accordingly, CIBC is regulated as a bank holding company under provisions of the Bank Holding Company Act. In being considered a subsidiary of CIBC, we will be subject to those same regulations. As a general matter, we will be able to operate our merchant service and funds transfer businesses as we have historically but our ability to expand into unrelated businesses may be limited unless they are activities the act allows or the Federal Reserve Board approves.

Bank holding companies may engage in the business of banking, of managing and controlling banks, and in other activities so closely related to managing and controlling banks as to be a proper incident thereto. The Gramm-Leach-Bliley legislation was enacted in 1999 and amended the Bank Holding Company Act to allow greater operational flexibility for bank holding companies that are well capitalized, well managed and meet certain other conditions. Such

companies are referred to as "financial holding companies." CIBC has elected to be a financial holding company under the act. Financial holding companies may engage in activities that are financial in nature, or that are incidental or complimentary to financial activities. The legislation defines securities and insurance activities as being permissible financial activities, allows certain merchant banking activities, and establishes a procedure for the Federal Reserve to add new activities. The Federal Reserve has taken a very cautious approach to adding new financial activities to this list of permissible activities for financial holding companies.

The Federal Reserve acts as umbrella supervisor for financial holding companies and may establish consolidated capital requirements for such companies. It has the right to examine all subsidiaries of financial holding companies which will include our company following the acquisition. If a financial holding company falls out of compliance with the well-managed, well-capitalized, community reinvestment requirements, the holding company must enter into an agreement with the Federal Reserve to rectify the situation. The Federal Reserve may refuse to allow the financial holding company, which would include its subsidiaries, to engage in new "financial" activities; may require it to cease current "financial" activities; and may require it to divest its bank.

The merchant services and funds transfer businesses that we conduct are permissible activities for bank holding companies under U.S. law and we do not expect the limitations described above to adversely affect our current operations. It is possible, however, that these restrictions might limit our ability to enter other businesses that we may wish to engage in at some time in the future. It is also possible that these laws may be amended in the future, or new laws or regulations adopted, that adversely affect our ability to engage in our current or additional businesses.

Additionally, CIBC is subject to the Bank Act (Canada), which, among other things, limits the types of the business which CIBC may conduct, directly or indirectly, and the types of investments which CIBC may make. CIBC's shareholding in our company is currently permissible pursuant to certain provisions of the Bank Act. The Bank Act, as such, does not otherwise apply to us.

Prior to Canada's recent federal election, the Government of Canada had proposed certain amendments to the Bank Act and related legislation. It is anticipated that such legislation will be reintroduced in the Canadian Parliament in substantially the same form next year. Under such legislation CIBC will be permitted to continue to hold its interest in us, as long as the business undertaken by us is consistent with the applicable provisions of

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the Bank Act. If we undertake businesses inconsistent with the businesses in which CIBC is permitted to hold an interest, CIBC may be required, pursuant to the provisions of the Bank Act, to dispose of its shares prior to the expiration of the restrictions on re-sale that we have negotiated with CIBC.

We have agreed with CIBC, in effect, that we will not undertake any business inconsistent with the permitted investment provisions of the Bank Act. We do not anticipate that compliance with this undertaking will affect, in any material way, our ability to carry on the merchant services and funds transfer business. Our ability to expand into other businesses will be governed by the undertaking and the applicable provisions of the Canadian banking legislation at the relevant time.

There is no assurance that the Bank Act amendments will be reintroduced in substantially the same form as previously introduced in the Canadian Parliament, or that subsequent amendments will not adversely affect our ability to carry on our business in some respects.

Corporate Structure

Our company is a Delaware corporation that was formed by NDC in September 2000. At the time of the distribution, NDC will contribute to us the assets of their eCommerce business, as well as the stock of several subsidiaries that operate that business.

Our merchant services business will be conducted primarily through the following subsidiaries:

National Data Payment Systems

Merchant Services USA

NDC Check Services

NDC Gaming Services

Checkrite

Our electronic funds transfer business will be conducted primarily through the following subsidiaries:

NDC Holdings (UK) LTD

GPS Canada (a subsidiary of Global Payment Systems, discussed below)

Modular Data (a subsidiary of Global Payment Systems, discussed below)

In addition to these subsidiaries, our business will also be operated through several less than wholly-owned subsidiaries as follows:

Global Payment Systems LLC. This LLC was formed primarily to acquire the Merchant Automated Point-of-Sale Program business of MasterCard International in 1996. The consideration paid for these assets included a 7.5% membership interest in the LLC, which MasterCard still owns. We do not have any joint marketing or other arrangements with MasterCard relating to this ownership interest in the LLC. The LLC conducts both merchant services and electronic funds transfer business, and, as mentioned above, has two wholly-owned subsidiaries of its own which are involved in our electronic funds transfer business.

NDPS Comerica LLC. This LLC was formed to acquire a portfolio of merchant contracts from Comerica Bank in 1996. The consideration paid for these assets included a 49% membership interest in the LLC, which Comerica Bank still owns. In addition, Comerica Bank acts as an independent sales organization for us, and exclusively sells our merchant services and electronic funds transfer products and services. The LLC conducts both merchant services and electronic funds transfer business.

Checkrite of Phoenix. This general partnership is a subsidiary of Checkrite, mentioned above, and existed at the time Checkrite was acquired in 1998. It was created by Checkrite to acquire the assets of the check verification business of the Antonine Group. The consideration paid for these assets included a 49% interest in the partnership, which the Antonine Group still owns. We do not have any joint marketing or other arrangements with the Antonine Group relating to this ownership interest in the partnership. The partnership conducts a significant part of our check verification service business which is included in our merchant services offering.

MANAGEMENT

Directors

We expect the following persons to serve as our directors following the distribution. In addition, at the time we complete the acquisition of CIBC's merchant acquiring business, we will add two additional directors to be named by CIBC. Our board of directors will be divided into three classes. Each director initially will serve until the annual meeting of shareholders held in the year in which his or her term expires and will serve thereafter for three-year terms. Of the five directors, one is also expected to serve as an executive officer.

<TABLE>

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Name	Term		Position(s)	Business Affiliations for the Past Five Years
	Age	Expires		
----	----	-----	-----	-----
<C>	<C>	<C>	<C>	<S>
Robert A. Yellowlees..	61	2002	Chairman	Chairman of the Board of NDC since June 1992; President, Chief Executive Officer and Chief Operating Officer of NDC since May 1992; director of Protective Life Corporation.
Edwin H. Burba, Jr. ..	64	2001	Director	Business Consultant, 1993 to present; Commander in Chief, Forces Command, United States Army, 1989-1993; Commanding General, Combined Field Army of the Republic of Korea and United States, 1988-1989.
Paul R. Garcia.....	48	2002	Director	Chief Executive Officer, NDC eCommerce since July 1999; President and Chief Executive Officer of Productivity Point International from March 1997 to September 1998; Group President of First Data Card

Services from 1995 to 1997;
Chief Executive Officer,
National Bancard Corporation
(NaBANCO) from 1989 to 1995.

Pete Hart.....	60	2003	Director	Business Consultant, October 1997-Present; President and Chief Executive Officer, Advanta Corporation (a provider of financial services) 1995-1997; Executive Vice Chairman, Advanta Corporation, 1994; President and Chief Executive Officer, MasterCard International, 1988-1994. Director, Sanchez Computer Associates, Ethentica, Inc., 4AnythingNetwork, HNC Software, Retek, Inc. and Destiny Solutions. He is on the advisory Board of Internet Capital Group. He also serves as Chairman of e-PROFILE.
William I Jacobs.....	58	2003	Director	Managing Director and Chief Financial Officer, The New Power Company (a provider of residential and small business energy services), June 2000 to present; Senior Executive Vice President, Strategic Ventures for MasterCard International, Inc., 1999 to June 2000 and Executive Vice President, Global Resources for MasterCard International, 1995-1999; Executive Vice President, Chief Operating Officer, Financial Security Assurance, Inc. 1984-1994. Director, The New Power Company, Blackboard, Inc., Mondex International and Investment Technology Group. Chairman, Board of Trustees, American University.

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Committees of the Board of Directors

Our board of directors will establish committees, described below, to assist in the discharge of its responsibilities. We do not have a nominating committee. The full board of directors will perform the function which would be performed by a nominating committee.

Audit Committee

The audit committee will conduct its duties consistent with its charter which will include a review of the scope and results of the annual audit of the financial statements and other services provided by our independent accountants. The audit committee will also evaluate the professional competency of our financial staff and internal auditors, review the scope of the internal audit program, review the nature and extent of non-audit professional services performed by the auditors and annually recommend to the board of directors the firm of independent public accountants to be selected as our auditors. The audit committee may also undertake special projects, such as reviewing our environmental policies.

Compensation Committee

The compensation committee will review and evaluate plans for the development, training and succession of our management. The committee will also review our compensation policies and will establish the compensation of our officers, except for the chief executive officer and chief operating officer. The committee will recommend the compensation for our chief executive officer and chief operating officer, subject to the approval of our non-executive directors. In addition the committee will administer our stock incentive and stock based compensation plans and other incentive plans. The committee will also oversee the financial administration and operation of our retirement and pension plans, including the selection and review of the performance of the investment funds and the independent investment advisors for the plans. The full board of directors will approve the selection of the chief executive officer and the chief financial officer. The compensation committee will approve selection of all other candidates to executive positions.

Special Committees

The board of directors may from time to time establish special committees to act on behalf of the board of directors on matters delegated to it by the full board. This may include matters such as approval of final terms of acquisitions and divestitures, alliances and capital expenditures.

Compensation Committee Interlocks and Insider Participation

are expected to be the members of the Compensation Committee. None of the members of the compensation committee served as an officer or an employee of NDC eCommerce during the previous fiscal year, nor is any member expected to serve as an officer or an employee of Global Payments following the distribution.

Directors' Compensation

We will compensate each non-employee director \$15,000 in cash and \$15,000 in company stock per year, plus \$1,000 for each board meeting he or she attends. In addition, non-employee directors who serve on one of our committees will receive \$1,000 per meeting and \$1,500 per meeting when serving as chairperson of a committee. A non-employee director who serves as chairman of the board will be compensated at a rate of \$30,000 per year in cash and \$30,000 in stock, as well as a meeting fee of \$1,000 per meeting. We will also reimburse each non-employee director for out-of-pocket expenses incurred in connection with attendance at Board and committee meetings. Pursuant to the Global Payments Inc. 2000 Non-Employee Director Stock Option Plan (described below), we will also grant to each non-employee director options to purchase shares of our common stock.

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Global Payments Inc. 2000 Non-Employee Director Stock Option Plan

On , 2000, our board of directors adopted the Global Payments Inc. 2000 Non-Employee Director Stock Option Plan. NDC, as our sole shareholder approved the director plan on , 2000, to become effective as of the date of the distribution. We have reserved 400,000 shares of the authorized but unissued shares of our common stock for issuance under the director plan. The full text of the director plan has been filed as an exhibit to the Registration Statement on Form 10 which we have filed with the SEC. See "Where You Can Obtain Additional Information."

We established the director plan to encourage ownership of our common stock by our directors, which gives directors an increased incentive to devote their efforts to our success on behalf of shareholders. The director plan will also help us to attract qualified directors.

Each director who is not employed by us or any of our affiliates will be eligible to participate in the director plan.

Grants of awards under the director plan are automatic. We intend the director plan to be a "formula plan" for purposes of Section 16(b) of the Exchange Act. Our board of directors will administer and interpret the director plan.

Shares subject to the director plan may be authorized but unissued shares or shares that were once issued and subsequently reacquired by us. The total number of shares of common stock for which options may be granted under the director plan is 400,000 shares, subject to adjustment.

Awards granted pursuant to the director plan will be subject to the following terms and conditions:

- Each person who is a non-employee director on the effective date of the director plan will be granted an option to purchase shares of our common stock having a fair market value equal to \$125,000 as of that date. Each person who later becomes a non-employee director will receive a prorata grant based on the number of full months between the date that he or she became a non-employee director and the next annual shareholders meeting. In addition, as of the day following the annual meeting of our shareholders in 2001, and on the day following each subsequent annual meeting of our shareholders, each non-employee director serving on that date will be granted an option to purchase shares of our common stock having a fair market value on the date of grant equal to \$125,000.
- All options granted under the director plan will become exercisable, in the aggregate, as to 25% of the shares after two years, 45% after three years, 70% after four years, and 100% after five years of service from the date of grant, except that an option will become fully exercisable upon the death, disability or retirement of the grantee, as such terms are defined in the director plan, or upon the grantee's failure to be re-nominated or re-elected as a director.

- Upon a grantee's termination as a director for any reason (including by reason of death, retirement or failure to be re-nominated or re-elected as a director), the options held by such person under the director plan will remain exercisable for five years or until the earlier expiration of the option.
- The exercise price for each option granted under the director plan will be the fair market value of the shares of common stock subject to the option on the date of grant. Each option granted under the director plan will, to the extent not previously exercised, terminate and expire on the date ten years after the date of grant of the option, unless the director plan provides earlier termination.
- Options granted under the director plan will be assignable by will, by the laws of descent and distribution, or pursuant to a qualified domestic relations order. In addition, any option granted pursuant to the director plan will be transferable by the grantee to certain designated family members or trusts or foundations for the benefit of such family members.

Termination and Amendment

The director plan will terminate automatically on the second day following our 2010 annual meeting of shareholders, but our board of directors may terminate the director plan at any time before that date. Our board of directors may amend the director plan at any time without shareholder approval; but it may condition any amendment on the approval of our shareholders if such approval is necessary or deemed advisable with respect to tax, securities or other applicable laws, policies or regulations. No amendment modification or termination of the director plan shall adversely affect the rights of the grantees who have outstanding options without the consent of such grantees.

Certain Federal Income Tax Effects

The options granted under the director plan will be non-qualified stock options. Present federal income tax regulations impose no federal income tax consequences to us or a grantee upon the grant of a non-qualified stock option. When the grantee exercises a non-qualified option, however, he or she will realize ordinary income in an amount equal to the excess of (1) the fair market value of the option share that he or she receives upon exercise of the option at the time of exercise over (2) the exercise price, and we will be allowed a corresponding federal income tax deduction. Any gain that a grantee realizes when the grantee later sells or disposes of the option shares will be short-term or long-term capital gain, depending on how long he or she held the shares.

Benefits to Non-Employee Directors

There will be four non-employee directors eligible to participate in the director plan on the effective date. Each of them will be granted on that date an option to acquire shares of our common stock having a fair market value of \$125,000. Subsequent grants will be made under the director plan as described above.

Executive Officers

We expect the following individuals, who currently manage our eCommerce business, to serve as our executive officers following the distribution. Our board of directors may appoint additional executive officers from time to time.

<TABLE>
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Position with Global Payments
and Principal Business
Affiliations for Past Five
Years

Name	Age	Current Position(s)	Position with Global Payments and Principal Business Affiliations for Past Five Years
----	---	-----	-----
<C> Paul R. Garcia...	<C> 48	<C> Chief Executive Officer	<S> Chief Executive Officer, NDC eCommerce since July 1999; President and Chief Executive Officer of Productivity Point International from March 1997 to September 1998; Group President of First Data Card Services from 1995 to 1997; Chief Executive Officer, National Bancard Corporation (NaBANCO) from 1989 to 1995.

Thomas M. Dunn... 43 Chief Operating Officer Chief Operating Officer, NDC eCommerce since March 1999; and General Manager, Integrated Payment Systems, a division of NDC eCommerce, from June 1996 to March 1999; Group Vice President from August 1992 to June 1996.

James G. Kelly... 38 Chief Financial Officer Chief Financial Officer, NDC eCommerce since April 2000; Managing Director with Alvarez & Marsal from March 1996 to April 2000; Director with Alvarez & Marsal from 1992 to 1996 and Associate with Alvarez & Marsal from 1990 to 1992; and Manager with Ernst & Young's mergers and acquisitions/audit groups from 1989 to 1990.

Barry W. Lawson... 54 Chief Information Officer Chief Information Officer, NDC eCommerce since November 1999; CEO Systems and Network Consultants from April 1996 to October 1999; and Chief Operating Officer of National Bancard Corporation (NaBANCO) from August 1993 to March 1996.

</TABLE>

There is no family relationship between any of our executive officers or directors and there are no arrangements or understandings between any of our executive officers or directors and any other person pursuant to which any of them was elected an officer or director, other than arrangements or understandings with our directors or officers acting solely in their capacities as such. Generally, following the distribution, our executive officers will serve at the pleasure of our board of directors.

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Historical Compensation of Our Executive Officers

The following table sets forth certain information concerning compensation paid by NDC for services in all capacities awarded to, earned by, or paid to our chief executive officer and our other three most highly compensated executives. During the time period reflected in the following tables, the individuals were compensated in accordance with NDC's plans and policies, and all references in the following tables to stock and stock options relate to awards of stock and stock options granted by NDC and have not been adjusted to give effect to the distribution. These tables do not reflect the compensation the officers will receive following the distribution. NDC options held by our employees will be replaced by our options. The option price and number of shares subject to each option will be adjusted so that the aggregate difference between the market price and the option price will be the same for our new option and the terminated NDC option.

SUMMARY COMPENSATION TABLE

<TABLE>
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Name and Principal Position	Fiscal Year	Annual Compensation		Long Term Compensation Awards		
		Salary (\$)	Bonus (\$)	Restricted Stock Award(s) (\$ (1))	Securities Underlying Options (#)	All Other Compensation (\$)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Paul R. Garcia..... Chief Executive Officer	2000 1999 1998	369,039(2) -- --	127,500(2) -- --	2,555,530(5) -- --	-- (4) -- --	51,095 -- --
Thomas M. Dunn..... Chief Operating Officer	2000 1999 1998	300,000 232,308 180,000	80,000 140,000 120,000	585,000 190,585 40,505	-- 9,200 20,000(3)	6,934 6,264 11,786
James G. Kelly..... Chief Financial Officer	2000 1999	39,231(2) --	-- --	849,988(5) --	57,000(3) --	-- --

	1998	--	--	--	--	--
Barry W. Lawson.....	2000	144,231(2)	80,000	300,825(5)	42,000(3)	--
Chief Information Officer	1999	--	--	--	--	--
	1998	--	--	--	--	--

</TABLE>

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- (1) Awards of restricted shares to Messrs. Garcia and Dunn have been made under NDC's 1983 stock option plan. Awards of restricted stock to Messrs. Kelly and Lawson have been made under NDC's 2000 Long Term Incentive Plan. These are valued in the table based upon the closing market prices of the NDC common stock on the grant dates. Grantees have the right to vote and dividends are payable to the grantees with respect to all awards of restricted shares reported in this column. The restrictions on 339; 340; 340; 354; 354 and 355 shares awarded to Mr. Dunn expired or shall expire on 8/1/98; 8/1/99; 8/1/00; 8/25/99; 8/25/00; and 8/25/01, respectively. The value of the restricted stock held by the named executive officers at May 31, 2000 was \$1,225,543; \$592,950; \$707,575; \$277,956 for Messrs. Garcia, Dunn, Kelly and Lawson, respectively. The numbers of shares of restricted stock held by Messrs. Garcia, Dunn, Kelly and Lawson, at May 31, 2000 were 55,555; 26,879; 32,075; 12,600, respectively.
- (2) Mr. Garcia began full time employment in July of 1999. Mr. Kelly began full time employment in April of 2000. Mr. Lawson began full time employment in November of 1999.
- (3) Such awards are intended to be awards for more than one year.
- (4) Stock options were granted to Mr. Garcia during fiscal year 2000 but were voluntarily surrendered on 5/31/00.
- (5) Such awards were intended as one time awards at time of hire.

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Option Grants In Last Fiscal Year

Shown below is additional information on grants of stock options made under the NDC stock incentive plans during NDC's fiscal year ended May 31, 2000.

OPTION GRANTS IN LAST FISCAL YEAR

<TABLE>
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Individual Grants					
Name	Number of Securities Underlying Options	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Sh)	Expiration Date	Grant Date Present Value (\$)
	Granted(#)				(1)
<S>	<C>	<C>	<C>	<C>	<C>
Paul R. Garcia.....	--	--	--	--	--
Thomas M. Dunn.....	--	--	--	--	--
James G. Kelly.....	57,000(2)	4.9%	\$26.50	4/10/10	\$806,071
Barry W. Lawson....	42,000(2)	3.6%	\$23.875	11/1/09	\$532,354

</TABLE>

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- (1) These grant date values, based on the Black-Scholes option pricing model, are for illustrative purposes only, and are not intended to be a forecast of what future performance will be. These values are based on the following assumptions: (i) an expected stock price volatility of 50%; (ii) a risk-free rate of return of 6.5%; (iii) an expected dividend yield of 1.0%; and (iv) an expected grant life of 7 years.
- (2) Such awards are intended to be awards for more than one year.

Aggregated Option / Stock Appreciation Right Exercises In Last Fiscal Year And Fiscal Year-End Option / Stock Appreciation Rights Values

Shown below is information concerning the number of NDC shares each executive officer acquired upon exercise of stock options and the aggregate gains realized on exercises during the fiscal year ended May 31, 2000. The table also sets forth the number of shares underlying exercisable and unexercisable options held by each officer executive on May 31, 2000 and the aggregate gains that would have been realized if these options were exercised on May 31, 2000.

<TABLE>
<CAPTION>

Number of Securities Underlying Unexercised	Value of Unexercised
---	----------------------

Name	Shares		Options at Fiscal Year-End(#)		In-the-Money Options at Fiscal Year-End(\$)	
	Acquired on Exercise(#)	Value Realized(\$)	Exercisable	Unexercisable	Exercisable	Unexercisable
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Paul R. Garcia.....	--	--	--	--	--	--
Thomas M. Dunn.....	12,750	438,296	23,620	31,180	141,962	1,912
James G. Kelly.....	--	--	--	57,000	--	--
Barry W. Lawson.....	--	--	--	42,000	--	--

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Defined Benefit Retirement Plans

The following table shows estimated annual retirement benefits payable to participants in the NDC Retirement Plan and the pilot NDC supplemental executive retirement plan on a straight life annuity basis upon retirement in specified years of continuous service and remuneration classes.

Estimated Annual Retirement Benefits
Years of Continuous Service(1)

Three-Year Average Earnings	10	15	20	25	30	35
<S>	<C>	<C>	<C>	<C>	<C>	<C>
\$200,000	48,000	72,000	83,000	94,000	105,000	116,000
250,000	60,000	90,000	103,750	117,500	131,250	145,000
300,000	72,000	108,000	124,500	141,000	157,500	174,000
350,000	84,000	126,000	145,250	164,500	183,750	203,000
400,000	96,000	144,000	166,000	188,000	210,000	232,000
450,000	108,000	162,000	186,750	211,500	236,250	261,000
500,000	120,000	180,000	207,500	235,000	262,500	290,000
550,000	132,000	198,000	228,250	258,500	288,750	319,000
600,000	144,000	216,000	249,000	282,000	315,000	348,000
650,000	156,000	234,000	269,750	305,500	341,250	377,000
700,000	168,000	252,000	290,500	329,000	367,500	406,000
750,000	180,000	270,000	311,250	352,500	393,750	435,000
800,000	192,000	288,000	332,000	376,000	420,000	464,000
850,000	204,000	306,000	352,750	399,500	446,250	493,000
900,000	216,000	324,000	373,500	423,000	472,500	522,000
950,000	228,000	342,000	394,250	446,500	498,750	551,000

(1) The average annual earnings for the highest three years over the last 10-year period and the eligible years of credited service as of May 31, 2000 for the only named executive officer participating in the pilot NDC executive retirement plan was as follows: Mr. Dunn (over 11 years)--\$316,487. The amounts shown in the columns "Salary" and "Bonus" in the Summary Compensation Table above are substantially equal to the compensation of the individuals named in such table for purposes of the pilot NDC executive retirement plan and the NDC Retirement Plan. Federal regulations, however, cap the total compensation that may be considered in providing benefits under the Retirement Plan.

Long-Term Incentive Plan

On , 2000, we adopted the Global Payments 2000 Long-Term Incentive Plan. NDC, as our sole shareholder approved the option plan on , 2000. We have reserved 800,000 shares of the authorized but unissued shares of our common stock for issuance under the option plan. The full text of the option plan has been filed as an exhibit to the Registration Statement on Form 10 which we have filed with the SEC. See "Where you can Obtain Additional Information."

We established the option plan to promote success by linking the personal interests of our employees, officers and directors to those of our shareholders, and by providing participants with an incentive for outstanding performance. As of the distribution date, there will be approximately people eligible to participate in the option plan.

The option plan authorizes the granting of the following awards:

- options to purchase shares of common stock, which may be incentive stock options or non-qualified
- stock appreciation rights

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- . performance shares
- . restricted stock
- . dividend equivalents
- . other stock-based awards
- . any other right or interest relating to common stock, or
- . cash.

Our compensation committee will administer the option plan. The committee has the authority to designate participants; determine the types of awards to be granted to each participant and the number, terms and conditions thereof; establish, adopt or revise any rules and regulations as it may deem advisable to administer the option plan; and make all other decisions and determinations that may be required under the option plan. All awards under the option plan will be evidenced by a written award agreement between us and the participant, which will include any provisions specified by the committee.

Subject to adjustment as provided in the option plan, the aggregate number of shares reserved and available for awards under the option plan is shares, plus an annual increase equal to the lesser of shares or the number of shares necessary to bring the total number of available shares to 3.5% of the fully diluted shares outstanding. The increase will be effective on the last day of each fiscal year, beginning in 2001 and ending in 2005. Not more than 15% of the total authorized shares may be granted as awards of restricted stock or unrestricted stock awards. The maximum number of shares underlying options and/or stock appreciation rights that may be granted during any one calendar year under the option plan to any one person is . The maximum fair market value of any awards (other than options and stock appreciation rights) that may be received by a participant (less any consideration paid by the participant for such award) during any one calendar year under the option plan is \$.

Pursuant to section 162(m) of the Internal Revenue Code, we may not deduct compensation in excess of \$1 million paid to our chief executive officer and our other four most highly compensated executive officers. We designed the option plan to comply with code section 162(m) so that the grant of options and stock appreciation rights under the option plan, and other awards, such as performance shares, that are conditioned on the performance goals described in the option plan, will be excluded from the calculation of annual compensation for purposes of code section 162(m) and will be fully deductible by us. In order to preserve full deductibility under code section 162(m), the committee may determine that any award will be determined solely on the basis of:

- . the achievement by Global Payments or any parent or subsidiary of Global Payments of a specified target return, or target growth in return, on equity or assets,
- . total shareholder return (Global Payments' stock price appreciation plus reinvested dividends) relative to a defined comparison group or target over a specific performance period,
- . Global Payments' stock price,
- . the achievement by Global Payments or a business unit of Global Payments, a parent or subsidiary of a specified target, or target growth in, revenue, profit contribution, net income, EBIT, EBITDA, return on investment, return on assets or earnings per share,
- . the achievement by Global Payments or a business unit of Global Payments, a parent or subsidiary of a specified target, or target growth in, operating income and/or margin percentage of revenue, or
- . any combination of the above.

Limitations on Transfer

No participant may transfer or assign an award under the option plan other than by will or the laws of descent and distribution or, except in the case of an incentive stock option, pursuant to a qualified domestic relations order. The committee may permit other transfers if it deems appropriate.

Acceleration of Vesting Upon Certain Events

Upon a participant's death or disability, all of his or her outstanding awards will become fully vested and exercisable. The awards will thereafter continue or terminate in accordance with the other provisions of the option plan and the award agreement. In addition, the committee may at any time in its discretion declare any or all awards to be fully or partially vested and

exercisable. The committee may discriminate among participants or among awards in exercising such discretion.

Effect on Options of Retirement

Upon a participant's retirement (as defined in the option plan), all of his or her outstanding options will fully vest and will remain exercisable for five years or until the earlier expiration of the option.

Termination and Amendment

Our board of directors or the committee may at any time amend or terminate the option plan without shareholder approval, but it may condition any amendment on the approval of its shareholders if such approval is necessary or advisable under tax, securities or other applicable laws, policies or regulations. The committee may amend or terminate any outstanding award without the participant's approval, but the amendment or termination may not, without the participant's consent, reduce or diminish the value of the award determined as if it had been exercised, vested, cashed in or otherwise settled on the date of such amendment or termination.

Certain Federal Income Tax Effects

The following discussion is a summary of the federal income tax provisions relating to the grant and exercise of awards under the option plan and the subsequent sale of common stock acquired under the option plan. The tax effect of exercising awards may vary depending upon the particular circumstances, and the income tax laws and regulations change frequently.

. Non-qualified Stock Options. There will be no federal income tax consequences to a participant or to us upon the grant of a non-qualified stock option. When the participant exercises a non-qualified option, however, he or she will realize ordinary income in an amount equal to the excess of (1) the fair market value of the option shares that he or she receives upon exercise of the option at the time of exercise over (2) the exercise price, and we will be allowed a corresponding federal income tax deduction, subject to applicable limitations. Any gain that a participant realizes when the participant later sells or disposes of the option shares will be short-term or long-term capital gain, depending on how long he held the shares.

. Incentive Stock Options. There typically will be no federal income tax consequences to a participant or to us upon the grant or exercise of an incentive stock option. If the participant holds the option shares for the required holding period of at least two years after the date the option was granted or one year after exercise of the option, the difference between (1) the exercise price and (2) the amount realized upon sale or disposition of the option shares will be long-term capital gain or loss, and we will not be entitled to a federal income tax deduction. If the participant disposes of the option shares in a sale, exchange, or other disqualifying disposition before the required holding period ends, he or she will realize taxable ordinary income in an amount equal to the excess of (1) the fair market value of the option shares at the time of exercise over (2) the exercise price, and we will be allowed a federal income tax deduction equal to such amount, subject to applicable limitations. While the exercise of an incentive stock option does not result in current taxable income, the excess of (1) the

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fair market value of the option shares at the time of exercise over (2) the exercise price will be an item of adjustment for purposes of determining the participant's alternative minimum tax income.

. Stock Appreciation Rights. The participant will not recognize income, and we will not be allowed a tax deduction, at the time a stock appreciation right is granted. When the participant exercises the stock appreciation right, the amount of cash and the fair market value of any shares of common stock received will be ordinary income, and we will be allowed a tax deduction equal to that amount, subject to applicable limitations.

. Restricted Stock. Unless a participant makes an election to accelerate recognition of the income to the date of grant as described below, the participant will not recognize income, and we will not be allowed a tax deduction, at the time a restricted stock award is granted. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the common stock as of that date (less any amount he paid for the stock), and we will be allowed a corresponding federal income tax deduction at that time, subject to applicable limitations. If the participant files an election under Section 83(b) of the Code within 30 days after the date of grant of the restricted stock, he will recognize ordinary income as of the date of grant equal to the fair market value of the stock as of that date (less any amount a participant paid for the stock), and we will be allowed a corresponding federal income tax deduction at that time, subject to applicable limitations. Any future appreciation in the stock will be taxable to the participant at capital gains rates. However, if the stock is later forfeited, he or she will not be able to recover the tax previously paid pursuant to his

or her section 83(b) election.

. Performance Shares. A participant will not recognize income, and we will not be allowed a tax deduction, at the time performance shares are granted. When the participant receives payment under the performance shares, the amount of cash and the fair market value of any shares of stock received will be ordinary income to the participant, and we will be allowed a corresponding tax deduction at that time, subject to applicable limitations.

Benefits to Named Executive Officers and Others

As of the date of this information statement, no awards had been granted or approved for grant under the option plan, other than replacement awards for NDC options forfeited as a result of the distribution. Any future awards under the option plan will be made at the discretion of the committee or our board of directors. Consequently, it is not presently possible to determine either the benefits or amounts that will be received by any particular person or group pursuant to the option plan.

Global Payments Employee Stock Purchase Plan

On , 2000, we adopted the Global Payments Inc. 2000 Employee Stock Purchase Plan. NDC, as our sole shareholder, approved the stock purchase plan on , 2000. The full text of the stock purchase plan has been filed as an exhibit to the Registration Statement on Form 10 which we have filed with the SEC. See "Where You Can Obtain Additional Information."

We established the stock purchase plan to encourage ownership of our common stock among our employees and employees of our subsidiaries that we designate as eligible to participate in the stock purchase plan.

Our compensation committee will administer the stock purchase plan. Subject to the express provisions of the stock purchase plan, the committee has authority to interpret and construe the provisions of the stock purchase plan, to adopt rules and regulations for administering the stock purchase plan, and to make all other determinations necessary or advisable for administering the stock purchase plan. The committee will select from time to time an administrator to operate and perform the daily administration of the stock purchase plan and maintain records of the stock purchase plan.

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A maximum of 1,200,000 shares of our common stock will be made available for purchase by participants under the stock purchase plan, subject to appropriate adjustment for stock dividends, stock split or combination of shares, recapitalization or other changes in our capitalization. The shares issuable under the stock purchase plan may be issued out of authorized but unissued shares or may be shares issued and later acquired by us. We may use all cash received or held by us under the stock purchase plan for any corporate purpose.

All of our employees or employees of our participating subsidiaries who are regularly scheduled to work at least 20 hours each week and at least five months each calendar year are eligible to participate in the stock purchase plan. As of the distribution date, there will be approximately employees eligible to participate in the stock purchase plan.

An eligible employee may elect to become a participant in the stock purchase plan by filing with the administrator a request form, which authorizes a regular payroll deduction from the employee's paycheck. A participant's request form authorizing a payroll deduction will remain effective from offering period to offering period until amended or canceled. Offering periods are the three-month periods beginning January 1, April 1, July 1 and October 1 of each year during which options to purchase common stock are outstanding under the stock purchase plan. The first offering period will begin on the first trading day following distribution and will end on March 31, 2001. A participant's payroll deduction must be in any whole dollar amount or percentage from one to twenty percent of such participant's eligible compensation payable each pay period, and at any other time an element of eligible compensation is payable. A participant may not make cash contributions or payments to the stock purchase plan.

We will establish a book account for each participant, to which the participant's payroll deductions will be credited, until these amounts are either withdrawn, distributed or used to purchase common stock, as described below. No interest will be credited on these cash amounts. Whole shares of common stock will be held in the participant's account until distributed as described below.

On the first day of each offering period we will grant to each eligible employee an option to purchase on the last day of the offering period (the "purchase date") at the price described below (the "purchase price") the number of full shares of common stock which the cash credited to the participant's account at that time will purchase at the purchase price. An employee may not be granted an option for an offering period if immediately after the grant, he or she would own five percent or more of the total combined voting power or

value of all classes of stock of Global Payments or any of its subsidiaries. A participant cannot receive options that, in combination with options under other plans qualified under section 423 of the code, would result in the purchase of shares having an aggregate fair market value of more than \$25,000 during any calendar year. The maximum number of shares of common stock that any participant may purchase in the stock purchase plan during any one offering period is 1,600 shares.

Unless the cash credited to a participant's account is withdrawn or distributed, his or her option to purchase shares of common stock will be deemed to have been exercised automatically on the purchase date. We will refund to the participant the cash balance, if any, remaining in the participant's account at the end of an offering period without interest. The purchase price will be the lesser of (i) 85% of the fair market value of the common stock on the first trading day of the offering period; or (ii) 85% of the fair market value of the common stock on the last trading day of the offering period. Since the shares will be purchased at less than market value, employees will receive a benefit from participating in the stock purchase plan.

A participant may not transfer options granted under the stock purchase plan other than by will or by the laws of descent and distribution. The participant may exercise the options only during his or her lifetime. Participation in the stock purchase plan will not be deemed to give to any employee the right to be retained as our employee or an employee of any of our subsidiaries. If a participant terminates employment, the cash balance in the participant's account will be returned to him or her in cash, without interest, as soon as practicable, and certificates for the shares of common stock credited to the participant's account will be distributed as soon as practicable or other appropriate evidence of ownership effected.

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The committee may amend or terminate the stock purchase plan at any time, but no amendment may affect any outstanding right (unless required by law) or, unless previously approved by our shareholders if required by applicable law or rule, no amendment may materially affect the eligibility requirements or increase the number of shares of common stock eligible for purchase under the stock purchase plan. If the stock purchase plan is terminated, the administrator will terminate all contributions to the stock purchase plan and distribute participants' cash balances as soon as practicable, without interest.

Certain Federal Income Tax Effects

The stock purchase plan is designed to qualify as an employee stock purchase plan under section 423 of the code. A general summary of the federal income tax consequences regarding the stock purchase plan is stated below.

Neither the grant nor the exercise of options under the stock purchase plan will have a tax impact on us or the participant. If a participant disposes of the common stock acquired upon the exercise of his or her options after at least two years from the date of grant and one year from the date of exercise, then the participant must treat as ordinary income the amount by which the lesser of (1) the fair market value of the common stock at the time of disposition, or (2) the fair market value of the common stock at the date of grant, exceeds the purchase price. Any gain in addition to this amount will be treated as a capital gain. If a participant holds common stock at the time of his or her death, the holding period requirements are automatically deemed to have been satisfied and he or she will realize ordinary income in the amount by which the lesser of (1) the fair market value of the common stock at the time of death, or (2) the fair market value of the common stock at the date of grant exceeds the purchase price. We will not be allowed a deduction if the holding period requirements are satisfied. If a participant disposes of common stock before expiration of two years from the date of grant and one year from the date of exercise, then the participant must treat as ordinary income the excess of the fair market value of the common stock on the date of exercise of the option over the purchase price. Any additional gain will be treated as long-term or short-term capital gain or loss, as the case may be. We will be allowed a federal income tax deduction equal to the amount of ordinary income recognized by the participant.

The above discussion is intended to summarize the applicable provisions of the code which are in effect as of the date of this registration statement. The tax consequences of participating in the stock purchase plan may vary with respect to individual situations. Accordingly, participants should consult with their tax advisors in regard to the tax consequences of participating in the stock purchase plan as to both federal and state income tax considerations.

Benefits to Named Executive Officers and Others

Participation in the stock purchase plan is voluntary. Consequently, it is not presently possible to determine either the benefits or amounts that will be received by any person or group pursuant to the stock purchase plan.

Employment, Severance and Change of Control Agreements

Paul R. Garcia, Thomas M. Dunn, James G. Kelly and Barry W. Lawson. Each of Messrs. Garcia, Dunn, Kelly and Lawson entered into employment agreements with NDC in 2000, the material terms of which are summarized below. These employment agreements will be assumed by Global Payments at the effective time of the distribution.

The executive is entitled to a minimum annual salary, subject to yearly review, plus an annual at-risk incentive bonus opportunity, which is determined annually based on a range of specific financial objectives

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reflecting his area and scope of responsibility. The executive is also entitled to participate in all incentive, savings and welfare benefit plans generally made available to executive officers of the employer. The current annual salaries of these executive officers are as follows: Mr. Garcia--\$400,000; Mr. Dunn--\$300,000; Mr. Kelly--\$300,000; and Mr. Lawson--\$250,000.

Each of Messrs. Garcia, Dunn, Kelly and Lawson has agreed in his employment agreement not to disclose confidential information or compete with the employer, and not to solicit the employer's customers or recruit its employees, for a period of 24 months following the termination of his employment.

Each of the employment agreements may be terminated by the employer at any time for "cause" or "poor performance" (as defined therein) or for no reason, or by the executive with or without "good reason" (as defined therein). The agreement will also be terminated upon the death, disability or retirement of the executive. Depending on the reason for the termination and when it occurs, the executive will be entitled to certain severance benefits, as described below.

If, prior to a change in control, the executive's employment is terminated by the employer without cause (but not for poor performance) or he resigns for good reason, the employer will be required to pay him his accrued salary and benefits through the date of termination plus a portion of his target annual bonus for the current year. For up to 18 months, or until he is employed elsewhere or he violates certain restrictive covenants, the employer will continue to pay the executive his base salary and will provide him with health insurance coverage. In addition, all of the executive's restricted stock awards will vest and those stock options that would have vested in the next 24 months will vest and remain exercisable for 90 days after the end of the salary continuation period, as described above.

If, prior to a change in control, the executive's employment is terminated by the employer for poor performance, the employer will be required to pay him his accrued salary and benefits through the date of termination plus a portion of his target annual bonus for the current year. For up to 12 months, or until he is employed elsewhere or he violates certain restrictive covenants, the employer will continue to pay the executive his base salary and will provide him with health insurance coverage. In addition, all of the executive's restricted stock awards and stock options that would have vested in the next 24 months will vest and the options will remain exercisable for 90 days after the earlier of six months or the end of the salary continuation period, as described above.

Mr. Kelly's agreement provides that if the distribution has not occurred by June 2001, he may voluntarily terminate his employment. If Mr. Kelly terminates his employment prior to a change in control, the employer will pay him his accrued salary and benefits through the date of termination. In addition, for 12 months, or until he violates certain restrictive covenants, the employer will continue to pay Mr. Kelly his base salary and one-twelfth of his target annual bonus (reduced by any salary and bonus payable by a subsequent employer during such time) and will provide him with health insurance coverage. In addition, all of his restricted stock awards will vest.

If, within 36 months after a change in control, the executive's employment is terminated by the employer without cause or he resigns for good reason, the employer will be required to pay him his accrued salary and benefits through the date of termination plus 100% of his annual bonus opportunity for the current year. For 24 months or unless he violates certain restrictive covenants, the employer will continue to pay the executive his base salary and will provide him with health insurance coverage. In addition, all of the executive's restricted stock awards and stock options will vest and the options will remain exercisable for 90 days after the end of the salary continuation period, as described above.

Whether or not a change in control shall have occurred, if the employment of the executive is terminated by reason of his death, disability or retirement, he will be entitled to his accrued salary and benefits through the date of termination and any death, disability or retirement benefits that may apply, but no additional severance amount. If the employer terminates the executive for cause, or if he resigns from the employer without good

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reason, he will be entitled to his accrued salary and benefits through the date of termination, but no additional severance amount. If Mr. Kelly terminates under these conditions before April 2001, he will be required to repay any advance on his first annual bonus and certain relocation costs paid by the employer.

For purposes of these employment agreements, a change in control of the employer is generally defined as the acquisition by a third party of 35% or more of the voting power of the employer, or the consummation of certain mergers, asset sales or other major business combinations. A restructuring or separation of any line of business of the employer will not, of itself, constitute a change in control. Each of these employment agreements provides that the executive will be entitled to a tax gross-up payment from the employer to cover any excise tax liability he may incur as a result of payments or benefits contingent on a change in control, but such gross-up payment will be made only if the after-tax benefit to the executive of such tax gross-up is at least \$50,000. If not, the benefits would be reduced to an amount that would not trigger the excise tax.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

Currently, and until the distribution, NDC holds all of our outstanding shares. Based on what we know about the ownership of NDC common stock, we expect the following persons to own beneficially more than 5% of our outstanding shares outstanding immediately following the distribution and the purchase of CIBC's merchant acquiring business. These beneficial owners may alter their holdings following the date of distribution.

<TABLE>
<CAPTION>

Name of Beneficial Owner	Shares Beneficially Owned(1)	Percentage of Outstanding Shares(2)	Percentage of Outstanding Shares(3)
<S>	<C>	<C>	<C>
Canadian Imperial Bank of Commerce(3).....	9,353,794(3)	0%	26.25%
Massachusetts Financial Services Company(4).....	2,679,951	10.2%	7.5%
Wanger Asset Management, Ltd., Wanger Asset Management L.P., and Acorn Investment Trust(5).....	2,511,600	9.5%	7.1%
T. Rowe Price Associates, Inc.(6)....	1,376,760(7)	5.2%	3.9%

</TABLE>

-
- (1) Assumes for purposes of this table a distribution ratio of 0.8 of a share of Global Payments common stock for each share of NDC common stock held.
 - (2) Assumes that the distribution occurs but the acquisition of CIBC's merchant acquiring business does not occur. It also assumes that Global Payments has 26,279,708 shares of common stock outstanding, based on NDC having 32,849,635 shares of common stock outstanding on August 31, 2000.
 - (3) Assumes the completion of both the distribution and the purchase of CIBC's merchant acquiring business. It also assumes that Global Payments has 35,633,502 shares of common stock outstanding immediately after the acquisition.
 - (4) This information is contained in a Schedule 13G dated May 11, 2000 filed by Massachusetts Financial Services Company with the Securities and Exchange Commission, a copy of which was received by NDC. Such Schedule 13G states that Massachusetts Financial Services has sole voting power with respect to 2,738,479 NDC shares and sole dispositive power with respect to 3,349,939 NDC shares. Their address is 500 Boylston St., 15th Floor, Boston, MA 02116.
 - (5) This information is contained in a Schedule 13G dated February 11, 2000 filed by Wanger Asset Management Ltd., Wanger Asset Management L.P. and Acorn Investment Trust with the Commission, a copy of which was received by NDC. Such Schedule 13G states that Wanger Ltd., Wanger L.P. and Acorn have shared voting and dispositive power with respect to all shares. Their address is 227 W. Monroe St., Suite 3000, Chicago, IL 60606.
 - (6) This information is contained in a Schedule 13G dated June 9, 2000 filed by T. Rowe Price Inc. with the Commission, a copy of which was received by NDC. Such Schedule 13G states that T. Rowe Price has sole voting power with respect to 311,750 NDC shares and sole dispositive power with respect to 1,720,950 NDC shares. Their address is 100 East Pratt St., Baltimore, MD 21202.
 - (7) These securities are owned by various individual and institutional investors which T. Rowe Price serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, T. Rowe Price is deemed to be a beneficial owner of such securities; however, T. Rowe Price expressly disclaims that it is, in fact, the beneficial owner of such securities.

BENEFICIAL OWNERSHIP OF MANAGEMENT

Currently, and until the distribution, NDC holds all of our outstanding shares; therefore, none of our directors or executive officers owns any of the shares. We predict that following the distribution, our directors and executive officers will beneficially own that number of shares set forth below. Unless otherwise indicated, the projections are based on the number of NDC shares owned by such persons as of October 31, 2000 and reflect the distribution ratio of 0.8 of a Global Payments share for every share of common stock of NDC owned on the record date. The stock options and restricted stock holdings of our directors and executive officers have not been adjusted to give effect to the distribution, except for Mr. Yellowlees' holdings which have been adjusted to give effect to the distribution. For a complete explanation of how they will be adjusted, please refer to "Relationship Between NDC and Global Payments Following the Distribution--Employee Benefits Agreement" on page 22.

<TABLE>

<CAPTION>

Name ----	Shares Beneficially Owned(1) (2)	Percentage of Outstanding Shares (2)
<S>	<C>	<C>
Executive Officers:		
Paul R. Garcia.....	65,850 (4)	*
Thomas M. Dunn.....	83,811 (5)	*
James G. Kelly.....	32,000 (6)	*
Barry W. Lawson.....	12,600 (7)	*
Directors:		
Edwin H. Burba, Jr.....	740	*
Paul R. Garcia.....	-- (3)	*
Pete Hart.....	--	--
William I Jacobs.....	--	--
Robert A. Yellowlees.....	652,569 (8)	2.5%
	-----	---
All Directors and Executive Officers named above, which included		
8 persons as a group.....	847,570 =====	3.2% ===

</TABLE>

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* Less than 1%

- (1) The amounts and percentages of common stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. The beneficial owner has both voting and investment power over the shares, unless otherwise indicated. Shares underlying stock options that are exercisable within 60 days are deemed to be outstanding for the purpose of computing the outstanding shares owned by that particular person and by the group but are not deemed outstanding for other purposes.
- (2) Assumes for purposes of this table a distribution ratio of 0.8 of a share of Global Payments common stock for each share of NDC common stock held. The stock options and restricted stock included in the numbers above have not been adjusted to give effect to the distribution. The percentage calculations are based on 26,279,708 shares outstanding. See note 2 on page 58 for an explanation of this assumption.
- (3) Amounts listed for Mr. Garcia are set forth under Executive Officers.
- (4) This amount includes 56,928 shares of restricted stock over which Mr. Garcia currently has sole voting power only.
- (5) This amount includes 34,160 shares of common stock of which Mr. Dunn has the right to acquire beneficial ownership and 38,705 shares of restricted stock over which he currently has sole voting power only.
- (6) This amount represents restricted stock over which Mr. Kelly has sole voting power only.
- (7) This amount represents restricted stock over which Mr. Lawson has sole voting power only.
- (8) This amount includes 274,832 shares of common stock of which Mr. Yellowlees has the right to acquire beneficial ownership, 32,000 shares held by The Yellowlees Charitable Trust, of which Mr. Yellowlees is the Trustee, 25,555 shares of restricted stock over which he currently has sole voting power only and 6,271 shares held by Mr. Yellowlees' wife as to which he disclaims all beneficial ownership.

DESCRIPTION OF GLOBAL PAYMENTS' CAPITAL STOCK

Global Payments was formed on September 1, 2000. On October 27, 2000, NDC subscribed for _____ shares of our common stock in a securities purchase exempt under Article 4(2) of the Securities Act of 1933.

Authorized Capital Stock

Our articles of incorporation authorize 205,000,000 shares of all classes of stock, of which 5,000,000 are shares of preferred stock, and 200,000,000 are shares of common stock, no par value. Based on the number of NDC shares outstanding on _____, 2000. _____ of our shares, constituting all of outstanding shares as of such date, will be issued to NDC stockholders on the distribution date. All of the shares to be distributed to NDC stockholders in the distribution will be fully paid and non-assessable.

We have reserved _____ shares for issuance under our 2000 Long-Term Incentive Plan, 1,200,000 shares for issuance under our 2000 Employee Stock Purchase Plan and 400,000 shares for issuance under our 2000 Non-Employee Directors Stock Option Plan. No shares of preferred stock have been issued, although shares of preferred stock have been reserved for issuance under the Rights Agreement (as described below).

The following summary describes material provisions of our articles of incorporation and by-laws. You should read copies of these documents, which are included as exhibits to the Registration Statement on Form 10 which we have filed with the SEC. See "Where You Can Obtain Additional Information."

Common Stock

Our shareholders will be entitled to one vote for each share on all matters voted on by shareholders, and our shareholders will possess all voting power, except as otherwise required by law or provided in any resolution adopted by our board of directors with respect to any series of our preferred stock. Shareholders have no cumulative voting rights. Accordingly, the holders of a majority of our shares voting for the election of directors can elect all of the directors, if they choose to do so, subject to any rights of the holders of preferred stock to elect directors. Subject to any preferential or other rights of any outstanding series of our preferred stock that may be designated by our board of directors, our shareholders will be entitled to such dividends as our board of directors may declare from time to time from funds available therefor and, upon liquidation, will be entitled to receive pro rata all of our assets available for distribution to such holders. See "Risk Factors--We may not be able or we may decide not to pay dividends at a level anticipated by shareholders on our common stock, which could reduce your return on shares you hold" on page 13 and "Dividend Policy" on page 29.

Preferred Stock

Our articles of incorporation authorize our board of directors, without further shareholder approval (except as may be required by applicable law or New York Stock Exchange regulations), to provide for the issuance of shares of preferred stock, in one or more series, and to fix for each series such voting powers, designations, preferences and relative, participating, optional and other special rights, and such qualifications, limitations or restrictions, as stated in the resolution adopted by our board of directors providing for the issuance of such series and as are permitted by the Georgia Business Corporation Code. See "Anti-Takeover Effects of Our Articles of Incorporation, By-laws, Rights Agreement and Georgia Law--Preferred Stock" on page 66. If our board of directors issues preferred stock, the rights and privileges of our shareholders could be made subject to the rights and privileges of the holders of preferred stock. We have no plans to issue any preferred stock, except that our rights agreement provides for the issuance of shares of participating preferred stock under the circumstances specified in the rights agreement, upon exercise or exchange of rights issued thereunder. See "Anti-Takeover Effects of Our Articles of Incorporation, By-laws, Rights Agreement and Georgia Law--Rights Agreement" beginning on page 66.

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No Preemptive Rights

No shareholder of any class of stock authorized at the distribution date will have any preemptive right to subscribe to any kind or class of our securities.

Transfer Agent And Registrar

Our transfer agent and registrar is SunTrust Bank.

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SUMMARY OF THE PURCHASE OF CIBC MERCHANT ACQUIRING BUSINESS

General

On November 9, 2000, we agreed to acquire certain net assets of the merchant acquiring business of Canadian Imperial Bank of Commerce and to form a 10-year marketing alliance with CIBC to offer VISA and debit card payment products and services in Canada. Upon completion of the acquisition, CIBC will be our largest shareholder and will be entitled to nominate two persons for election to the board of directors.

The acquisition will be recorded using the purchase method of accounting. We intend to operate the business in a manner consistent with CIBC's historical operations. We will retain the major functions of sales, support and equipment deployment in Canada and contract with CIBC for other key functions.

The acquisition is subject to completion of the distribution and customary closing conditions, including obtaining all required regulatory approvals in the United States and Canada. We anticipate closing within ten days after the distribution is completed, subject to regulatory approval.

The following is a summary of each of the primary agreements involved in the acquisition, the asset purchase agreement, the marketing alliance agreement, the CIBC credit facility and the investor rights agreement. Copies of these agreements have been filed as exhibits to our registration statement on Form 10. Please refer to "Where You Can Obtain Additional Information" for information on how you can review these agreements.

Purchase Agreement

On November 9, 2000, we entered into an asset purchase agreement with CIBC to purchase substantially all of the assets of their merchant acquiring business. We have agreed to pay CIBC approximately \$137 million for the assets which they will in turn immediately use to purchase 26.25% of the total number of shares of our common stock outstanding or reserved for issuance upon exercise of outstanding stock options on the closing date of the acquisition pursuant to a stock purchase agreement.

The asset purchase agreement contains non-competition provisions for CIBC and us. CIBC has agreed that it will not compete with us in the United States or Canada by soliciting or accepting merchant acquiring business or acquire control of a company with a merchant acquiring business for a period of time ending the later of three years following the closing of the acquisition or one year after any termination of the marketing alliance agreement, which has an initial 10 year term and is described below. We have agreed that we will not compete with CIBC by introducing or making available banking products to merchants who are customers of CIBC.

The asset purchase agreement contains customary representations and warranties from CIBC regarding the assets in the merchant acquiring business. In addition to the customary conditions to the closing of the transaction, the agreement requires the execution and delivery of a stock purchase agreement, a transition agreement, a marketing alliance agreement, an investor rights agreement, a trademark license agreement and a credit facility. There are also regulatory approvals that must be satisfied prior to the closing. These include approvals or waivers under the Canadian Competition Act, the Investment Canada Act, the Bank Act (Canada), the Bank Holding Company Act (U.S.), the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (U.S.), and by the Office of the Superintendent of Financial Institutions (Canada). The agreement also requires that the distribution as contemplated in this information statement must be completed prior to the closing of the acquisition.

The stock purchase agreement under which CIBC will purchase 26.25% of our common stock calculated on a fully-diluted basis will contain customary representations and warranties regarding our common stock and CIBC's investment experience and investment intent.

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Under the terms of the asset purchase agreement and the stock purchase agreement, CIBC agrees to indemnify us for breaches of their representations and warranties and covenants and for liabilities other than those expressly assumed by us. There will be no indemnity obligation by CIBC unless our losses are greater than \$500,000 and then only to the extent that the losses exceed that amount. In addition, there is an overall indemnity cap that limits CIBC's indemnity obligation to no more than C\$150,000,000. We have agreed to indemnify CIBC for breaches of our representations and warranties and covenants and for the assumed liabilities, with the same indemnity limitations as CIBC's.

Marketing Alliance Agreement

As part of the acquisition, we will enter into a marketing alliance agreement with CIBC. Under the marketing alliance,

- . CIBC will refer all new merchant processing relationships exclusively to us in exchange for a referral fee;
- . we will encourage our new merchant customers who were initially targeted by our joint marketing efforts to open merchant accounts with CIBC; and
- . we will work together to develop emerging payment solutions.

The marketing alliance will be branded and advertised under the name "CIBC MCS, an alliance with Global Payments Inc." Our use of the bank's name will be covered by a separate trademark license agreement.

CIBC will also continue to provide the banking services required as part of the merchant processing business and will provide us with access to VISA and MasterCard clearing capabilities in the U.S. and VISA clearing capabilities in Canada. The marketing alliance agreement has an initial term of ten years.

CIBC Credit Agreement

The acquisition will also include a credit facility that CIBC will provide to us that will provide a line of credit of up to C\$140 million with an additional overdraft facility available to cover larger advances during periods of peak usage of credit and debit cards. The facility will carry an interest rate based on Canadian Dollar LIBOR (C\$LIBOR). It contains customary covenants and events of default. The line of credit will be secured by a first priority security interest in our accounts receivable from VISA Canada/International, and will be guaranteed by us and our subsidiaries. This guarantee will be subordinated to our primary credit facility. The CIBC credit facility will have an initial term of 364 days from the date of the closing of the acquisition. The credit facility is renewable annually at CIBC's option.

Investor Rights Agreement

At the closing of the acquisition, we will enter into an investor rights agreement with CIBC which grants rights to and imposes restrictions on CIBC as a shareholder, other than those shared by all of our shareholders.

The agreement will restrict CIBC's right to resell the shares of common stock it will receive when we purchase CIBC's merchant acquiring business. CIBC may sell these shares at any time, if it has our prior written consent, if the sale is to a CIBC subsidiary, or if it is required to do so by a regulatory body. During the period starting two years after closing and ending on the earlier of six months after termination of the marketing alliance agreement or three years following the closing, CIBC may only sell its shares pursuant to the limitations provided in Rule 144 under the Securities Act or pursuant to a tender offer that has not been rejected by our board of directors.

The agreement also will restrict CIBC's ability to purchase additional shares of our common stock until the earlier of five years after the closing of the acquisition, or six months after the termination of the marketing alliance agreement. Under this standstill, CIBC will agree that it will not purchase more than 29.9% of our

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common stock during this period, unless an unaffiliated third party has commenced a tender offer for 40% or more of our common stock that our board does not reject or such third party acquires 35% or more of our outstanding common stock. Furthermore, during the standstill period, CIBC may not undertake to effect or participate in any acquisition of our voting securities or a substantial portion of our assets through any merger, recapitalization, tender or exchange offer or any other means, or seek to exercise a controlling influence over our board of directors.

Three years after the closing of the acquisition, CIBC will be permitted to participate in any of our registered public offerings of securities or they may require us to register their shares of our common stock for sale to the public subject to customary limitations.

At the closing of the acquisition, we will appoint two designees of CIBC to our board. One designee will be appointed to a term ending not less than one year after the closing and the other designee will be appointed to a term ending not less than two years after the closing. Following the expiration of their initial terms, we will nominate CIBC's directors for re-election for one additional term and will use our best efforts to elect them to our board. We will also appoint one of the designees to the audit and compensation committees of our board as well as other key committees mutually agreed to by the parties.

The investor rights agreement will also limit our actions and business and those of CIBC as required by regulatory authorities. Specifically, we will agree to limit our acquisitions of voting securities and assets of other companies and businesses, and the types of businesses in which we engage, to comply with the provisions of the Bank Holding Company Act (U.S.) and the Bank Act (Canada). If we fail to comply with this provision, CIBC will no longer be bound by the restrictions on transfer of their shares of our common stock and will automatically be permitted to demand registration of their shares.

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ANTI-TAKEOVER EFFECTS OF OUR ARTICLES OF INCORPORATION, BY-LAWS, RIGHTS AGREEMENT AND GEORGIA LAW

General

Our articles of incorporation, by-laws, rights agreement and the Georgia

Business Corporation Code contain certain provisions that could delay or make more difficult an acquisition of control of our company not approved by our board of directors, whether by means of a tender offer, open market purchases, a proxy contest or otherwise. These provisions have been implemented to enable us, particularly (but not exclusively) in the initial years of our existence as an independent, publicly owned company, to develop our business in a manner which will foster long-term growth without disruption caused by the threat of a takeover not deemed by our board of directors to be in the best interests of our company and its shareholders. See also "--Rights Agreement" beginning on page 66 and "Anti-Takeover Legislation--Georgia Law" beginning on page 69. These provisions could discourage third parties from making proposals to acquire or control our company, even if some of the proposals, if made, might be considered desirable by a majority of our shareholders.

These provisions may also make it more difficult for third parties to cause the replacement of our current management without the concurrence of our board of directors. In addition, certain provisions of the tax sharing agreement may also have the effect of discouraging third parties from proposing to acquire or control us prior to the second anniversary of the distribution date. See "Relationship Between NDC and Global Payments Following the Distribution--Tax Sharing and Indemnity Agreement" beginning on page 21. Set forth below is a description of the provisions contained in our articles of incorporation and by-laws, the rights agreement and the Georgia Code that could impede or delay an acquisition of control that our board of directors has not approved. The full text of the articles of incorporation, by-laws and rights agreement have been filed as exhibits to the Registration Statement on Form 10 which we have filed with the SEC. See "Where You Can Obtain Additional Information."

Classified Board of Directors

Before the distribution, our articles of incorporation and by-laws will divide our board of directors into three classes of directors serving staggered three-year terms. As a result, approximately one-third of our board of directors will be elected each year. The first class of directors will initially serve a one-year term, and the second class of directors will initially serve a two-year term. Thereafter, each class of directors will be elected for a three-year term. See "Management--Directors" beginning on page 43.

Our staggered board of directors could prevent a party who acquires control of a majority of the outstanding voting stock from obtaining control of our board of directors until the second annual shareholders meeting following the date on which the acquiror obtains the controlling stock interest. This result could have the effect of discouraging a potential acquiror from making a tender offer or otherwise attempting to obtain control of our company.

Number of Directors; Removal; Filling Vacancies

Our articles of incorporation and by-laws provide that the number of directors shall be fixed by resolution of our shareholders or by resolution of two-thirds (2/3) of the board of directors, from time to time. Our articles of incorporation provide that shareholders may remove directors only for cause and by the affirmative vote of at least two-thirds (2/3) of the shares entitled to vote.

Only a majority vote of the remaining directors, or if only one, the sole remaining director, may fill vacancies on the board of directors.

Shareholder Action

Shareholder action may be taken only at an annual meeting of shareholders or a special meeting of shareholders or by the unanimous written consent of all of the shareholders. Special meetings of shareholders may be called by our board of directors, by the chairman of the board of directors or the affirmative vote of at least two-thirds (2/3) of the shares entitled to vote.

Advance Notice to Board of Directors Prior to Business Combination

Our by-laws provide that our board of directors shall not approve or authorize a business combination transaction involving our company or any of our subsidiaries without giving each board member five days prior written notice of such transaction. This provision may not be modified, amended or repealed except by the affirmative vote of the holders of a majority of the outstanding shares of common stock.

Advance Notice for Shareholder Proposals or Nominations at Meetings

Any shareholder proposals or director nominations must be provided to us in writing at least 120 days before the date of an annual meeting of shareholders (in determining such date, one uses the mailing date for the previous year's annual meeting) or, in the case of a special meeting of shareholders, within 10 days after notice of the meeting was sent to the shareholders. This provision

may preclude shareholders from bringing matters before the shareholders at an annual meeting or from making nominations for directors at an annual meeting.

Amendments to By-laws

Either the board of directors or the holders of two-thirds (2/3) of the shares of stock entitled to vote at an annual or special meeting of shareholders may amend or repeal our by-laws.

Preferred Stock

Our board of directors has the power to issue one or more series of preferred stock and to determine, with respect to any series of preferred stock, the terms and rights of such series.

The authorized shares of preferred stock, as well as common stock, will be available for issuance without further action by our shareholders, unless such action is required by applicable law or the rules of the New York Stock Exchange or any other stock exchange on which our securities may be listed. We will be able to issue shares of preferred stock without the expense and delay of a special shareholders' meeting. We believe that the availability of preferred stock provides us with increased flexibility in structuring possible future financing and acquisitions and in meeting other corporate needs which might arise. Although our board of directors has no present intention to issue a series of preferred stock, it does have the power (subject to applicable law) to do so. Our rights agreement provides for the issuance of shares of participating preferred stock under the circumstances specified in the rights agreement, upon exercise or exchange of rights issued thereunder. The preferred stock could, depending on its terms, impede the completion of a merger, tender offer or other takeover attempt. For instance, subject to applicable law, a series of preferred stock that has class voting rights might impede a business combination because the holders of that series of preferred stock may be able to block such a transaction. See "--Rights Agreement" below.

Rights Agreement

We will issue one preferred share purchase right for each share of our common stock distributed in the distribution.

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The rights are designed to ensure that all shareholders receive fair and equal treatment in the event of any unsolicited proposal to acquire control of our company and to guard against takeover tactics that are not in the best interests of all shareholders. The rights could make a third party's acquisition attempt more difficult if the transaction is not approved by our board of directors.

Concurrent with the distribution, our board of directors will declare a distribution of one right for each outstanding share of our common stock to shareholders of record at the close of business on _____, 2000 and for each share of common stock issued (including shares distributed from treasury) by us thereafter and prior to the separation time (as described below). Each right entitles the registered holder to purchase from us one ten-thousandth (1/10,000th) of a share (which we refer to as a unit) of Series A Junior Participating Preferred Stock, par value \$1.00 per share, at a purchase price of \$100 per unit, subject to adjustment. The description and terms of the rights are set forth in the rights agreement. See "Where You Can Obtain Additional Information."

Initially, the rights will attach to all certificates representing shares of our outstanding common stock, and no separate rights certificates will be distributed. The rights will separate from the common stock (or flip-in) and the separation time will occur upon the earlier of:

- . ten business days (unless otherwise accelerated or delayed by our Board of Directors) following our public announcement that a person or group of affiliated or associated persons (referred to as an acquiring person) has acquired, obtained the right to acquire, or otherwise obtained beneficial ownership of 20% or more of our then-outstanding shares of common stock, or
- . ten business days (unless otherwise delayed by our board of directors) following the commencement of a tender offer or exchange offer that would result in a person or group beneficially owning 20% or more of the then-outstanding shares of our common stock.

CIBC and its affiliates will be excluded from this provision and the acquisition by CIBC of 26.25% of our common stock and for any further acquisition by CIBC of our common stock up to 29.90% of our common stock will not cause the rights to separate from our common stock.

Promptly after the separation time, we will mail rights certificates to holders of record of common stock as of the close of business on the date when the separation time occurs and, thereafter, the separate rights certificates

alone will represent the rights. Effective as of the separation time, holders of rights that are or were beneficially owned by an acquiring person or an acquiring persons' affiliate or associate thereof or by any transferee of any of the foregoing, shall be void.

The rights are not exercisable until the separation time and will expire at the close of business on _____, 2010 unless we earlier exchange or terminate them, as described below.

If a flip-in occurs and if we have not terminated the rights, then a right entitles its holder to acquire shares of our common stock (rather than preferred stock) having a value equal to twice the right's exercise price. Instead of issuing shares of common stock upon exercise of a right following a flip-in date, we may substitute one ten-thousandth (1/10,000th) of a share of preferred stock for each share of common stock issuable. In the event we do not have sufficient treasury shares or authorized but unissued shares of common stock or preferred stock to permit exercise in full of the rights, we may substitute cash, debt or equity securities or other assets (or any combination of the above). In addition, our board of directors may, after a flip-in date and prior to the time that an acquiring person becomes the beneficial owner of more than 50% of the common stock, elect to exchange all outstanding rights (other than rights that have become void) for shares of common stock at an exchange ratio (subject to adjustment) of _____ share of common stock per right. Notwithstanding any of the foregoing, rights that are, or (under certain circumstances set forth in the rights agreement) were, beneficially owned by any person on or after the date such person becomes an acquiring person will be null and void.

Following the flip-in date, if an acquiring person controls our board of directors, then we shall not enter into an agreement with respect to, consummate or permit to occur any (i) consolidation, merger or share exchange if either the acquiring person (or an affiliate or associate of the acquiring person) is a party to the

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transaction or the terms of the transaction are not the same for the acquiring person as for the other holders of common stock or (ii) sale or transfer of a majority of our assets, unless, in each case, we enter into an agreement for the benefit of the holders of the rights (other than rights that have become void) providing that upon consummation of such transaction each right (other than rights that have become void) shall constitute the right to purchase stock in the acquiring entity having a value equal to twice the exercise price of the rights.

The exercise price payable and the number of rights outstanding are subject to adjustment from time to time to prevent dilution in the event of a stock dividend, stock split or reverse stock split, or other recapitalization which would change the number of shares of common stock outstanding.

If prior to the separation time, we distribute securities or assets in exchange for common stock (other than regular cash dividends or a dividend paid solely in common stock) whether by dividend, reclassification, or otherwise, we shall make such adjustments, if any, in the exercise price, number of rights and otherwise as the board of directors deems appropriate.

At any time until the close of business on the flip-in date, the board of directors may terminate all of the rights without any payment to the holders thereof. The board of directors may condition termination of the rights upon the occurrence of a specified future time or event. Rights that are terminated will become null and void.

Any provisions of the rights agreement may be amended at any time prior to the close of business on the flip-in date without the approval of holders of the rights, and thereafter, the rights agreement may be amended without approval of the holders of the rights in any way which does not materially adversely affect the interests of the rights holders generally or to cure an ambiguity or to correct or supplement any provision which may be inconsistent with any other provision or otherwise defective.

Until a right is exercised, the holder thereof, as such, will have no rights as a shareholder, including, without limitation, the right to vote or to receive dividends. While the distribution of the rights will not be taxable to us or to our shareholders, shareholders may, depending upon the circumstances, recognize taxable income in the event that the rights become exercisable.

We have initially reserved _____ whole shares of preferred stock for issuance upon exercise of the rights. The number of shares of preferred stock subject to the rights may be increased or decreased (but not below the number of shares then outstanding) by our board of directors.

Each unit of preferred stock will receive dividends at a rate per unit equal to any dividends (except dividends payable in common stock) paid with respect to a share of common stock and, on a quarterly basis, an amount per whole share of preferred stock equal to the excess of \$ _____ over the aggregate dividends

per whole share of preferred stock during the immediately preceding three-month period.

In the event of liquidation, the holder of each unit of preferred stock will receive a preferred liquidation payment equal to the greater of \$ or the per share amount paid in respect of a share of common stock.

Each unit of preferred stock will have one vote, voting together with the common stock.

In the event of any merger, consolidation, statutory share exchange or other transaction in which shares of common stock are exchanged, each unit of preferred stock will be entitled to receive the per share consideration paid in respect of each share of common stock.

The rights of holders of the preferred stock as to dividends, liquidation and voting, and in the event of mergers, statutory share exchanges and consolidations, are protected by customary anti-dilution provisions.

Because of the nature of the preferred stock's dividend, liquidation and voting rights, the economic value of one unit of preferred stock that may be acquired upon the exercise of each right should approximate the economic value of share of common stock.

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The rights may have certain anti-takeover effects. The rights will cause substantial dilution to a person or group that attempts to acquire us on terms not approved by our board of directors unless the offer is conditioned on a substantial number of rights being acquired. However, the rights will not interfere with any merger, statutory share exchange or other business combination approved by our board of directors since the rights may be terminated upon resolution of our board of directors at any time on or before the close of business on a date ten business days after our announcement that a person has become an acquiring person. Thus, the rights are intended to encourage persons who may seek to acquire control of us to initiate such an acquisition through negotiations with our board of directors. However, the effect of the rights may be to discourage a third party from making a partial tender offer or otherwise attempting to obtain a substantial equity position in the equity securities of us or seeking to obtain control of us. To the extent any potential acquirors are deterred by the rights, the rights may have the effect of preserving incumbent management in office.

Anti-Takeover Legislation--Georgia Law

The Georgia Code generally restricts a company from entering into certain business combinations with any person or entity that is the beneficial owner of at least 10% of a company's voting stock or its affiliates for a period of five years after the date on which such shareholder obtained 10% of the company's stock, unless (i) the board of directors approves the transaction prior to the date such person obtained 10% of the stock, (ii) the shareholder acquires 90% of the company's voting stock in the same transaction in which it exceeds 10%, or (iii) subsequent to acquiring 10% of the stock, the shareholder acquires 90% of the company's voting stock and the holders of a majority of the voting stock entitled to vote, other than the shareholder seeking to enter into the business combination, approves the business combination. We have elected to be covered by this business combination statute.

The Georgia Code also contains provisions that impose certain fair price and other procedural requirements applicable to certain business combinations with any person who owns 10% or more of the common stock. These statutory requirements restrict business combinations with, and accumulations of shares of voting stock of, certain Georgia corporations. The fair price statute applies to a company only if the company elects to be covered by the restrictions imposed by these statutes. We have not elected to be covered by the fair price statute.

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LIABILITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS

Our articles of incorporation eliminate the personal liability of our directors to our company or its shareholders for monetary damages for breach of fiduciary duty as a director to the extent permitted under the Georgia Code. Our directors remain liable for (i) any appropriation, in violation of the director's duties, of any business opportunity, (ii) acts or omissions that involve intentional misconduct or a knowing violation of law, (iii) unlawful corporate distributions as set forth in section 14-2-832 of the Georgia Code, or (iv) any transactions from which the director derived an improper personal benefit. If the Georgia Code is amended to authorize corporate action further eliminating or limiting the personal liability of directors, the liability of our directors shall be eliminated or limited to the fullest extent permitted by the Georgia Code, as amended, without further action by the shareholders. These provisions in our articles of incorporation will limit the remedies available to a shareholder in the event of breaches of any director's duties.

Our by-laws require us to indemnify and hold harmless any director or officer who was or is a party or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (including any action or suit by or in the right of our company) because the person is or was our director or officer against liability incurred in such proceeding. We are not, however, required to indemnify officers and directors for liability incurred in a proceeding in which the director or officer is adjudged liable to us or is subjected to injunctive relief in our favor for (i) any appropriation, in violation of the director's or officer's duties, of any business opportunity, (ii) any acts or omissions which involve intentional misconduct or a knowing violation of law, (iii) any types of liability with respect to distributions as set forth in section 14-2-832 of the Georgia Code, or (iv) any transaction from which such officer or director received an improper personal benefit. In addition, our by-laws provide that we (i) must advance funds to pay or reimburse the reasonable expenses incurred by a director or officer who is a party to a proceeding because that person is a director or officer if other conditions are satisfied, and (ii) may indemnify and advance expenses to any employee or agent who is not a director or officer to the same extent and subject to the same condition that we could, without shareholder approval under the Georgia Code, indemnify and advance expenses to a director.

There is no pending litigation or proceeding involving any of our directors, officers, employees or any other agent of as to which indemnification is sought by any director, officer, employee or other agent.

EXPERTS

The consolidated financial statements for us and our subsidiaries at May 31, 2000 and May 31, 1999, and for each of the three years in the period ended May 31, 2000, and the financial statements for the CIBC Merchant Acquiring Business at July 31, 2000 and October 31, 1999 and the nine months ended July 31, 2000 and the years ended October 31, 1999 and 1998, appearing in this information statement have been audited by Arthur Andersen LLP, independent public accountants, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon said report given on the authority of such firm as experts in giving said reports.

WHERE YOU CAN OBTAIN ADDITIONAL INFORMATION

We have filed a Registration Statement on Form 10 with the Securities and Exchange Commission under the Exchange Act, with respect to our common stock and the preferred stock purchase rights associated with each share of our common stock. This document does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto, to which reference is hereby made. Statements made in this document as to the contents of any contract, agreement or other document referred to herein are not necessarily complete. With respect to each such contract, agreement or other document filed as an exhibit to the Registration Statement, reference is made to such exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

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You may inspect and copy the Registration Statement and the exhibits thereto at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, as well as at the Regional Offices of the Securities and Exchange Commission at Seven World Trade Center, Thirteenth Floor, New York, New York 10048 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such information can be obtained by mail from the Public Reference Branch of the Securities and Exchange Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the SEC's website is <http://www.sec.gov>. Our website address is <http://www.globalpaymentsinc.com>.

After the distribution, we will be required to comply with the reporting requirements of the Exchange Act and to file with the SEC reports, proxy statements and other information as required by the Exchange Act. Additionally, we will be required to provide our annual reports containing audited financial statements to our shareholders in connection with its annual meetings of shareholders. After the distribution, you may inspect and copy these reports, proxy statements and other information at the public reference facilities of the SEC or obtained by mail or over the Internet from the SEC, as described above. After the distribution, the Global Payments shares will be listed on the New York Stock Exchange. When the Global Payments shares commence trading on the New York Stock Exchange, such reports, proxy statements and other information will be available for inspection at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To National Data Corporation:

We have audited the accompanying combined balance sheets of the NDC eCommerce business segment (to be reorganized as Global Payments Inc., a Georgia corporation--Note 1) as of May 31, 2000 and May 31, 1999 and the related combined statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended May 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the NDC eCommerce business segment as of May 31, 2000 and May 31, 1999 and the results of their operations and their cash flows for each of the three years in the period ended May 31, 2000, in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Atlanta, Georgia
August 25, 2000

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NDC eCOMMERCE BUSINESS SEGMENT

(To be reorganized as Global Payments Inc.--Note 1)
(In thousands, except per share data)

<TABLE>
<CAPTION>

	Three Months Ended August 31,		Year Ended May 31,		
	2000	1999	2000	1999	1998
	(unaudited)				
<S>	<C>	<C>	<C>	<C>	<C>
Revenues.....	\$87,191	\$89,828	\$340,033	\$330,051	\$291,547
Operating expenses:					
Cost of service.....	45,881	46,022	181,479	169,805	153,518
Sales, general and administrative.....	24,728	23,267	95,342	83,571	80,055
	70,609	69,289	276,821	253,376	233,573
Operating income.....	16,582	20,539	63,212	76,675	57,974
Other income (expense):					
Interest and other income....	700	283	796	1,183	1,450
Interest and other expense...	(1,791)	(1,533)	(6,119)	(7,448)	(6,190)
Minority interest in earnings.....	(1,427)	(1,071)	(4,117)	(3,809)	(2,626)
	(2,518)	(2,321)	(9,440)	(10,074)	(7,366)
Income before income taxes....	14,064	18,218	53,772	66,601	50,608
Provision for income taxes....	5,415	7,014	20,725	25,265	19,531
Net income.....	\$ 8,649	\$11,204	\$ 33,047	\$ 41,336	\$ 31,077
Basic weighted average shares outstanding.....	26,309	27,101	26,586	26,980	25,760
Basic earnings per share.....	\$ 0.33	\$ 0.41	\$ 1.24	\$ 1.53	\$ 1.21

</TABLE>

The accompanying notes are an integral part of these Combined Financial Statements.

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COMBINED BALANCE SHEETS
NDC eCOMMERCE BUSINESS SEGMENT

(To be reorganized as Global Payments Inc.--Note 1)
(In thousands)

<TABLE>
<CAPTION>

	August 31, 2000	May 31, 2000	May 31, 1999
	(unaudited)		
<S>	<C>	<C>	<C>
ASSETS			
Current assets:			
Cash and cash equivalents.....	\$ 1,199	\$ 2,766	\$ 1,356
Billed accounts receivable.....	38,019	35,176	38,779
Allowance for doubtful accounts.....	(1,148)	(1,231)	(1,202)
Accounts receivable, net.....	36,871	33,945	37,577
Merchant processing receivable.....	33,939	32,497	22,063
Income tax receivable.....	--	980	5,340
Inventory.....	3,976	3,694	1,582
Deferred income taxes.....	--	--	828
Prepaid expenses and other current assets.....	7,875	6,343	3,956
Total current assets.....	83,860	80,225	72,702
Property and equipment, net.....	24,290	28,665	31,769
Intangible assets, net.....	171,181	173,726	184,074
Investments.....	5,000	5,000	--
Other.....	1,519	330	1,122

Total Assets.....	\$285,850	\$287,946	\$289,667
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities:			
Due to NDC.....	\$ 75,014	\$ 96,125	\$ 89,375
Merchant processing payable.....	18,088	11,880	23,725
Current portion of long-term debt.....	--	--	6,000
Obligations under capital leases.....	2,842	2,900	3,400
Accounts payable and accrued liabilities.....	21,341	25,249	27,792
Income taxes payable.....	3,823	--	--
Deferred income taxes.....	410	410	--
Total current liabilities.....	121,518	136,564	150,292
Obligations under capital leases.....	3,664	4,332	6,374
Deferred income taxes.....	5,403	5,403	4,855
Other long-term liabilities.....	3,824	2,291	1,401
Total liabilities.....	134,409	148,590	162,922
Commitments and contingencies			
Minority interest in equity of subsidiaries....	18,751	18,472	18,732
Shareholder's equity:			
NDC equity investment.....	133,004	121,250	108,178
Cumulative translation adjustment.....	(314)	(365)	(165)
Total shareholder's equity.....	132,690	120,885	108,013
Total Liabilities and Shareholder's Equity.....	\$285,850	\$287,946	\$289,667

</TABLE>

The accompanying notes are an integral part of these Combined Financial Statements.

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COMBINED STATEMENTS OF CASH FLOWS
NDC eCOMMERCE BUSINESS SEGMENT

(To be reorganized as Global Payments Inc.--Note 1)
(In thousands)

<TABLE>
<CAPTION>

	Three Months Ended		Year Ended May 31,		
	August 31,		Year Ended May 31,		
	2000	1999	2000	1999	1998
	(unaudited)				
<S>	<C>	<C>	<C>	<C>	<C>
Cash flows from operating activities:					
Net income.....	\$ 8,649	\$ 11,204	\$ 33,047	\$ 41,336	\$ 31,077
Adjustments to reconcile net income to cash provided by operating activities before changes in assets and liabilities:					
Depreciation and amortization.....	2,450	2,528	9,688	9,438	8,650
Amortization of acquired intangibles and goodwill.....	2,546	2,601	10,340	10,515	9,806
Deferred income taxes....	--	--	1,786	6,690	1,804
Minority interest in earnings.....	1,427	1,071	4,117	3,809	2,626
Provision for bad debts..	132	87	1,019	479	502
Other, net.....	394	441	1,500	1,909	1,884
Changes in assets and liabilities which provided (used) cash, net of the effects of acquisitions:					
Accounts receivable, net.....	(3,035)	(9,335)	2,423	(4,843)	(3,146)
Merchant processing.....	4,766	(7,073)	(22,280)	1,488	(2,386)
Inventory.....	(282)	(612)	(2,112)	(739)	539
Prepaid expenses and other assets.....	(2,607)	(5,069)	(1,269)	(54)	(2,493)
Accounts payable and					

accrued liabilities.....	(2,486)	15,547	(999)	(3,589)	1,769
Deferred income.....	512	(134)	(324)	150	(146)
Income taxes.....	4,803	10,199	4,360	(6,120)	(4,688)
	-----	-----	-----	-----	-----
Net cash provided by operating activities.....	17,269	21,455	41,296	60,469	45,798
	-----	-----	-----	-----	-----
Cash flows from investing activities:					
Capital expenditures.....	(2,016)	(1,878)	(6,002)	(12,528)	(8,666)
Business acquisitions, net of acquired cash.....	--	--	--	(1,484)	(16,966)
Increase in investments...	--	--	(5,000)	--	--
	-----	-----	-----	-----	-----
Net cash used in investing activities.....	(2,016)	(1,878)	(11,002)	(14,012)	(25,632)
	-----	-----	-----	-----	-----
Cash flows from financing activities:					
Net borrowings (repayments) to (from) NDC.....	(21,111)	500	6,750	(20,000)	37,500
Net increase (decrease) in NDC equity investment....	6,165	(11,324)	(21,800)	(18,596)	(50,351)
Principal payments under capital lease arrangements and other long-term debt.....	(726)	(6,891)	(9,457)	(3,552)	(3,431)
Distributions to minority interests.....	(1,148)	(1,194)	(4,377)	(4,080)	(5,118)
	-----	-----	-----	-----	-----
Net cash provided by (used in) financing activities.....	(16,820)	(18,909)	(28,884)	(46,228)	(21,400)
	-----	-----	-----	-----	-----
Increase (decrease) in cash and cash equivalents.....	(1,567)	668	1,410	229	(1,234)
Cash and cash equivalents, beginning of period.....	2,766	1,356	1,356	1,127	2,361
	-----	-----	-----	-----	-----
Cash and cash equivalents, end of period.....	\$ 1,199	\$ 2,024	\$ 2,766	\$ 1,356	\$ 1,127
	=====	=====	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these Combined Financial Statements.

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COMBINED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
NDC eCOMMERCE BUSINESS SEQUENCE

(To be reorganized as Global Payments Inc.--Note 1)
(In thousands)

<TABLE>
<CAPTION>

	NDC Equity Investment	Accumulated Other Comprehensive Loss	Total Equity
	-----	-----	-----
<S>	<C>	<C>	<C>
Balance at May 31, 1997.....	\$104,027	\$ 17	\$104,044
	-----	-----	-----
Comprehensive income			
Net income.....	31,077		31,077
Foreign currency translation adjustment...		(141)	(141)

Total comprehensive income.....			30,936

Net transactions with NDC.....	(13,264)		(13,264)
Net distributions to NDC.....	(36,820)		(36,820)
	-----	-----	-----
Balance at May 31, 1998.....	85,020	(124)	84,896
	-----	-----	-----
Comprehensive income			
Net income.....	41,336		41,336
Foreign currency translation adjustment...		(41)	(41)

Total comprehensive income.....			41,295

Net transactions with NDC.....	(13,224)		(13,224)
Net distributions to NDC.....	(4,954)		(4,954)

Balance at May 31, 1999.....	108,178	(165)	108,013
Comprehensive income			
Net income.....	33,047		33,047
Foreign currency translation adjustment...		(200)	(200)
Total comprehensive income.....			32,847
Net transactions with NDC.....	(12,718)		(12,718)
Net distributions to NDC.....	(7,257)		(7,257)
Balance at May 31, 2000.....	121,250	(365)	120,885
Comprehensive income (unaudited).....			
Net income (unaudited).....	8,649		8,649
Foreign currency translation adjustment (unaudited).....		51	51
Total comprehensive income (unaudited)....			8,700
Net transactions with NDC (unaudited).....	(6,051)		(6,051)
Net distributions to NDC (unaudited).....	9,156		9,156
Balance at August 31, 2000 (unaudited).....	\$133,004	\$(314)	\$132,690

</TABLE>

The accompanying notes are an integral part of these Combined Financial Statements.

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NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1--Spin off and Basis of Presentation

In December 1999, National Data Corporation announced its intent to spin-off the NDC eCommerce business segment into a separate publicly traded company with its own management and Board of Directors. This Distribution is expected to occur on _____, 2000 (the "Distribution Date") and will be accomplished by forming Global Payments Inc. ("Global Payments"), transferring the stock of the companies which comprise the NDC eCommerce business segment to Global Payments and then distributing all of the shares of common stock of Global Payments to NDC's stockholders. NDC stockholders will receive 0.8 share of Global Payments for each NDC share held as of the Distribution Date. After the Distribution, Global Payments and NDC will be two separate public companies. Global Payments was incorporated on September 1, 2000 and will not have any operations, assets or liabilities until immediately prior to the Distribution.

These combined financial statements include the accounts of the subsidiaries of NDC that comprise its eCommerce business segment (collectively referred to as "the Company"). The Company is an integrated provider of high volume electronic transaction processing and value-added end-to-end information services and systems to merchants, multinational corporations, financial institutions, and government agencies. These services are marketed to customers within the merchant services and the funds transfer business through various sales channels. The Company's operations are provided in the United States, Canada, and Europe.

The Company adopted Statement of Financial Accounting Standards No. 131 ("SFAS 131"), "Disclosure About Segments of an Enterprise and Related Information." Accordingly, the Company's chief operating decision making group currently operates as one reportable segment--electronic transaction processing--therefore the majority of the disclosures required by SFAS 131 do not apply to the Company. The Company's results of operations and its financial condition are not significantly reliant upon any single customer or foreign operations. Revenues from external customers from the Company's two service offerings are as follows:

<TABLE>

<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Merchant services.....	\$318,262	\$307,317	\$268,752
Funds transfer.....	21,771	22,734	22,795
	\$340,033	\$330,051	\$291,547

</TABLE>

The combined financial statements have been prepared on the historical cost basis in accordance with accounting principles generally accepted in the United States, and present the Company's financial position, results of operations,

and cash flows as derived from NDC's historical financial statements. Significant intercompany transactions have been eliminated in consolidation. As further described in Note 4, certain allocations of corporate and interest expenses have been allocated that were previously not allocated to NDC's eCommerce business segment. These allocations were based on an estimate of the proportion of corporate expenses related to the Company, utilizing such factors as revenues, number of employees, number of transactions processed and other applicable factors. In the opinion of management, these allocations have been made on a reasonable basis. The costs of these services charged to the Company may not reflect the actual costs the Company would have incurred for similar services as a stand-alone company.

In conjunction with the separation of their businesses, the Company and NDC will enter into various agreements that address the allocation of assets and liabilities between them and that define their relationship after the Distribution, including the Distribution Agreement, the Tax Sharing and Indemnification Agreement, the Employee Benefits Agreement, the Lease Agreement for Office Headquarters, the Intercompany Systems/Network Services Agreement, the Batch Processing Agreement and the Transition Support Agreement.

Note 2--Summary of Significant Accounting Policies

Use of estimates--The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent

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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 these estimates.

Revenue--Revenue related to card and check guarantee information and transaction processing services provided is recognized as such services are performed. Revenue for processing services provided directly to merchants is recorded net of interchange fees charged by credit card associations, which are not controlled by the Company.

Revenue for check verification, representing fees collected from delinquent check writers, is recognized when collected.

Revenue for terminal sales is recognized when the earnings process is completed.

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.

Inventory--Inventory, which includes microcomputer hardware and peripheral equipment, and electronic point-of-sale terminals, is stated at the lower of cost or market. Cost is determined by using the average cost method.

Merchant processing receivable/payable--The merchant processing receivable/payable results from timing differences in the Company's settlement process with merchants and credit card sales processed.

Property and equipment--Property and equipment, including equipment under capital leases, is stated at cost. Depreciation and amortization are calculated using the straight-line method. Equipment is depreciated over 2 to 5 year lives. Leasehold improvements and property acquired under capital leases are amortized over the shorter of the useful life of the asset or the term of the lease. The costs of purchased and internally developed software used to provide services to customers or internal administrative services are capitalized and amortized on a straight-line basis over their estimated useful lives, not to exceed 5 years. Maintenance and repairs are charged to operations as incurred.

Intangible assets--Intangible assets primarily represent goodwill, customer base and trademarks associated with acquisitions. Customer base is amortized using the straight-line method over their estimated useful lives of 10 to 30 years. Trademarks are amortized using the straight-line method over the estimated useful life of 40 years, which approximates the legal life. The useful lives for customer base is determined based primarily on information concerning start/stop dates and yearly attrition dates. The useful lives of other identifiable intangibles is generally based on the relative importance of the intangible to the business being acquired, for valuation purposes, and public recognition of a name in the case of trademarks, annual turnover statistics in the case of assembled workforce, as well as other lives used in the industry for similar type acquisitions.

Goodwill represents the excess of the cost of acquired businesses over the fair market value of their identifiable net assets. Goodwill is being amortized on a straight-line basis over periods ranging from 7 to 40 years.

Impairment of long-lived assets--The Company regularly evaluates whether events and circumstances have occurred that indicate the carrying amount of property and equipment or goodwill and other intangibles may warrant revision or may not be recoverable. When factors indicate that long-lived assets should be evaluated for possible impairment, the Company assesses the recoverability of long-lived assets 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. In management's opinion, the long-lived assets, including property and equipment and intangible assets, are appropriately valued at May 31, 2000 and May 31, 1999.

Investments--The Company holds an investment in eCharge Corporation, a private company that offers Internet users secure and convenient ways to make purchases over the Internet. This investment is recorded at its historical cost of \$5.0 million. Although the market value is not readily determinable, management believes the fair value of this investment approximates its carrying amount.

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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 (see Note 10).

Fair value of financial instruments--Management considers that the carrying amounts of financial instruments, including cash, receivables, accounts payable and accrued expenses, and current maturities of long-term obligations, approximates fair value.

Foreign currency translation--The Company has a foreign subsidiary in Canada and the United Kingdom, 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 in which exchange rates change. The assets and liabilities of foreign subsidiaries are translated at the year-end rate of exchange, and income statement items are translated at the average rates prevailing during the year. The resulting translation adjustment is recorded as a component of shareholders' equity. Translation gains and losses on intercompany balances of a long-term investment nature are also recorded as a component of shareholders' equity. The effects of foreign currency gains and losses arising from these translations of assets and liabilities are included 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 weighted average shares outstanding during the period. Earnings available to common shareholders is the same as reported net income for all periods presented. Weighted average shares outstanding is computed by applying the distribution ratio of 0.8 of a share of the Company for each NDC share held to the historical NDC weighted average shares outstanding for the same periods presented.

Diluted earnings per share is computed by dividing reported earnings available to common shareholders by weighted average shares outstanding during the period and the impact of securities that, if exercised, 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 generally are assumed to have a dilutive effect on earnings per share. Diluted earnings per share is not presented in these financial statements, as there are no historical market share prices for the Company, as public trading will not commence until the distribution occurs. Accordingly, the dilutive effect of stock options cannot be determined.

Unaudited interim financial information--The accompanying interim combined financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States. In the opinion of management of the Company, these combined financial statements contain all adjustments (consisting only of normal recurring adjustments) which are necessary for a fair presentation of the interim periods. Results of operations for interim periods presented herein are not necessarily indicative of results of operations for the entire year.

Note 3--Business Acquisition

In May 1998, the Company acquired certain assets of CheckRite International, Inc. This acquisition has been recorded using the purchase method of accounting, and accordingly, the purchase price has been allocated to the assets acquired and liabilities assumed based on their estimated fair value as of the date of acquisition. The operating results are included in the Company's combined statements of income from the date of the acquisition.

The aggregate price paid for this acquisition and final adjustments to prior period acquisitions consisted of \$17.0 million; liabilities were assumed as follows:

<TABLE>
<CAPTION>

	1998

	(In thousands)
<S>	<C>
Fair value of assets acquired.....	\$19,814
Cash acquired.....	(1,124)
Liabilities assumed.....	(1,724)

Cash paid for acquisitions.....	\$16,966
	=====

</TABLE>

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The excess of cost over tangible assets acquired of \$16.3 million was allocated to goodwill and other intangible assets. The depreciable and intangible assets are being amortized over periods ranging from 2 to 20 years (see Note 7).

Note 4--Transactions with NDC

There were no material intercompany purchase or sales transactions between NDC and the Company. The Company was charged with incremental corporate costs in the amount of \$5.0 million in fiscal 2000, \$3.2 million in fiscal 1999, and \$6.6 million in fiscal 1998. These allocations were based on an estimate of the proportion of corporate expenses related to the Company, utilizing such factors as revenues, number of employees, number of transactions processed and other applicable factors.

The Company was also charged corporate interest expense based on the anticipated corporate debt allocations of NDC to the Company at the Distribution Date. The Company utilized a rollback approach to allocate the anticipated portion of the NDC consolidated group's debt and interest expense for all historical periods presented. This treatment records the current proposed debt allocation percentage for all historical periods presented. The allocated portion of the consolidated group's debt is presented as due to NDC on the accompanying combined balance sheets. Interest expense recorded by the Company related to this debt was \$4.6 million in fiscal 2000, \$5.0 million in fiscal 1999, and \$2.8 million in fiscal 1998 and is included in interest and other expense.

Note 5--Property and Equipment

As of May 31, 2000 and May 31, 1999, property and equipment consisted of the following:

<TABLE>
<CAPTION>

	2000	1999
	-----	-----
	(In thousands)	
<S>	<C>	<C>
Property under capital leases.....	\$11,838	\$14,738
Equipment.....	30,647	36,421
Software.....	19,594	20,147
Leasehold improvements.....	6,410	7,338
Furniture and fixtures.....	3,002	4,974
Work in progress.....	2,532	1,852
	-----	-----
	74,023	85,470
Less: accumulated depreciation and amortization.....	45,358	53,701
	-----	-----
	\$28,665	\$31,769
	=====	=====

</TABLE>

Note 6--Software Costs

The following table sets forth information regarding the Company's costs associated with software development for the years ended May 31, 2000, May 31, 1999 and May 31, 1998. These amounts exclude other expenditures for product improvements, customer requested enhancements, maintenance and Year 2000 remediation.

<TABLE>
<CAPTION>

	2000	1999	1998
	-----	-----	-----
	(In thousands)		
<S>	<C>	<C>	<C>
Total costs associated with software development.....	\$2,623	\$1,774	\$1,822
Less: capitalization of internally developed software.....	884	625	122
	-----	-----	-----

Net research and development expense..... \$1,739 \$1,149 \$1,700
=====

</TABLE>

The Company capitalizes costs related to the development of certain software products. In accordance with Statement of Financial Accounting Standards No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed", capitalization of costs begins when technological feasibility has been established and ends when the product is available for general release to customers. Amortization is computed on an individual product basis and has been recognized for those products available for market based on the products' estimated economic lives, not to exceed five years.

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Additionally, the Company capitalizes costs related to the development of computer software developed or obtained for internal use in accordance with the AICPA SOP 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." Costs incurred in the application development phase are capitalized and amortized over the useful life, not to exceed five years.

Total unamortized capitalized software costs (purchased and internally developed) were approximately \$7.9 million and \$10.3 million as of May 31, 2000 and May 31, 1999, respectively. Total software amortization expense was approximately \$2.6 million, \$1.9 million and \$2.0 million in fiscal 2000, 1999 and 1998, respectively.

Note 7--Intangible Assets

As of May 31, 2000 and May 31, 1999, intangible assets consisted of the following:

<TABLE>
<CAPTION>

	2000	1999
	-----	-----
	(In thousands)	
<S>	<C>	<C>
Customer base.....	\$102,475	\$102,483
Trademarks.....	28,273	28,273
Goodwill and other intangibles.....	120,199	120,199
	-----	-----
	250,947	250,955
Less: accumulated amortization.....	77,221	66,881
	-----	-----
	\$173,726	\$184,074
	=====	=====

</TABLE>

The Company had expanded its focus on acquisition opportunities and alliances with other companies to increase its market penetration, technological capabilities, product offerings and distribution capabilities to support its business strategy. Since fiscal 1996, the Company has completed seven acquisitions accounted for under the purchase method.

In 1996, the Company acquired the Merchant Automated Point-of-Sale Program ("MAPP") from MasterCard International Incorporated ("MasterCard"). The net assets of MAPP consisted primarily of tangible personal property, leased personal and real property, customer contracts, assembled workforce and the goodwill of the business. The Company paid \$110 million plus the granting of a 7.5% membership interest in one of the Company's subsidiaries (Global Payment Systems LLC) to MasterCard. The total consideration paid for the MAPP business, was \$131.6 million, and resulted in an excess cost over tangible assets of \$127.2 million. Customer base was valued using a discounted cash flow analysis, and the useful life was estimated using information on start/stop dates and yearly attrition rates for MAPP. The trademark useful life was based on the recognition of the MAPP trademark and MAPP's reputation in the marketplace. A 40-year life for the MAPP goodwill was based on the longer lives assigned to the customer base and trademark, as well as other lives used in the industry for similar-type acquisitions. The aggregate weighted average estimated life of these intangible assets is 35 years.

Note 8--Accounts Payable and Accrued Liabilities

As of May 31, 2000 and May 31, 1999, accounts payable and accrued liabilities consisted of the following:

<TABLE>
<CAPTION>

	2000	1999
	-----	-----
	(In thousands)	
<S>	<C>	<C>
Trade accounts payable.....	\$ 7,209	\$ 6,230

Accrued compensation and benefits.....	8,043	6,843
Accrued pensions.....	372	524
Other accrued liabilities.....	9,625	14,063
	-----	-----
	\$25,249	\$27,660
	=====	=====

</TABLE>

Note 9--Retirement Benefits

Historically, the Company has participated in the NDC noncontributory defined benefit pension plan (the "Plan") covering substantially all of its United States employees who have met the eligibility provisions of the Plan as of May 31, 1998. NDC closed the Plan to new participants beginning June 1, 1998. Benefits are based

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on years of service and the employee's compensation during the highest five consecutive years of earnings of the last ten years of service. Plan provisions and funding meet the requirements of the Employee Retirement Income Security Act of 1974, as amended. Effective before or immediately after the Distribution, the Company will establish the Global Payments defined benefit pension plan and NDC will transfer to this plan a proportionate share of assets allocable to the accrued benefits for the Company's participants under the Plan. The expenses for the Plan are allocated to the Company based on the relative projected benefit obligations for all the Company's employees compared with the obligations for all participants. In the opinion of management, the expenses have been allocated on a reasonable basis and, for fiscal 2000, were actuarially allocated to approximate the expense the Company would have incurred had it been operating on a stand-alone basis.

The following table provides a reconciliation of the changes in the Plan's benefit obligations allocable to the Company's participants under the Plan and fair value of assets allocable to the Company's participants under the Plan over the one-year period ending May 31, 2000 and a statement of funded status:

Changes in benefit obligations

<TABLE>
<CAPTION>

	2000

	(In thousands)
<S>	<C>
Balance at beginning of year.....	\$6,268
Service cost.....	--
Interest cost.....	453
Benefits paid.....	(219)
Actuarial gain.....	(383)

Balance at end of year.....	\$6,119
	=====

</TABLE>

Changes in plan assets

<TABLE>
<CAPTION>

	2000

	(In thousands)
<S>	<C>
Balance at beginning of year.....	\$5,763
Actual return on plan assets.....	642
Employer contributions.....	--
Benefits paid.....	(219)

Balance at end of year.....	\$6,186
	=====

</TABLE>

The accrued pension cost allocable to the Company's participants under the Plan recognized in the Combined Balance Sheet was as follows:

<TABLE>
<CAPTION>

	2000

	(In thousands)
<S>	<C>
Funded status.....	\$ 67
Unrecognized net (gain) loss.....	(391)
Unrecognized prior service cost.....	42

Unrecognized net asset at June 1, 1985, being amortized over 17 years.....	(90)

Accrued pension cost.....	\$ (372)
	=====

</TABLE>

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Net pension expense (income) allocable to the Company's participants under the Plan included the following components for the fiscal year ending May 31:

<TABLE>
<CAPTION>

	2000

	(In thousands)
<S>	<C>
Service cost-benefits earned during the Period.....	\$ --
Interest cost on projected benefit obligation.....	453
Expected return on plan assets.....	(576)
Net amortization and deferral.....	(30)

Net pension expense (income).....	\$ (153)
	=====

</TABLE>

Significant assumptions used in determining net pension expense and related obligations allocable to the Company's participants under the Plan were as follows:

<TABLE>
<CAPTION>

	2000

<S>	<C>
Discount rate.....	7.75%
Rate of increase in compensation levels.....	4.33%
Expected long-term rate of return on assets.....	10.00%

</TABLE>

Information relating to accumulated benefits and plan assets as they may be allocable to the Company's participants at May 31, 1999 and 1998 is not available. The Company's contributions to the Plan, and the related pension expenses recorded, for fiscal 1999 and 1998 were \$0.1 million and \$1.1 million, respectively.

Historically, the Company has participated in the NDC deferred compensation 401(k) plan that is available to substantially all employees with three months of service. Expenses of \$.6 million, \$.9 million, and \$.8 million were allocated to the Company in proportion to total payroll for fiscal 2000, 1999, and 1998, respectively. The Company intends to establish its own 401(k) with substantially the same terms as the existing NDC plan with the matching contribution in the form of Global Payments' common stock.

Note 10--Income Taxes

Historically, the Company has been included in the consolidated federal income tax return of NDC. Tax provisions are settled through the intercompany account and NDC made income tax payments on behalf of the Company (see Note 15). The Company's provision for income taxes in the accompanying consolidated statements of income reflects federal and state income taxes calculated on the Company's separate income.

The provision for income taxes includes:

<TABLE>
<CAPTION>

	2000	1999	1998
	-----	-----	-----
	(In thousands)		
<S>	<C>	<C>	<C>
Current tax expense:			
Federal.....	\$16,266	\$20,146	\$16,182
State.....	780	1,481	1,545
	-----	-----	-----
	17,046	21,627	17,727
	-----	-----	-----
Deferred tax expense:			
Federal.....	3,389	3,366	1,677
State.....	290	272	127
	-----	-----	-----
	3,679	3,638	1,804
	-----	-----	-----

Total..... \$20,725 \$25,265 \$19,531
=====

</TABLE>

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The Company's effective tax rates differ from federal statutory rates as follows:

<TABLE>
<CAPTION>

	2000	1999	1998
	----	----	----
<S>	<C>	<C>	<C>
Federal statutory rate.....	35.0 %	35.0 %	35.0 %
State income taxes, net of federal income tax benefit.....	1.3 %	1.7 %	2.2 %
Non-deductible amortization and write-off of intangible assets.....	1.6 %	1.3 %	2.2 %
Tax credits.....	(0.5) %	(0.3) %	(0.2) %
Other.....	1.1 %	0.2 %	(0.6) %
	----	----	----
Total.....	38.5 %	37.9 %	38.6 %
	====	====	====

</TABLE>

Deferred income taxes as of May 31, 2000 and May 31, 1999 reflect the impact of temporary differences between the amounts of assets and liabilities for financial accounting and income tax purposes. As of May 31, 2000 and May 31, 1999, principal components of deferred tax items were as follows:

<TABLE>
<CAPTION>

	2000	1999
	-----	-----
	(In thousands)	
<S>	<C>	<C>
Deferred tax assets:		
Net operating loss carryforwards.....	\$ --	\$ 183
Accrued expenses.....	368	958
	-----	-----
	368	1,141
	-----	-----
Deferred tax liabilities:		
Property and equipment.....	1,692	3,654
Acquired intangibles.....	3,903	506
Prepaid expenses.....	386	418
Other.....	200	590
	-----	-----
	6,181	5,168
	-----	-----
Net deferred tax liability.....	(5,813)	(4,027)
Less: Current deferred tax (liability) asset.....	(410)	828
	-----	-----
Non-current deferred tax liability.....	\$ (5,403)	\$ (4,855)
	=====	=====

</TABLE>

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. Realization of the operating loss carry-forwards is not considered by management to be uncertain. The Company has not established valuation allowances for these tax assets. Net operating loss carry-forwards expire between the fiscal years 2001 and 2007.

Note 11--Long-Term Debt

As of May 31, 1999, long-term debt classified as current portion consisted of a promissory note issued to Electronic Data Systems Corporation in the amount of \$6.0 million. This note was settled on June 30, 1999. This note was issued in consideration for the Company's acquisition of their multi-client bank card processing business in January 1997.

Note 12--Shareholder's Equity

NDC equity investment--NDC's equity investment includes the original investment in the Company, accumulated income of the Company, and the dividend to NDC arising from the forgiveness of the net intercompany receivable due from NDC reflecting transactions described in Note 4. The NDC equity investment as of May 31, 2000 and May 31, 1999 was \$121.3 million and \$108.2 million, respectively.

Stock Options--NDC has certain Stock Option Plans (the "Plans") under which incentive stock options and non-qualified stock options have been granted to officers, key employees and directors of NDC. In connection with the separation

the Company that are not exercised prior to the date of the Distribution will be replaced with options of Global Payments. In accordance with the provisions of EITF 90-9, NDC stock options will be replaced with Global Payments stock options in amounts and at exercise prices intended to preserve the economic benefit of the NDC stock options at such time. No compensation expense is expected to result from the replacement of the options. The number of shares of NDC common stock subject to options held by option holders expected to become Global Payments employees at May 31, 2000 was 639,366 shares. The exercise price of such options range from \$6.67 to \$37.56. The ultimate number of stock options to be held by Global Payments employees and the number and exercise price of the Global Payments stock options to be issued, subject to the above calculation, cannot yet be determined.

Note 13--Related Party Transactions

In connection with the fiscal 1996 purchase of Merchant Automated Point of Sale Program ("MAPP") from MasterCard International Incorporated, MasterCard holds a 7.5% minority interest in Global Payment Systems, LLC, a partnership with MasterCard International Incorporated. MasterCard provides certain services for the MAPP business unit. The original service agreement was for a period of three years and ended on March 31, 1999. The services agreement was then amended to allow certain services to be provided through April 1, 2000. The Company now performs the services formerly provided by MasterCard under this service agreement internally. For the years ended May 31, 2000, May 31, 1999 and May 31, 1998 the Company incurred expenses of approximately \$.2 million, \$3.0 million and \$6.8 million respectively, related to these services.

Also, during fiscal 1996, the Company formed an alliance with Comerica Bank and purchased 51% ownership interest in NDPS Comerica Alliance, LLC. There are agreements in place for the Company to reimburse Comerica Bank for any expenses incurred on behalf of the alliance. For the years ended May 31, 2000, May 31, 1999 and May 31, 1998 the Company incurred expenses of approximately \$.9 million, \$.6 million and \$.6 million, respectively, related to these services.

Note 14--Commitments and Contingencies

The Company conducts a major part of its operations using leased facilities and equipment. Many of these leases have renewal and purchase options and provide that the Company pay the cost of property taxes, insurance and maintenance.

Rent expense on all operating leases for fiscal 2000, 1999 and 1998 was approximately \$5.8 million, \$6.3 million and \$6.9 million, respectively.

Future minimum lease payments for all noncancelable leases at May 31, 2000 were as follows:

<TABLE>
<CAPTION>

	Capital Leases	Operating Leases
	-----	-----
	(In thousands)	
<S>	<C>	<C>
2001.....	\$3,489	\$ 4,685
2002.....	2,671	3,703
2003.....	1,722	2,974
2004.....	386	2,179
2005.....	--	1,590
Thereafter.....	--	3,846
	-----	-----
Total future minimum lease payments.....	8,268	\$18,977
		=====
Less: amount representing interest.....	1,036	

Present value of net minimum lease payments.....	7,232	
Less: current portion.....	2,900	

Long-term obligations under capital leases at May 31, 2000.....	\$4,332	
	=====	

</TABLE>

The Company is party to a number of claims and lawsuits incidental to its business. In the opinion of management, the ultimate outcome of such matters, individually or in the aggregate, will not have a material adverse impact on the Company's financial position, liquidity or results of operations.

Subsequent to the date of the auditor's report, the Company obtained a commitment for a \$110 million revolving line of credit. It will fund the payment of the cash due to NDC to reflect our share of NDC's pre-distribution debt used to establish the Company's initial capitalization. This line of credit will also be used to meet working capital and acquisition needs after the Distribution. This line has a variable interest rate based on market rates. The credit agreement contains certain financial and non-financial covenants customary for financings of this nature. Final maturity will be three years from the Distribution. As indicated in Note 4, the Company utilized a "rollback" approach to allocate the anticipated portion of the NDC consolidated group's debt and interest expense. Accordingly, as of May 31, 2000 and May 31, 1999, there was \$96.1 million and \$89.4 million respectively, allocated and outstanding as due to NDC.

The Company processes credit card transactions for direct merchant locations. The Company's merchant customers have the liability for any charges properly reversed by the cardholder. In the event, however, that the Company is not able to collect such amount from the merchants, due to merchant fraud, insolvency, bankruptcy or another reason, the Company may be liable for any such reversed charges. The Company requires cash deposits and other types of collateral by certain merchants to minimize any such contingent liability. The Company also utilizes a number of systems and procedures to manage merchant risk. In addition, the Company believes that the diversification of its merchant portfolio among industries and geographic regions minimizes its risk of loss.

The Company recognizes revenue based on a percentage of the gross amount charged and has a potential liability for the full amount of the charge. The Company establishes reserves for operational losses when such losses are probable and reasonably estimated. In the opinion of management, such reserves for losses are adequate. Expenses of \$3.0 million, \$2.4 million and \$2.4 million were recorded for fiscal 2000, 1999 and 1998, respectively, for these reserves.

The Company also has a check guarantee business. Similar to the credit card business, the Company charges its merchants a percentage of the gross amount of the check and guarantees payment of the check to the merchant in the event the check is not honored by the checkwriter's bank. As a result, the Company incurs operational charges in this line of business. The Company has the right to collect the full amount of the check from the checkwriter but has not historically recovered 100% of the guaranteed checks. The Company establishes reserves for this activity based on historical and projected loss experiences. Expenses of \$10.1 million, \$8.5 million and \$8.8 million were recorded for fiscal 2000, 1999 and 1998, respectively, for these reserves.

In connection with the Company's acquisition of merchant credit card operations of banks, the Company has also entered into depository and processing agreements (the "Agreements") with certain of the banks. These Agreements allow the Company to use the banks' "Bank Identification Number" ("BIN") to clear credit card transactions through VISA and MasterCard. Certain agreements contain financial covenants, and the Company was in compliance with all such covenants as of May 31, 2000 or had obtained a verbal waiver of such covenants. In management's opinion, the Company would be able to obtain alternative BIN agreements without material impact to the Company in the event of the termination of these Agreements.

Effective April 1, 2000, MasterCard may put to the Company ("Put Right") all or any portion of its membership interest in Global Payment Systems LLC. MasterCard's Put Right shall be exercised by providing Global Payment Systems LLC with notice specifying the percentage of its membership interest to be put, the date on which the proposed put price is to be paid, and the proposed put price. The proposed put price shall be based on the fair market value of Global Payment Systems LLC on a stand-alone basis. As an alternative to purchasing MasterCard's membership interest in the event of the exercise of the put right, Global Payment Systems LLC may elect to dissolve the partnership with MasterCard receiving a share of the net liquidation proceeds, in proportion to their membership interest.

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Note 15--Supplemental Cash Flow Information

Historically, the Company's cash flow had been calculated with and included in the NDC consolidated group's Supplemental Cash Flows. The Company's payments for income taxes have been calculated on the Company's separate income and reflect federal and state income tax payment allocations as if the Company had been operating on a stand-alone basis (Note 10). The Company has utilized a "rollback" approach to allocate the portion of the consolidated group's interest payments for all historical periods presented (Note 4).

Supplemental cash flow disclosures and non-cash investing and financing activities for the years ended May 31, 2000, May 31, 1999 and May 31, 1998 are as follows:

<TABLE>

<CAPTION>

	2000	1999	1998

	(In thousands)		
<S>	<C>	<C>	<C>
Supplemental cash flow information:			
Income taxes paid, net of refunds.....	\$5,816	\$28,134	\$20,375
Interest paid.....	8,506	7,070	5,712
Supplemental non-cash investing and financing activities:			
Capital leases entered into in exchange for property and equipment.....	915	6,710	4,815

Note 16--Quarterly Combined Financial Information (Unaudited)

<TABLE>
<CAPTION>

	Quarter Ended			

	August 31	November 30	February 29	May 31

	(In thousands, except per share data)			
<S>	<C>	<C>	<C>	<C>
Fiscal Year 2000				
Revenue.....	\$89,828	\$84,174	\$81,827	\$84,204
Operating income.....	20,539	15,275	13,420	13,978
Net income.....	11,204	8,023	6,930	6,890
Basic earnings per share(1).....	\$ 0.41	\$ 0.30	\$ 0.26	\$ 0.26
Fiscal Year 1999				
Revenue.....	\$82,397	\$79,319	\$81,782	\$86,553
Operating income.....	20,393	15,926	17,691	22,665
Net income.....	11,158	8,694	9,502	11,982
Basic earnings per share(1).....	\$ 0.41	\$ 0.32	\$ 0.35	\$ 0.44

(1) Using the distribution ratio of 0.8 share of Global Payments Inc. common stock for each share of NDC common stock held. Weighted average shares outstanding is computed by applying the distribution ratio to the historical NDC weighted average shares outstanding for all periods presented.

Note 17--Event Subsequent to Auditor's Report (Unaudited)

On November 9, 2000, the Company entered into certain definitive agreements to purchase the Canadian Imperial Bank of Commerce ("CIBC") Merchant Acquiring or Merchant Card Services ("MCS") business and to form a ten-year marketing alliance to jointly provide payment related products and services in Canada. Under the terms of the purchase agreement, the Company will issue an amount of its common stock after the distribution, whereby CIBC will own 26.25% or approximately 9,354,000 shares, of the outstanding common stock of Global Payments, in consideration for certain net assets of CIBC-MCS. The net assets to be acquired consist of accounts receivable, inventory, tangible personal property, customer contracts, assembled workforce and the goodwill of the business, net of certain accrued expenses. The acquisition will be recorded for using the purchase method of accounting. The acquisition is expected to close after the distribution if completed, subject to regulatory approvals. The Company intends to operate the business in a manner consistent with CIBC's historical operations. The Company will retain the major functions of sales, customer support and service, and equipment warehousing, repair and deployment in Canada and contract with CIBC for other key functions, such as funds transfer and daily settlement services.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS AS TO SCHEDULE

We have audited in accordance with auditing standards generally accepted in the United States, the financial statements of the NDC eCommerce business segment (to be reorganized as Global Payments Inc., a Georgia corporation--See Note 1) included in this information statement on Form 10, and have issued our report thereon dated August 25, 2000. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in the index on page F-1 is the responsibility of Global Payments' management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ Arthur Andersen LLP

Atlanta, Georgia

CIBC-MCS has a fiscal year end of October 31st. For purposes of the pro forma combined financial statements, CIBC-MCS information is presented using the same fiscal year end of the Company.

The unaudited pro forma financial statements are not necessarily indicative of the results that would have occurred if the acquisition and the distribution had occurred on the dates indicated or the expected financial position or results of operations in the future. The unaudited pro forma combined financial statements should be read in conjunction with the separate historical financial statements and notes there to of the Company, as well as the historical financial statements and notes thereto of CIBC-MCS contained elsewhere herein, and in conjunction with the related notes to these unaudited pro forma combined financial statements.

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NDC eCOMMERCE BUSINESS SEGMENT
(To be reorganized as Global Payments Inc.)
PRO FORMA COMBINED BALANCE SHEET

August 31, 2000
Unaudited
(In thousands)

<TABLE>
<CAPTION>

	NDC eCommerce Business Segment Historical	Pro Forma Adjustments (A)	Pro Forma Combined	CIBC-MCS Historical	Pro Forma Adjustments (B)	Pro Forma As Adjusted Combined
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS						
Current assets:						
Cash and cash equivalents.....	\$ 1,199	\$ --	\$ 1,199	\$ --	\$ --	\$ 1,199
Billed accounts receivable.....	38,019	--	38,019	--	--	38,019
Allowance for doubtful accounts.....	(1,148)	--	(1,148)	--	--	(1,148)
Accounts receivable, net.....	36,871	--	36,871	--	--	36,871
Merchant processing receivable.....	33,939	--	33,939	78,849	--	112,788
Inventory.....	3,976	--	3,976	--	--	3,976
Prepaid expenses and other current assets..	7,875	--	7,875	--	--	7,875
Total current assets...	83,860	--	83,860	78,849	--	162,709
Property and equipment, net.....	24,290	--	24,290	18,302	--	42,592
Intangible assets, net.....	171,181	--	171,181	--	51,089 (e)	222,270
Investments.....	5,000	--	5,000	--	--	5,000
Other.....	1,519	--	1,519	--	--	1,519
Total Assets.....	\$285,850	\$ --	\$285,850	\$97,151	\$ 51,089	\$434,090

LIABILITIES AND SHAREHOLDER'S EQUITY

Current liabilities:						
Due to NDC.....	\$ 75,014	\$ (75,014) (a)	\$ --	\$ --	\$ --	\$ --
Line of credit.....		75,014 (a)	75,014		--	75,014
Merchant processing payable.....	18,088	--	18,088	2,144	--	20,232
Obligations under capital leases.....	2,842	--	2,842	1,737	--	4,579
Accounts payable and accrued liabilities...	21,341	--	21,341	3,421	4,000 (f)	28,762
Income taxes payable...	3,823	--	3,823	2,969	(2,969) (g)	3,823
Deferred income taxes..	410	--	410	1,198	(1,198) (g)	410
Total current liabilities.....	121,518	--	121,518	11,469	(167)	132,820
Obligations under capital leases.....	3,664	--	3,664	92	--	3,756
Deferred income taxes...	5,403	--	5,403	--	--	5,403
Other long-term liabilities.....	3,824	--	3,824	--	--	3,824

Total liabilities.....	134,409	--	134,409	11,561	(167)	145,803
Commitments and contingencies						
Minority interest in equity of subsidiaries.....	18,751	--	18,751	--	--	18,751
Shareholders' equity:						
NDC equity investment..	133,004	(133,004) (a)	--	--	--	--
CIBC equity investment.....	--	--	--	86,716	(86,716) (h)	--
Preferred stock.....	--	--	--	--	--	--
Common stock, no par...	--	--	--	--	--	--
Paid in capital.....	--	133,004 (a)	133,004	--	136,846 (f)	269,850
Cumulative translation adjustment.....	(314)	--	(314)	(1,126)	1,126 (h)	(314)
Total shareholders' equity.....	132,690	--	132,690	85,590	51,256	269,536
Total Liabilities and Shareholders' Equity...	\$285,850	\$ --	\$285,850	\$97,151	\$ 51,089	\$434,090

</TABLE>

The accompanying notes are an integral part of this unaudited Pro Forma Combined Balance Sheet.

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NDC eCOMMERCE BUSINESS SEGMENT
(To be reorganized as Global Payments Inc.)

PRO FORMA COMBINED INCOME STATEMENT
FOR THE YEAR ENDED MAY 31, 2000

Unaudited
(In thousands, except per share data)

<TABLE>
<CAPTION>

	NDC eCommerce Business Segment Historical	Pro Forma Adjustments (A)	Pro Forma Combined	CIBC-MCS Historical	Pro Forma Adjustments (B)	Pro Forma As Adjusted Combined
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues.....	\$340,033	\$ --	\$340,033	\$90,763	\$ --	\$430,796
Operating expenses:						
Cost of service.....	181,479	--	181,479	52,726	3,022 (i)	237,227
Sales, general and administrative.....	95,342	3,697 (b)	99,039	10,979	--	110,018
	276,821	3,697	280,518	63,705	3,022	347,245
Operating income.....	63,212	(3,697)	59,515	27,058	(3,022)	83,551
Other income (expense):						
Interest and other income.....	796	--	796	--	--	796
Interest and other expense.....	(6,119)	(633) (c)	(6,752)	(4,748)	--	(11,500)
Minority interest in earnings.....	(4,117)	--	(4,117)	--	--	(4,117)
	(9,440)	(633)	(10,073)	(4,748)	--	(14,821)
Income (loss) before income taxes.....	53,772	(4,330)	49,442	22,310	(3,022)	68,730
Provision for income taxes.....	20,725	(1,667) (d)	19,058	9,817	(1,164) (j)	27,711
Net income (loss).....	\$ 33,047	\$ (2,663)	\$ 30,384	\$12,493	\$ (1,858)	\$ 41,019
Number of common and common equivalent shares.....	26,586		26,586		9,354 (k)	35,940
Earnings per share.....	\$ 1.24		\$ 1.14			\$ 1.14

</TABLE>

The accompanying notes are an integral part of this unaudited Pro Forma Combined Income Statement.

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NDC eCOMMERCE BUSINESS SEGMENT

(To be reorganized as Global Payments Inc.)
PRO FORMA COMBINED INCOME STATEMENT

For the Three Months Ended August 31, 2000
Unaudited
(In thousands, except per share data)

<TABLE>
<CAPTION>

	NDC eCommerce Business Segment Historical	Pro Forma Adjustments (A)	Pro Forma Combined	CIBC-MCS Historical	Pro Forma Adjustments (B)	Pro Forma As Adjusted Combined
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues.....	\$87,191	\$ --	\$87,191	\$25,737	\$ --	\$112,928
Operating expenses:						
Cost of service.....	45,881	--	45,881	14,613	756 (i)	61,250
Sales, general and administrative.....	24,728	323 (b)	25,051	2,540	--	27,591
	70,609	323	70,932	17,153	756	88,841
Operating income.....	16,582	(323)	16,259	8,584	(756)	24,087
Other income (expense):						
Interest and other income.....	700	--	700	--	--	700
Interest and other expense.....	(1,791)	(414) (c)	(2,205)	(1,846)	--	(4,051)
Minority interest in earnings.....	(1,427)	--	(1,427)	--	--	(1,427)
	(2,518)	(414)	(2,932)	(1,846)	--	(4,778)
Income (loss) before income taxes.....	14,064	(737)	13,327	6,738	(756)	19,309
Provision for income taxes.....	5,415	(284) (d)	5,131	2,965	(291) (j)	7,805
Net income (loss).....	\$ 8,649	\$ (453)	\$ 8,196	\$ 3,773	\$ (465)	\$ 11,504
Number of common and common equivalent shares.....	26,309		26,309		9,354 (k)	35,663
Earnings per share.....	\$ 0.33		\$ 0.31			\$ 0.32

</TABLE>

The accompanying notes are an integral part of this unaudited Pro Forma Combined Income Statement.

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NDC eCommerce Business Segment
(To be reorganized as Global Payments Inc.)
Notes to Unaudited Pro Forma Combined Financial Statements
(In thousands, except share data)

A. DISTRIBUTION PRO FORMA ADJUSTMENTS

1. Pro Forma Combined Balance Sheet Adjustments

The following pro forma adjustments were made to the historical combined balance sheets of the Company to reflect the distribution as if it had occurred on August 31, 2000.

- a. To reflect the repayment of the amount Due to NDC with the proceeds from

a line of credit and the reclassification of the NDC equity investment, in conjunction with the distribution.

2. Pro Forma Combined Income Statement Adjustments

The following pro forma adjustments were made to the historical combined income statements of the Company for the three months ended August 31, 2000 and the year ended May 31, 2000 to reflect the distribution as if it had occurred on June 1, 1999.

- b. To reflect additional sales, general and administrative expenses expected to be incurred as a separate independent public company.
- c. To reflect an increase in interest expense as a result of the difference in the interest rate under the terms of the new line of credit versus the amounts that have been historically allocated, as follows:

<TABLE>
<CAPTION>

	Interest Rate	
	Historically Allocated	New Line of Credit Rate
<S>	<C>	<C>
Year Ended May 31, 2000.....	5.62%	6.77%
Three Months Ended August 31, 2000.....	5.73%	7.66%

</TABLE>

- d. To reflect the income tax benefit on the pro forma adjustments using the Company's effective rates for those periods.

B. ACQUISITION PRO FORMA ADJUSTMENTS

1. Pro Forma Combined Balance Sheet Adjustments

The following pro forma adjustments were made to the historical combined balance sheets of the Company and CIBC-MCS to reflect the acquisition and distribution as if they had occurred on August 31, 2000.

- e. To reflect the increase in goodwill and other intangibles associated with the acquisition of CIBC-MCS. The amount is calculated as follows:

<S>	<C>
Purchase price	\$140,846
Less: Net assets of CIBC-MCS	(85,590)
Liabilities of CIBC-MCS not assumed.....	(4,167)
	\$ 51,089
	=====

</TABLE>

The purchase price was determined based upon the determination of value of the common stock issued to CIBC as of the date of signing the purchase and sale agreement plus direct costs of the acquisition.

- f. To reflect the purchase price in the form of issuing approximately 9,354,000 shares of common stock with a fair value of \$136,846 and direct costs of the acquisition of approximately \$4,000 in conjunction with the acquisition.
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- g. To reflect liabilities of CIBC-MCS not being assumed in the acquisition.
 - h. To reflect the elimination of the book equity of CIBC-MCS in conjunction with the acquisition.

2. Pro Forma Combined Income Statement Adjustments

The following pro forma adjustments were made to the historical combined income statements of the Company and CIBC-MCS for the three months ended August 31, 2000 and the year ended May 31, 2000 to reflect the acquisition and distribution as if they had occurred on June 1, 1999.

- i. To reflect the increase of amortization expense related to the goodwill and other intangibles associated with the acquisition, over a weighted-average life of 17.5 years.
- j. To reflect the income tax benefit on the pro forma adjustments using the Company's effective rates for those periods.
- k. To reflect the shares of common stock issued in conjunction with the acquisition.

AUDITORS' REPORT

To the Board of Directors of
Canadian Imperial Bank of Commerce

We have audited the balance sheets of CIBC MERCHANT ACQUIRING BUSINESS (the "Business") as of July 31, 2000 and October 31, 1999 and the related statements of income, cash flows and changes in CIBC's equity in division for the nine month period ended July 31, 2000 and the years ended October 31, 1999 and 1998. These financial statements are the responsibility of the Business' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Business as of July 31, 2000 and October 31, 1999 and the results of its operations and its cash flows for the nine month period ended July 31, 2000 and the years ended October 31, 1999 and 1998 in accordance with accounting principles generally accepted in the United States.

As disclosed in note 1, the Business has no separate legal status or existence.

/s/ Arthur Andersen LLP

October 10, 2000
Toronto, Canada

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CIBC MERCHANT ACQUIRING BUSINESS
BALANCE SHEETS

JULY 31, 2000 AND OCTOBER 31, 1999
(See Note 1 to Financial Statements)
(thousands of US dollars)

<TABLE>
<CAPTION>

	July 31, 2000	October 31, 1999
	-----	-----
<S>	<C>	<C>
ASSETS		
Current Assets		
VISA International / Canada receivable.....	\$ 58,075	\$31,863
Merchant processing receivable.....	28,512	24,650
	-----	-----
	86,587	56,513
Property and equipment, net (note 4).....	18,539	20,963
Other.....	34	264
	-----	-----
Total assets.....	\$105,160	\$77,740
	=====	=====
LIABILITIES AND CIBC'S EQUITY IN DIVISION		
Current Liabilities		
Income taxes payable.....	\$ 4,494	\$10,167
Accounts payable and accrued liabilities (Note 5).....	4,248	4,293
Obligations under capital lease.....	1,820	1,942
Deferred income taxes.....	1,198	256
Merchant payable.....	931	1,015
IDP Merchant payable.....	467	147
Other.....	956	854
	-----	-----
Total current liabilities.....	14,114	18,674
Obligations under capital lease.....	162	1,497
	-----	-----
Total liabilities.....	14,276	20,171
	-----	-----
Commitments and contingencies (note 9)		
CIBC'S equity in division (note 8)		
CIBC'S equity investment.....	94,489	60,048
Cumulative translation adjustment.....	(3,605)	(2,479)
	-----	-----

	90,884	57,569
	-----	-----
Total liabilities and CIBC'S equity in division.....	\$105,160	\$77,740
	=====	=====

</TABLE>

The accompanying notes are an integral part of these financial statements.

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CIBC MERCHANT ACQUIRING BUSINESS
STATEMENTS OF INCOME

FOR THE NINE MONTH PERIOD ENDED JULY 31, 2000
AND THE YEARS ENDED OCTOBER 31, 1999 AND 1998
(See Note 1 to Financial Statements)
(thousands of US dollars)

<TABLE>
<CAPTION>

	July 31, 2000	October 31, 1999	October 31, 1998
	-----	-----	-----
<S>	<C>	<C>	<C>
Revenues.....	\$67,245	\$86,622	\$80,948
	-----	-----	-----
Operating Expenses			
Cost of service.....	35,533	42,321	40,317
Sales, general and administrative.....	14,313	16,622	15,839
	-----	-----	-----
	49,846	58,943	56,156
	-----	-----	-----
Operating Income.....	17,399	27,679	24,792
	-----	-----	-----
Other Expenses			
Interest and other expenses.....	4,302	4,405	4,216
	-----	-----	-----
Income Before Income Taxes.....	13,097	23,274	20,576
Provision For Income Taxes (note 7).....	5,763	10,241	9,054
	-----	-----	-----
Net Income.....	\$ 7,334	\$13,033	\$11,522
	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these financial statements.

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CIBC MERCHANT ACQUIRING BUSINESS
STATEMENTS OF CASH FLOWS

FOR THE NINE MONTH PERIOD ENDED JULY 31, 2000
AND THE YEARS ENDED OCTOBER 31, 1999 AND 1998
(See Note 1 to Financial Statements)
(thousands of US dollars)

<TABLE>
<CAPTION>

	July 31, 2000	October 31, 1999	October 31, 1998
	-----	-----	-----
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net income.....	\$ 7,334	\$13,033	\$11,522
Adjustments to reconcile net income to cash provided by operating activities before changes in assets and liabilities			
Depreciation and amortization.....	5,864	7,559	5,752
Deferred income taxes.....	956	(301)	(232)
Changes in non-cash working capital:			
Merchant processing receivable.....	(4,173)	(5,168)	(1,145)
VISA Canada receivable.....	(26,878)	(6,394)	(2,834)
Income taxes payable.....	(5,635)	1,695	(1,109)
Accounts payable and accrued liabilities....	1	152	184
Merchant payable.....	(74)	651	183
IDP Merchant payable.....	325	145	--
Other, net.....	342	805	(231)
	-----	-----	-----
Net cash (used in) provided by operating activities.....	(21,938)	12,177	12,090
	-----	-----	-----

Cash flows from investing activities:			
Capital expenditures.....	(3,732)	(8,968)	(6,729)
	-----	-----	-----
Net cash used in investing activities.....	(3,732)	(8,968)	(6,729)
	-----	-----	-----
Cash flows from financing activities			
Investment by CIBC during the year.....	27,107	(1,500)	(3,793)
Principal payments under capital lease arrangements.....	(1,437)	(1,709)	(1,568)
	-----	-----	-----
Net cash provided by (used in) financing activities.....	25,670	(3,209)	(5,361)
	-----	-----	-----
Increase (decrease) in cash and cash equivalents:			
Cash, beginning of period.....	--	--	--
	-----	-----	-----
Cash, end of period.....	\$ --	\$ --	\$ --
	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these financial statements.

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CIBC MERCHANT ACQUIRING BUSINESS
STATEMENTS OF CHANGES IN CIBC'S EQUITY IN DIVISION

FOR THE NINE MONTH PERIOD ENDED JULY 31, 2000
AND THE YEARS ENDED OCTOBER 31, 1999 AND 1998
(See Note 1 to Financial Statements)
(thousands of US dollars)

<TABLE>
<CAPTION>

	CIBC's Equity Investment	Accumulated Other Comprehensive Income/(Loss)	Total Equity
	-----	-----	-----
<S>	<C>	<C>	<C>
Balance at October 31, 1997.....	\$40,786	\$ (1,108)	\$39,678
	-----	-----	-----
Comprehensive income			
Net income.....	11,522		11,522
Foreign currency translation adjustment.....		(2,374)	(2,374)
	-----	-----	-----
Total comprehensive income.....			9,148
Net investment during the period.....	(3,793)		(3,793)
	-----	-----	-----
Balance at October 31, 1998.....	48,515	(3,482)	45,033
	-----	-----	-----
Comprehensive income			
Net income.....	13,033		13,033
Foreign currency translation adjustment.....		1,003	1,003
	-----	-----	-----
Total comprehensive income.....			14,036
Net investment during the period.....	(1,500)		(1,500)
	-----	-----	-----
Balance at October 31, 1999.....	60,048	(2,479)	57,569
	-----	-----	-----
Comprehensive income			
Net income.....	7,334		7,334
Foreign currency translation adjustment.....		(1,126)	(1,126)
	-----	-----	-----
Total comprehensive income.....			6,208
Net investment during the period.....	27,107		27,107
	-----	-----	-----
Balance at July 31, 2000.....	\$94,489	\$ (3,605)	\$90,884
	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these financial statements.

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CIBC MERCHANT ACQUIRING BUSINESS
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2000, OCTOBER 31, 1999 AND 1998
(thousands of US dollars)

1. Basis of Presentation

The Merchant Acquiring Business ("Merchant Acquiring" or the "Business") is part of Canadian Imperial Bank of Commerce's ("CIBC") Card Products Division.

The Business operates within a single industry segment and is responsible for the capture, routing and processing of credit card transactions and debit consumer point-of-sale (POS) transactions. Merchant Acquiring's operations are provided predominantly in Canada. Management considers that this represents one reportable segment--electronic transactions processing--therefore the majority of the disclosures required by Statement of Financial Accounting Standards No. 131 do not apply.

These financial statements represent the business operations identified as the Merchant Acquiring Business of CIBC. Accordingly, there is no share capital or retained earnings in the Business' accounts. CIBC's equity in division represents the funding provided to the Business to carry out its activities.

The financial statements have been prepared on the historical cost basis in accordance with accounting principles generally accepted in the United States, and present Merchant Acquiring's financial position, results of operations, and cash flows as derived from CIBC's historical financial statements. As further described in Note 3, certain allocations of corporate and interest expenses have been allocated to Merchant Acquiring. These allocations were based on an estimate of the proportion of corporate expenses related to Merchant Acquiring, utilizing such factors as revenues, number of employees, number of transactions processed and other applicable factors.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions. These estimates and assumptions 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 these estimates.

Revenue

Revenue for processing services provided directly to merchants is recorded net of interchange fees charged by credit card associations. Fees and rental revenues are recognized when the service is provided. Reserves against operational losses are established when the losses are probable and reasonably estimable.

Merchant Processing Receivable/Payable

The merchant processing receivable/payable results from timing differences in Merchant Acquirings' settlement process with merchants and credit card sales processed.

Property and Equipment

Property and equipment, including equipment under capital leases, is stated at cost. Depreciation and amortization is calculated using the straight-line method. Equipment is depreciated over 3 to 7 years, software over 1 to 5 years and furniture and fixtures over 15 years. Leasehold improvements and equipment under capital leases are amortized over the shorter of the useful life of the asset or the term of the lease. Maintenance and repairs are charged to operations as incurred.

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Deferred Income Taxes

Deferred income taxes are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax laws and rates.

Fair Value of Financial Instruments

Management considers that the carrying amounts of financial instruments, including cash, receivables, accounts payable and accrued expenses, approximates fair value.

Foreign Currency Translation

The assets and liabilities are translated at the period-end rate of exchange, and income statement and cash flow items are translated at the average rates prevailing during the period. The resulting translation adjustment is recorded as a component of CIBC's equity in division. The effect of foreign exchange gains and losses arising from these translations of assets and liabilities are included as a component of other comprehensive income.

3. Transactions with Related Parties

These divisional financial statements reflect corporate allocations from CIBC for services provided to the Business in the amount of \$3,261 for the nine month period ending July 31, 2000 and \$3,827 and \$3,516 for the years ended October 31, 1999 and 1998, respectively. These allocations were based on the proportion of corporate expenses related to Merchant Acquiring based on the percentage of the Business' direct operating expenses as a proportion of CIBC's, a method of allocation management believes to be reasonable. Merchant Acquiring utilized a rollback approach to allocate the expenses for all historical periods presented. This treatment records the current allocation percentage for all historical periods presented. These amounts have been included in sales, general and administrative expenses.

These divisional financial statements also reflect corporate allocations from CIBC Card Products Division for expenses incurred in relation to activities of the Business in the amounts of \$1,819 for the nine month period ending July 31, 2000 and \$2,466 and \$2,373 for the years ended October 31, 1999 and 1998, respectively. These allocations were based on an estimate of the proportion of expenses related to Merchant Acquiring, utilizing such factors as estimated number of employees providing merchant card service functions, number of transactions processed and other applicable factors, a method of allocation management believes to be reasonable. These amounts have been included in cost of service.

Merchant Acquiring is funded by CIBC. As such, the Business has applied a cost of funds on the net book value of property and equipment and a one day average of outstanding receivables based on a 5.8% rate (internal cost of funding). Interest expense recorded by Merchant Acquiring related to this funding was \$2,969 for the nine month period ended July 31, 2000 and \$3,277 and \$3,016 for the years ended October 31, 1999 and 1998, respectively and is included in interest and other expense.

Merchant Acquiring outsources its back office operations to Intria Items Inc. and utilizes Intria HP for systems and systems support. Both Intria Items Inc. and Intria HP are joint ventures owned 51% by CIBC and 49% by third parties. Expenses are based upon established service level agreements. The Business incurred costs of \$18,768 for the nine month period ending July 31, 2000 and \$21,749 and \$22,876 for the years ended October 31, 1999 and 1998, respectively. These amounts are included in sales, general and administrative expenses.

The Business has amounts payable of \$2,060 and \$1,845 to Intria Items Inc. and Intria HP as at July 31, 2000 and October 31, 1999, respectively. Amounts payable to CIBC are included in CIBC's equity in the division.

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4. Property and Equipment

As of July 31, 2000 and October 31, 1999, property and equipment consisted of the following:

<TABLE>
<CAPTION>

	July 31, 2000	October 31, 1999
	-----	-----
<S>	<C>	<C>
Equipment under capital lease.....	\$ 8,433	\$ 8,523
Equipment.....	34,855	31,599
Software.....	221	224
Leasehold improvements.....	1,637	1,654
Furniture and fixtures.....	1,628	1,645
	-----	-----
	46,774	43,645
Less: Accumulated depreciation and amortization.....	28,235	22,682
	-----	-----
	\$18,539	\$20,963
	=====	=====

</TABLE>

5. Accounts Payable and Accrued Liabilities

As of July 31, 2000 and October 31, 1999, accounts payable and accrued liabilities consisted of the following:

<TABLE>
<CAPTION>

	July 31, 2000	October 31, 1999
	-----	-----
<S>	<C>	<C>
Operating expenses payable.....	\$1,141	\$ 963
Accrued compensation and benefits.....	546	457
Accrued pension and retirement benefits.....	241	312

Other accrued liabilities.....	260	716
System support fees payable.....	2,060	1,845
	-----	-----
	\$4,248	\$4,293
	=====	=====

</TABLE>

Certain of these payables are due to other related parties within the CIBC group and are settled through CIBC group clearing accounts. Certain assumptions have been made regarding the settlement periods in order to present the information above.

6. Pension and Retirement Benefits

Merchant Acquiring has participated in the CIBC non-contributory defined benefit pension plan (the "plan"). Management has estimated the pension and other post retirement benefits expense based upon the employees as a percentage of the total employees participating in the plan. Expenses estimated for pension and other post retirement benefits were \$584 for the nine month period ended July 31, 2000 and \$682 and \$693 for the years ended October 31, 1999 and 1998, respectively.

7. Income Taxes

Merchant Acquiring is not a separate legal entity for purposes of remitting taxes and filing income tax returns. Income taxes for the Business are reported in CIBC's income tax returns and paid by CIBC. Accordingly, income taxes have been calculated on these divisional statements based on an effective tax rate of 44% on Canadian dollar net income.

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The provision for income taxes includes:

<TABLE>
<CAPTION>

	July 31, 2000	October 31, 1999	October 31, 1998
	-----	-----	-----
<S>	<C>	<C>	<C>
Current tax expense.....	\$4,550	\$ 9,989	\$8,487
Deferred tax expense.....	1,213	252	567
	-----	-----	-----
Total.....	\$5,763	\$10,241	\$9,054
	=====	=====	=====

</TABLE>

CIBC is subject to capital taxes, which have been reflected in "interest and other expenses" in the statements of income.

8. CIBC'S Equity in the Business

CIBC's Equity in the Business

CIBC's equity includes the accumulated income of Merchant Acquiring, the funding for assets employed in the business and the net intercompany receivable/payable reflecting transactions described in Note 3.

Stock Options

CIBC has certain Stock Option Plans under which incentive stock options and non-qualified stock options have been granted to officers, key employees and directors of CIBC. Stock options are granted at market.

9. Commitments and Contingencies

The long term capital lease payable as of July 31, 2000 was \$162 and is due in 2002.

Expenses for premises are included as a corporate allocation in cost of service (see Note 3).

Merchant Acquiring is party to a number of claims and lawsuits incidental to its business. In the opinion of management, the ultimate outcome of such matters, in the aggregate, will not have a material adverse impact on Merchant Acquiring's financial position, liquidity or results of operations.

Merchant Acquiring is currently in negotiations with VISA relating to the interpretation of the regulations surrounding interchange fees. Management believes it is premature to determine the impact, if any, on the business in the future.

Merchant Acquiring processes credit card transactions for direct merchant locations. Merchant Acquiring's merchant customers have the liability for any charges properly reversed by the cardholder. In the event, however, that

Merchant Acquiring is not able to collect such amounts from the merchants, due to merchant fraud, insolvency, bankruptcy or another reason, Merchant Acquiring may be liable for any such reversed charges. Merchant Acquiring requires pledged funds from certain merchants to minimize any such contingent liability. Pledged funds as of July 31, 2000 are \$5,890. Merchant Acquiring also utilizes a number of systems and procedures to manage merchant risk. In addition, Merchant Acquiring believes that the diversification of its merchant portfolio among industries and geographic regions minimizes its risk of loss.

Merchant Acquiring recognizes revenue based on a percentage of the gross amount charged and has a potential liability for the full amount of the charge.

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10. Supplemental Cash Flow Information

Merchant Acquiring does not maintain cash accounts. All cash flows are included in CIBC's consolidated cash flows. Accordingly, there is insufficient information to separately disclose Merchant Acquiring's supplemental cash flows relating to interest and income taxes paid.

11. Quarterly Financial Information (Unaudited)

<TABLE>
<CAPTION>

	Quarter Ended			
	January 31	April 30	July 31	October 31
<S>	<C>	<C>	<C>	<C>
Fiscal Year 2000				
Revenue.....	\$21,972	\$20,762	\$24,547	\$ --
Operating income.....	5,458	4,849	7,092	--
Net income.....	2,254	1,912	3,168	--
Fiscal Year 1999				
Revenue.....	\$20,378	\$19,593	\$23,060	\$23,591
Operating income.....	6,335	5,631	8,633	7,080
Net income.....	2,931	2,537	4,217	3,348

</TABLE>

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