

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended May 31, 2001

or

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

For the transition period from to .

Commission File No. 001-16111

GLOBAL PAYMENTS INC.

(Exact name of registrant as specified in its charter)

<TABLE>		
<S>		<C>
Georgia		58-2567903
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
Four Corporate Square		
Atlanta, Georgia		30329-2009
(Address of principal executive offices)		(Zip Code)
</TABLE>		

Registrant's telephone number, including area code: (404) 728-2661

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

<TABLE>	
<CAPTION>	
Title of each class	Name of each exchange on which registered
-----	-----
<S>	<C>
Common Stock, No Par Value	New York Stock Exchange
Series A Junior Participating Preferred Share Purchase Rights	New York Stock Exchange
</TABLE>	

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

NONE

(Title of Class)

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

Indicate by check mark if disclosure of delinquent filer pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the registrant's common stock held by non-affiliates was \$1,136,104,922 based upon the last reported sale price on The New York Stock Exchange on July 31, 2001.

The number of shares of the registrant's common stock outstanding at August 23, 2001 was 36,513,289 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Specifically identified portions of the registrant's proxy statement for the 2001 annual meeting of shareholders are incorporated by reference in Part III.

GLOBAL PAYMENTS INC.
2001 FORM 10-K ANNUAL REPORT

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SPECIAL CAUTIONARY NOTICE REGARDING
FORWARD-LOOKING STATEMENTS

We believe that it is important to communicate our plans and expectations about the future to our shareholders and to the public. Some of the statements we use in this report, and in some of the documents we incorporate by reference in this report contain forward-looking statements concerning our business operations, economic performance and financial condition, including in particular, our business strategy and means to implement the strategy, the amount of future capital expenditures, our success in developing and introducing new products and expanding our business, the successful integration of existing and future acquisitions, and the timing of the introduction of new and modified products or services. You can sometimes identify forward looking-statements by our use of the words "believes," "anticipates," "expects," "intends" and similar expressions. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Although we believe that the plans and expectations reflected in or suggested by our forward-looking statements are reasonable, those statements are based on a number of assumptions 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. Accordingly, we cannot guarantee you that our plans and expectations will be achieved. Our actual revenues, revenue growth and margins, other results of operation and shareholder values could differ materially from those anticipated in our forward-looking statements as a result of many known and unknown factors, many of which are beyond our ability to predict or control. These factors include, but are not limited to, those set forth in Exhibit 99.1 to this report, those set forth elsewhere in this report and those set forth in our press releases, reports and other filings made with the Securities and Exchange Commission. These cautionary statements qualify all of our forward-looking statements and you are cautioned not to place undue reliance on these

forward-looking statements.

Our forward-looking statements speak only as of the date they are made and should not be relied upon as representing our plans and expectations as of any subsequent date. While we may elect to update or revise forward-looking statements at some time in the future, we specifically disclaim any obligation to publicly release the results of any revisions to our forward-looking statements.

PART I

Item 1. Business

General Developments

Spin-off from NDC

We were incorporated as a wholly owned subsidiary of National Data Corporation, or NDC, under the laws of the state of Georgia on September 1, 2000. On January 31, 2001, NDC, a Delaware corporation, distributed 100% of the shares of our common stock held by it, or 26,430,192 shares, to the stockholders of record of NDC's common stock as of January 19, 2001. As a result of our spin-off from NDC, we were no longer wholly owned and became an independent public company with our shares of common stock registered on the New York Stock Exchange.

For a more detailed description of our spin-off from NDC, you should read our Registration Statement on Form 10 filed with the SEC on September 8, 2000, and subsequently amended.

Purchase of Merchant Acquiring Business and Ten-Year Marketing Alliance with Canadian Imperial Bank of Commerce

On March 20, 2001, we acquired substantially all of the net assets of the merchant acquiring business of Canadian Imperial Bank of Commerce, or CIBC, and formed a ten-year marketing alliance with CIBC to offer

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VISA and debit card payment products and services in Canada. In exchange for the assets we acquired from CIBC, we issued to CIBC approximately 9.8 million unregistered shares of our common stock, or 26.25% of our shares outstanding on a diluted basis with a fair value at the time of issuance equal to approximately \$133.6 million. As a result of this issuance, CIBC is our largest shareholder and is represented by two persons on our board of directors.

We believe that this acquisition and the related marketing alliance with CIBC significantly broadens our scope and presence in North America and will provide the merchants served by CIBC's merchant acquiring business with a larger array of existing and new payment solutions. The CIBC merchant acquiring business is comparable to the merchant services we offer and includes 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.

The revenues of the CIBC merchant acquiring 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.

Extension and Expansion of Comerica Alliance

On May 31, 2001, we expanded our alliance relationship with Comerica Bank for a purchase price of \$20.4 million following the acquisition of Imperial Bancorp, including its subsidiary Imperial Bank, by Comerica Incorporated in January 2001. We continue to hold a majority interest in the expanded alliance that now includes Imperial Bank's merchant portfolio. Additionally, we extended the term of our original alliance agreement with Comerica Bank through March 2008.

Agreement to Acquire National Bank of Canada's Merchant Acquiring Business

On June 26, 2001, we entered into a definitive agreement to acquire National Bank of Canada's, or NBC's, merchant services business and to form a ten-year alliance with NBC in order to market merchant payment-related products and services to NBC's customers. NBC currently processes over 225 million transactions per year for over 73,000 merchant locations throughout Canada and receives referrals from its 600 branch locations. We will pay a purchase price of approximately \$72 million (Canadian), or \$47 million (U.S.) at current Canadian exchange rates, and expect this acquisition to close in our second quarter of fiscal 2002. We expect this acquisition, in combination with the CIBC acquisition, to make us the largest publicly-traded, independent

MasterCard and Visa acquirer in Canada and to give us the capability to provide Canadian businesses with one source for all their Visa, MasterCard, debit and other payment processing requirements.

Purchase of MasterCard International's Interest in Global Payment Systems LLC

Subsequent to May 31, 2001, we agreed to terms to purchase the 7.5% minority interest owned by MasterCard International Incorporated in our subsidiary, Global Payment Systems LLC. This transaction is expected to close by our second fiscal quarter of 2002 and be non-dilutive to our fiscal 2002 earnings.

Divestiture of Card Issuing Business

In September 2000, we divested our card issuing business for cash consideration approximately equal to the net book value of the business. The revenues related to this business were approximately \$8.8 million and \$2.9 million for the fiscal years ended May 31, 2000 and 2001, respectively.

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Business Description

General

As an electronic transaction processor, we enable consumers, corporations, and government agencies to purchase goods and services through the use of credit and debit cards. Our role is to serve as an intermediary in the exchange of information and funds that must occur between merchants and card issuers before a transaction can be completed. Including our time as part of NDC, we have provided credit card transaction processing services since 1968. During that period, 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 card transaction may appear simplistic, a complex process involving various participants in a 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 cardholder uses credit or debit cards, 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 card issuers such as American Express, Discover, Diners Club and debit networks such as Interac. The card associations consist of members, who generally are financial institutions, and were essentially created to establish uniform regulations that govern much of the industry.

Before a merchant accepts a credit or debit 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 defined limits. The merchant must 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 or by debiting the cardholder bank account. The merchant and the card issuer, however, generally do not interface directly with each other, but, instead rely on electronic transaction processors, such as Global Payments, and card associations to exchange the required information and funds.

As an electronic transaction processor, we serve as an intermediary in the exchange of credit and debit card transaction information and funds between merchants and card associations, for credit cards; and merchants and financial institutions, for debit cards. The card associations then use either a system known as interchange, in the case of credit cards, or the debit networks to transfer the information and funds between electronic transaction processors and card issuers, and complete the link between merchants and card issuers. Canadian merchant acquiring businesses advance payment to merchants for credit and debit card transactions before receiving the interchange or debit fee reimbursement from the card issuers. This business model differs from the business model followed by electronic processors in the United States, in that, in the United States, merchant funding primarily occurs after the electronic processor receives the funds from the card issuer.

We have a high percentage of recurring revenues and expect to process over 2.7 billion transactions per year, of which approximately 25% are debit card transactions, servicing more than 1.0 million merchant locations, including the

pending acquisition of National Bank of Canada's merchant acquiring business. 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. In addition, we are currently a leading mid-market merchant

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acquirer in the United States and expect to be the largest, publicly-traded independent VISA and MasterCard acquirer in Canada, after the acquisition of the National Bank of Canada merchant acquiring business. While we service all industry segments, we specialize in the mid-market segment in the United States and larger volume segments in Canada. 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. Our key markets include merchant customers in the following vertical industries: governmental, restaurant, universities, gaming, retail and health care.

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 that includes a large, 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 our network telecommunication infrastructure.

Industry Overview and Target Markets

We believe that significant opportunities exist for continued growth in the application of transaction processing services to the electronic commerce market. Although a large percentage of retail transactions still utilize cash and checks, merchants encourage electronically authorized and settled transactions using credit and debit cards as a more efficient means of transacting business with their customers. The rapid growth of retail credit card transactions, as well as the increased utilization of debit cards, directly correlates with the historic growth of our business. In the United States, total consumer spending is expected to continue to increase, along with the percentage using forms of payment other than cash and checks, i.e., credit and debit cards and other electronic means. We believe over \$450 billion of annual consumer spending is charged using VISA and MasterCard, and tends to increase during economic, recessionary periods. In Canada, similar consumer spending trends are expected. We believe over \$200 billion (Canadian), approximately \$130 billion (U.S), of annual consumer spending has either VISA, MasterCard or debit as the form of payment.

We believe that the proliferation of "loyalty" or co-branded cards that provide consumers with added benefits for card use should contribute to increased use of credit and debit cards in the future. Finally, as merchants and consumers continue to use electronic commerce as a means to purchase goods and services, both the consumer-to-business and business-to-business aspects of electronic commerce will demand a growing array of transaction processing and support services. Each of these market trends should increase demand for our services.

Business-to-business electronic data interchange using purchasing card technology and associated systems software provides businesses with increased efficiency and 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 through emerging technologies. These emerging technologies will be a major factor in accelerating the continued conversion from paper transaction processing to electronic transaction processing, which will result in greater growth opportunities for our business.

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.

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As a result of the continued growth in our industry, several large merchant processors, including us, have expanded 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 and further leverage our infrastructure through the following:

- . development of value-added applications, enhancement of existing products, and development of new systems and services;
- . expansion of distribution channels, primarily direct card and independent sales organizations, or ISO;
- . acquisition, investments, and alliances with companies that have compatible products, services, development capabilities and distribution capabilities in the direct card business; and
- . systems integrations, primarily consolidation of operating platforms, across North America.

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.

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. Credit card processing describes a consumer acquiring goods or services from a retail location, whereas business-to-business card processing refers to a corporate purchasing department acquiring goods, such 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. We derive revenue for these services 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 the number of transactions or the transaction value.

Authorization and electronic draft capture are related services that 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 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 from the time the merchant swipes the cardholder's card 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, or ACH, and the comparable Canadian ACH 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 service 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 from consumers. If a verified check is dishonored, our check guarantee service provides the merchant with reimbursement of the check's face value, and then pursues collection of the check through our internal collection services. To protect against this risk, we use verification databases that contain information on historical delinquent check writing activity and up-to-date consumer bank account status. We derive revenue for these services primarily by charging the merchant 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, except that this service does not guarantee the 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. We derive revenue for these services primarily from the service fees collected from delinquent check writers, fees charged to merchants based on a transaction rate per verified check, and fees charged to merchants for specialized services, such as electronic re-deposits of dishonored checks.

Our 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. We derive revenue from equipment sales and rentals, programming and deployment fees, and repairs and maintenance services.

Funds Transfer

Our electronic funds transfer product and service offerings include a wide variety of services such as cash management, 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 the 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 this tax filing and payment 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.

Total revenues from our merchant service and funds transfer customers are as follows:

<TABLE>
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	2001	2000	1999

	(in thousands)		
<S>	<C>	<C>	<C>
Merchant services.....	\$334,979	\$318,262	\$307,317
Funds transfer.....	18,216	21,771	22,734
	-----	-----	-----
	\$353,195	\$340,033	\$330,051
	=====	=====	=====

</TABLE>

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. Additionally, we have several alliances with emerging payment technology companies providing capabilities such as electronic barter and billing through established vehicles.

Sales and Marketing

We market our products and services to the electronic commerce markets through a variety of distinct sales channels that include a large, dedicated sales force, independent sales organizations, independent sales representatives, an internal telesales group, alliance bank relationships, and financial institutions. In addition to the 1,700 bank branch locations in Canada, we have associations with over 200 organizations in the United States that provide sales leads. We market our products and services throughout the United States, Canada and Europe. See Note 1 to Notes to Consolidated Financial Statements.

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. We intend for this strategy to utilize the lowest delivery cost system available to successfully acquire target customers.

Employees

As of May 31, 2001, we and our subsidiaries had approximately 1,700 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 these employees.

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

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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, in the United States. Our primary competitor in Canada is Moneris Solutions, who has slightly larger card transaction processing sales volume.

The most significant competitive factors related to our product and services include: their value-added features, functionality, price, reliability, the breadth and effectiveness of our distribution channel, and 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 our competitors and us.

Our primary strategy to distinguish ourselves from our competitors focuses on offering a variety of electronic transaction processing payment solutions to our customers. These enhanced services involve vertical market 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.

Banking Regulations

Following the acquisition of CIBC's merchant acquiring business, CIBC owns 26.8% of our common stock outstanding. As a result of CIBC's equity interest in our company, we are 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 are subject to those same regulations. As a general matter, we are able to operate our merchant services 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, 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 an 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 include our company. 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

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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 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 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 businesses. 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.

Item 2. Properties

Our corporate headquarters are located at Four Corporate Square in Atlanta, Georgia, where we lease from NDC a five-story, 85,000 square foot building. This lease expires in 2004. During the fiscal year 2001, our merchant services business maintained support operations in Hanover, Maryland in a leased 35,000 square foot facility. In the first quarter of fiscal year 2002, in order to support additional growth and consolidation efforts we moved our merchant services business to an 85,000 square foot facility that we lease in Owings Mills, Maryland. In addition, we lease a total of 38 other facilities in the United States, one in Peterborough, United Kingdom, two in Toronto, Canada, and seven others throughout Canada under the transition service agreement with CIBC. 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 all of our facilities and equipment are suitable and adequate for our business as presently conducted.

Item 3. Legal Proceedings

We are party to a number of claims and lawsuits incidental to the normal course of 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.

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

No matters were submitted to a vote of our shareholders during our fourth quarter ended May 31, 2001.

Item 4A. Executive Officers of the Registrant

Set forth below is information relating to our executive officers. 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. Our executive officers serve at the pleasure of our board of directors.

<TABLE>
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Name	Age	Current Position(s)	Position with Global Payments and Principal Business Affiliations for Past Five Years
----	----	-----	-----
<C>	<C>	<C>	<S>
Paul R. Garcia...	49	President and Chief Executive Officer	President and Chief Executive Officer of the Company (since September 2000); Chief Executive Officer of NDC eCommerce (July 1999-January 2001); President and Chief Executive Officer of Productivity Point International (March 1997-September 1998); Group President of First Data Card Services (1995-1997); Chief Executive Officer of National Bancard Corporation (NaBANCO) (1989-1995).
Thomas M. Dunn...	43	Chief Operating Officer	Chief Operating Officer of the Company (since September 2000); Chief Operating Officer of NDC eCommerce (March 1999-January 2001); and General Manager, Integrated Payment Systems, a division of NDC eCommerce (June 1996-March 1999); Group Vice President (August 1992-June 1996).
James G. Kelly...	39	Chief Financial Officer	Chief Financial Officer of the Company (since September 2000); Chief Financial Officer of NDC eCommerce (April 2000-January 2001); Managing Director with Alvarez & Marsal (March 1996-April 2000); Director with Alvarez & Marsal (1992-1996) and Associate with Alvarez & Marsal (1990-1992); and Manager with Ernst & Young's mergers and acquisitions/audit groups (1989-1990).
Barry W. Lawson...	54	Chief Information Officer	Chief Information Officer of the Company (since September 2000); Chief Information Officer of NDC eCommerce (November 1999-January 2001); CEO Systems and Network Consultants (April 1996-October 1999); and Chief Operating Officer of National Bancard Corporation (NaBANCO) (August

</TABLE>

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PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

Our common stock began trading on the New York Stock Exchange under the ticker symbol "GPN" on February 1, 2001. The table set forth below provides the high and low sales prices and dividends paid per share of our common stock for the third and fourth quarter during the last fiscal year. We expect to continue to pay our shareholders a dividend per share in amount comparable to that indicated in the table and to continue to do so on a quarterly basis. However, any future determination to pay cash dividends will be at the discretion of our board of directors and will depend upon our results of operations, financial condition, capital requirements and such other factors as the board of directors deems relevant.

<TABLE>
<CAPTION>

	High	Low	Dividend Per Share
	-----	-----	-----
<S>	<C>	<C>	<C>
Fiscal Year 2001			
Third Quarter.....	\$20.90	\$18.03	\$0.04
Fourth Quarter.....	26.50	16.65	0.04

</TABLE>

The number of shareholders of record of our common stock as of August 23, 2001 was 3,229.

On March 20, 2001, we completed the acquisition of substantially all of the assets of the merchant acquiring business of Canadian Imperial Bank of Commerce and formed a 10-year marketing alliance with CIBC to offer VISA and debit card payment products and services in Canada. In exchange for the net assets acquired, we issued approximately 9.8 million of unregistered shares of our common stock representing 26.25% of our diluted shares outstanding with a fair value of \$133.6 million. This offering of our common shares was completed as a private placement, exempt from Section 5 of the Securities Act.

Item 6. Selected Financial Data

You should read the selected financial data set forth below in conjunction with "Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8: Financial Statements and Supplementary Data" included elsewhere in this annual report. The income statement data for each of the three fiscal years ended May 31, 2001 and the balance sheet data as of May 31, 2001 and 2000 are derived from the audited consolidated financial statements included elsewhere in this annual report. The income statement data for each of the two fiscal years ended May 31, 1999 and the balance sheet data as of May 31, 1999 are derived from the audited consolidated financial statements included in our Registration Statement on Form 10 filed with the SEC on September 8, 2000, as subsequently amended. The income statement data for the year ended May 31, 1997 and the balance sheet data as of May 31, 1998 and 1997 are derived from the unaudited consolidated financial statements that have been prepared by management.

For Year Ended May 31,
(In thousands, except per share data)

<TABLE>
<CAPTION>

	Normalized(1)		Historical				
	(unaudited)						
	2001	2000	2001	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue.....	\$350,315	\$327,183	\$353,195	\$340,033	\$330,051	\$291,547	\$257,679
Operating income.....	60,714	59,160	53,046	63,212	76,675	57,974	39,578
Net income.....	30,949	30,166	23,668	33,047	41,336	31,077	22,633
Basic earnings per share (2) ..	1.08	1.13	0.83	1.24	1.53	1.21	0.93
Diluted earnings per share (3).....	1.06	1.13	0.82	--	--	--	--
Dividends per share.....	0.08	--	0.08	--	--	--	--
Total assets.....	458,604	287,946	458,604	287,946	289,667	276,753	260,134
Line of credit.....	73,000	--	73,000	--	--	--	--
Due to NDC.....	--	96,125	--	96,125	89,375	109,375	71,875
Long-term obligations.....	4,713	7,232	4,713	7,232	15,774	6,616	5,067
Total shareholder's equity....	\$271,022	\$119,795	\$271,022	\$119,795	\$106,923	\$ 83,806	\$102,954

</TABLE>

- -----

- (1) During the last year, we have made several adjustments to our results prepared in conformity with accounting principles generally accepted in the United States, or GAAP, to disclose a pro forma or "normalized" results of operation. The normalized results exclude the impact of divested businesses, other non-recurring items, including restructuring charges and loss on investment; and certain pro forma costs assuming the spin-off from National Data Corporation occurred on June 1, 1999. Management believes the normalized results of operation provide more meaningful comparative analyses, for the years presented.
- (2) Using the ratio of 0.8 of a share of Global Payments common stock for each share of NDC common stock held. Weighted average shares outstanding are computed by applying the distribution ratio to the historical NDC weighted average shares outstanding for all periods presented.
- (3) Diluted earnings per share is not presented in the selected financial data for historical periods prior to fiscal 2001 as Global Payments stock options did not exist prior to the Distribution Date. Refer to Note 2 of our Notes to the Consolidated Financial Statements.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

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

The following discussion and analysis contains forward-looking statements about our plans and expectations of what may happen in the future. Forward-looking statements are based on a number of assumptions and estimates that are inherently subject to significant risks and uncertainties, and our results could differ materially from the results anticipated by our forward-looking statements as a result of many known and unknown factors, including but not limited to those discussed in Exhibit 99.1 to this report. See also "Special Cautionary Notice Regarding Forward-Looking Statements" at the beginning of "Item 1. Business."

You should read the following discussion and analysis in conjunction with "Item 6: Selected Financial Data" and "Item 8: Financial Statements and Supplementary Data" appearing elsewhere in this report.

General

We believe that we are one of the largest electronic transaction processors in the world. We are currently a leading mid-market merchant acquirer in the United States, and expect to be the largest, publicly traded independent VISA and MasterCard acquirer in Canada, after we complete the acquisition of the National Bank of Canada merchant acquiring business.

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 that include a large, 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 2.7 billion transactions per year and service more than 1.0 million merchant locations.

We operate in one business segment, electronic transaction processing, and provide products and services through our merchant services and funds transfer offerings. Approximately 97% of our current revenue base is from merchant services offerings. The remaining 3% of our total revenue is from our funds transfer service offerings.

Merchant services include credit and debit card transaction processing, business-to-business purchase card transaction processing, check guarantee, check verification and recovery, and terminal management services. We have two basic business models. In one model, which we refer to as "direct" merchant services, we have a salaried and commissioned sales force that sells our end-to-end services directly to merchants. In the other model, which we refer to as "indirect" merchant services, we provide products and services to financial

institutions and independent sales organizations that in turn resell to their merchants. Approximately 80% of our merchant acquiring revenue is direct and the remaining 20% is indirect, after taking into account each of our recent acquisitions.

During the last year, we made several adjustments to our results as reported according to generally accepted accounting principles, or GAAP, to disclose a pro forma or "normalized" results of operation. The normalized results exclude

the impact of divested businesses and other non-recurring items, such as restructuring charges and non-cash loss on investment; and certain pro forma costs assuming the spin-off from NDC occurred on June 1, 1999. For a better understanding of our normalized results of operations, you should read Exhibit 99.2 to this report which compares the quarterly GAAP reported income statement to the pro forma or "normalized" income statement for fiscal years 2000 and 2001. The following discussion and analysis will address both GAAP reported results and normalized results of operations for the comparison of fiscal year 2001 to fiscal year 2000. We believe that the normalized results of operation will provide you with a more meaningful comparative analysis of our results of operations.

Components of Income Statement

We derive our revenues from three primary sources: charges based on volumes and fees for merchant services; charges based on transaction quantity; and 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 who develop and maintain applications, operate computer networks and 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 personnel; non-revenue producing 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 primarily consists of: minority interest in earnings, 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 GAAP and is not presented as a substitute for net income or cash flow from operating, investing or financing activities determined in accordance with GAAP. 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.

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Results of Operations

Fiscal Year Ended May 31, 2001 Compared to Fiscal Year Ended May 31, 2000

The following table provides comparisons of our results of operations for the fiscal years ended May 31, 2001 and 2000:

Fiscal Year Ended May 31, 2001
(dollars in millions, except per share data)

<TABLE>
<CAPTION>

	GAAP	Divested Businesses	Non-Recurring Items	Pro Forma Adjustments	Normalized	Normalized % of Revenue	Normalized 2001 vs. 2000 Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue.....	\$353.2	\$(2.9)	\$ --	\$ --	\$350.3		7 %
Operating expenses:							
Cost of service.....	192.4	(2.3)	(3.0)	--	187.1	53.4 %	8 %
Sales, general and administrative.....	102.9	(0.7)	--	0.3	102.5	29.3 %	9 %
Restructuring and other.....	4.9	--	(4.9)	--	--	--	--
Operating income.....	53.0	0.1	7.9	(0.3)	60.7	17.3 %	3 %
Loss on investment.....	(5.0)	--	5.0	--	--	--	--
Other income (expense).. <td>(9.5)</td> <td>--</td> <td>--</td> <td>(0.9)</td> <td>(10.4)</td> <td>(3.0) %</td> <td>3 %</td>	(9.5)	--	--	(0.9)	(10.4)	(3.0) %	3 %
Income before income taxes.....	\$ 38.5	\$ 0.1	\$12.9	\$ (1.2)	\$ 50.3	14.4 %	2 %
Basic earnings per share.....	\$ 0.83	\$0.00	\$0.28	\$(0.03)	\$ 1.08		(4) %

Depreciation and amortization.....	\$ 21.8	\$ 21.8	6.2 %	9 %
EBITDA.....	\$ 74.8	\$ 82.5	23.6 %	4 %

Fiscal Year Ended May 31, 2000
(dollars in millions, except per share data)

<TABLE>
<CAPTION>

	GAAP	Divested Businesses	Non-Recurring Items	Pro Forma Adjustments	Normalized	Normalized % of Revenue
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue.....	\$340.0	\$ (10.0)	\$ (2.8)	\$ --	\$327.2	
Operating expenses:						
Cost of service.....	181.5	(5.8)	(1.7)	--	174.0	53.2 %
Sales, general and administrative.....	95.3	(5.0)	--	3.7	94.0	28.7 %
Operating income.....	63.2	0.8	(1.1)	(3.7)	59.2	18.1 %
Other income (expense).....	(9.4)	--	--	(0.7)	(10.1)	(3.1) %
Income before income taxes.....	\$ 53.8	\$ 0.8	\$ (1.1)	\$ (4.4)	\$ 49.1	15.0 %
Basic earnings per share.....	\$ 1.24	\$ 0.02	\$ (0.03)	\$ (0.10)	\$ 1.13	

Depreciation and amortization.....	\$ 20.0	\$ 20.0	6.1 %
EBITDA.....	\$ 83.2	\$ 79.2	24.2 %

GAAP Results of Operations

Our revenue increase of \$13.2 million, or 4%, to \$353.2 million in fiscal 2001 from \$340.0 million in fiscal 2000 was primarily due to the inclusion of revenues from CIBC's merchant acquiring business in fiscal 2001. The increase from the acquisition was partially offset by decreases associated with business divestitures in the last twelve months (\$7.1 million) and a non-recurring product and service mix change (\$2.8 million) in fiscal 2000.

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Operating income decreased \$10.2 million, or 16%, to \$53.0 million in fiscal 2001 from \$63.2 million in fiscal 2000. As a percentage of revenue, our operating income margin decreased to 15.0% in fiscal 2001 from 18.6% in fiscal 2000. These decreases are due primarily to a non-recurring charge of \$3.0 million in fiscal 2001 a restructuring charge of \$4.9 million in fiscal 2001, and generally, a higher level of investment by us after the spin-off from NDC in infrastructure, personnel, and our direct sales channels.

Adjustments to GAAP Results of Operations

Divested Businesses

In the third quarter of fiscal 2001, we divested our card issuing business for cash consideration approximately equal to its net book value. Revenues related to these services are included within the GAAP revenue results in the above tables. These revenues were \$2.9 million in fiscal 2001 and \$8.8 million in fiscal 2000. In addition, in fiscal 2000, we divested another small product offering. We have adjusted the GAAP revenue calculation by removing the revenues associated with these divested businesses and have included these normalized results of operations in the financial tables above.

Non-Recurring Items

Fiscal 2001

We had pre-tax, non-recurring items totaling \$12.9 million in fiscal 2001. These items comprised \$3.0 million related to a change in our operating guidelines, \$4.9 million in restructuring and related charges, and \$5.0 million associated with the write-off of our sole internet investment.

The change in our operating guidelines relates to our aged charge back receivables in the merchant settlement function. Under our previous guidelines, we carried a charge back receivable from an issuing bank until its ultimate disposition. Today, within 25 days of receiving a charge back notice from VISA or MasterCard, we complete our review of the matter and either charge the merchant or the issuing bank, pending final disposition if the charge back remains disputed by either party. Therefore, we no longer hold the receivable exposure on these pending charge backs, but continue to pursue a favorable resolution and collections on behalf of our merchants. This change recognized

that some charge backs currently under review may not be collectible, therefore we have provided for a \$3.0 million non-recurring charge in fiscal 2001.

We have continued our efforts to streamline operations through office consolidation and evaluation of investments. Accordingly, in the fourth quarter of fiscal 2001, we incurred a \$4.9 million restructuring charge related to office consolidations and severance payments to terminated employees. Refer to Note 12 to the Consolidated Financial Statements appearing elsewhere in this report for more details.

Finally, as further described in Note 2 to the Consolidated Financial Statements, we completed an evaluation of our sole Internet related investment during the fourth quarter of fiscal 2001. The company has experienced difficulty securing additional funding in current market conditions and we do not believe it currently has active business operations. As a result, we determined the carrying value of the investment was not recoverable and realized a non-cash loss on investment of \$5.0 million.

Fiscal 2000

In the first quarter of fiscal 2000, we experienced a non-recurring product and service mix change in our terminal management business. This change caused a \$2.8 million increase in revenue and related cost of service of \$1.7 million.

Normalized Results of Operations

Our normalized revenue increased \$23.1 million, or 7%, to \$350.3 million in fiscal 2001 from \$327.2 million in fiscal 2000. This increase was due to the inclusion of revenues from CIBC's merchant acquiring business and strong volume and transaction growth in our direct merchant acquiring card processing services. The increase in revenue in our direct merchant acquiring card processing services in fiscal 2001 was offset by declines in revenues from our indirect merchant services sources and funds transfer product offerings

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in fiscal 2001 compared to fiscal 2000. The decline in funds transfer revenue was due in part to the divestiture of a product offering. We expect the declines in indirect merchant services sources and funds transfer product offerings to continue in fiscal 2002, primarily due to consolidation trends among financial institutions. We expect the growth in direct merchant card services revenue to continue due primarily to our recent acquisitions, the addition of new merchant relationships, and increased usage of credit cards and debit cards within existing merchant customers.

Normalized cost of service increased \$13.1 million, or 8%, to \$187.1 million in fiscal 2001 from \$174.0 million in fiscal 2000. The increase in cost of service is primarily attributed to the inclusion of costs associated with CIBC's merchant acquiring business in our normalized results for fiscal 2001. As a percentage of revenue, cost of service was 53% in both fiscal 2001 and 2000.

Normalized sales, general and administrative expenses increased \$8.5 million, or 9%, to \$102.5 million in fiscal 2001 from \$94.0 million in fiscal 2000. As a percentage of revenue, these expenses increased to 29.3% in fiscal 2001 compared to 28.7% in fiscal 2000. These increases were primarily due to the relatively higher level of investments by us in infrastructure and personnel, and in direct sales channels after the spin-off from NDC, the benefit of which is not expected until future periods; and due to expenses associated with the inclusion of CIBC's merchant acquiring business.

Normalized operating income increased \$1.5 million, or 3%, to \$60.7 million in fiscal 2001 from \$59.2 million in fiscal 2000. As a percentage of revenue, our normalized operating margin was 17.3% in fiscal 2001 compared to 18.1% for 2000. We expect to realize synergies from acquisitions as we consolidate operations and leverage scale. Accordingly, we expect operating income margin in the range of 18% to 20% in fiscal 2002 and 19% to 21% in fiscal 2003. We are currently executing plans to convert the CIBC merchant acquiring business to our back-end United States processing platforms. Once we complete this systems migration, we can integrate customer service functions.

Normalized basic earnings per share decreased \$0.05, or 4%, to \$1.08 for fiscal 2001 from \$1.13 in fiscal 2000. This decrease is attributed to the increase in weighted-average shares outstanding, primarily due to the shares issued in consideration of the acquisition of CIBC's merchant acquiring business. A total of 9.8 million shares were issued to CIBC, however only 1.9 million were outstanding for earnings per share calculations due to the partial period that commenced with the close of the acquisition on March 20, 2001.

Fiscal Year Ended May 31, 2000 Compared to Fiscal Year Ended May 31, 1999

The following table provides comparisons of our GAAP results of operations for the fiscal years ended May 31, 2000 and 1999:

<TABLE>
<CAPTION>

	2000		1999		2000 vs. 1999 Change
	Actual	% of Revenue	Actual	% of Revenue	
(dollars in millions)					
<S>	<C>	<C>	<C>	<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)%
Income 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)%

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Our revenue increase of \$9.9 million, or 3%, to \$340.0 million in fiscal 2000 from \$330.1 million in fiscal 1999 reflects a 4% growth in revenue from our merchant services product offerings partially offset by a 4% decline in revenues from funds transfer product offerings compared to the prior year. The growth in merchant services revenue is due primarily to the addition of new merchant relationships, and increased usage of credit cards, debit cards and checks from existing customers.

Cost of service increased \$11.7 million, or 7%, to \$181.5 million in fiscal 2000 from \$169.8 million in fiscal 1999. As a percentage of revenue, cost of service increased to 53% in fiscal 2000 compared to 52% in fiscal 1999. These increases are primarily due to a change in the product and service revenue mix to a higher cost service and investments in infrastructure.

Sales, general and administrative expenses increased \$11.7 million, or 14%, to \$95.3 million in fiscal 2000 from \$83.6 million in fiscal 1999. As a percentage of revenue, these expenses increased to 28% for fiscal 2000 compared to 25% in fiscal 1999. These increases are primarily due to investments in distribution channel expansion, sales staffing and programs, customer service improvements, and product development activities, as well as management and related corporate costs in anticipation of becoming a separate public entity.

Operating income decreased \$13.5 million, or 18%, to \$63.2 million in fiscal 2000 from \$76.7 million in fiscal 1999. As a percentage of revenue, our operating income margin decreased to 19% in fiscal 2000 from 23% in fiscal 1999. This decline is due primarily to the factors described above.

Total other expense decreased \$0.7 million for fiscal 2000 compared to fiscal 1999. This decrease was primarily the result of decreased interest expense due to the repayment of a \$6.0 million note from a prior acquisition.

Forward-Looking Results of Operations

Revenue

In the year ended May 31, 2001, we reported revenue of \$353 million. This revenue included \$2.9 million associated with businesses we divested in fiscal 2001. Excluding these revenues from the reported fiscal 2001 amounts, our normalized revenue would have been \$350 million in fiscal 2001. No pro forma adjustments associated with the our spin-off from NDC were required with respect to the fiscal 2001 amounts reported. We believe we are well-positioned for growth in fiscal 2002, due to factors described above. Accordingly, we expect fiscal 2002 revenue of between \$455 to \$462 million, reflecting growth of 30% to 32% over fiscal 2001 normalized revenue of \$350 million. This revenue growth is primarily due to continued domestic and Canadian expansion in our direct merchant services offering as well as other factors we described above in discussion of our results of operations in fiscal 2001 compared to fiscal 2000. We are continuing to evaluate our strategic alternatives for our secondary businesses; accordingly, these revenue expectations do not consider the impact of potential future business divestitures.

Earnings Per Share

In the year ended May 31, 2001, we reported basic earnings per share of \$0.83. Our reported basic earnings per share includes the impact of the non-recurring cost of service charge, the restructuring charge, divestitures and the non-cash loss on investment and excludes the impact of the pro forma adjustments associated with management and related corporate costs incurred in connection with becoming a separate public entity and additional interest expense as a result of our new line of credit. The impact of each item and an analysis reconciling to normalized basic earnings per share is included above

in our discussion of the results of operations in fiscal 2001 compared to fiscal 2000. Excluding these items from our results, our normalized earnings per basic share would have been \$1.08. In fiscal 2002, we anticipate an increase in basic earnings per share to between \$1.24 to \$1.29 compared to the fiscal 2001 normalized amount, reflecting growth of 15% to 19%. On a diluted basis, we expect earnings per share of \$1.19 to \$1.24 in fiscal 2002. These expectations include a \$0.10 per share favorable impact of, Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," as described further in Note 2 to the Consolidated Financial Statements. In addition, we expect our effective tax rate to decrease from 38.5% in fiscal 2001 to 38.2% in fiscal 2002.

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Liquidity and Capital Resources

Cash flow generated from operations provides us with a significant source of liquidity to meet our needs. At May 31, 2001, we had cash and cash equivalents totaling \$6.1 million. Net cash provided by operating activities increased \$37.3 million, or 90%, to \$78.6 million for fiscal 2001 from \$41.3 million for fiscal 2000. This increase was driven primarily by the favorable timing of receipt of the net merchant processing funds and the timing of payments to third parties for accounts payable and accrued expenses compared to last year. The merchant processing receivables and payables fluctuate due to the timing of credit card settlement and funding of merchants and vary from month to month based on processing volumes. The timing of payments for accounts payable and accrued expenses is primarily a function of our transitional services agreements with NDC and CIBC.

Net cash used in investing activities increased, \$22.4 million from \$33.4 million for fiscal 2001 compared to \$11.0 million for fiscal 2000 primarily due to cash we paid for acquisitions and capital expenditure investments we made in our infrastructure. As further described in Note 3 to the Consolidated Financial Statements, in fiscal 2001, we acquired net assets of \$167.1 million for a total consideration of approximately \$10.1 million of deferred purchase price, a fair value of \$133.6 million of our common stock and \$23.4 million in cash. The increase in capital expenditures is primarily related to office consolidation efforts and other infrastructure to support our future growth. In fiscal 2002, we expect approximately \$20 to \$25 million in total capital spending, primarily related to acquisition integration activities and continued infrastructure support.

Net cash used in financing activities increased \$12.9 million to \$41.8 million for fiscal 2001 from \$28.9 million for fiscal 2000. As a result of our spin-off from NDC, we were allocated \$96.1 million at June 1, 2000, an amount that reflects our share of NDC's pre-distribution debt used to establish our initial capitalization. We funded approximately \$37 million using cash flow provided by operations and drew \$59 million on our line of credit to fund the balance of the cash dividend payment to NDC on January 31, 2001. Prior to May 31, 2001, we repaid \$6.0 million of the amount drawn on our line of credit. In addition, we used \$20 million from our line of credit in May 2001 to finance our Comerica Bank-Imperial Bank merchant portfolio acquisition.

We believe that our current level of cash and borrowing capacity under our committed lines 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. We currently do not have any material capital commitments, other than commitments under capital and operating leases discussed in Note 14 of our Consolidated Financial Statements included in this report, 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 further increase our capital expenditures above historical levels over the next two to three years. In addition to the planned capital projects referred to above, we will continue the planning and development process necessary for us to assume from CIBC the processing services it currently provides to Canadian merchants. This development effort will further 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 and we may elect to raise additional funds for these purposes in the future, either through the issuance of debt or equity or otherwise.

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 \$125 million revolving line of credit. It was initially used to 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 is also available to meet our short-term working capital needs and acquisition financing. This line has a variable interest rate based on market rates and customary origination-related fees and expenses. The credit agreement contains certain financial and non-financial covenants customary for financings of this nature. The facility

has a three-year term, expiring in January 2004.

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Subsequent to May 31, 2001, we have obtained a commitment for a \$25 million revolving credit facility to finance working capital and other general corporate purposes for borrowing capacity. We expect to have this facility in place by the second quarter of fiscal 2002.

With our acquisition of the CIBC merchant acquiring business, we entered into related agreements to operate the business, including a credit facility. Canadian merchant acquiring businesses advance payment to merchants for credit and debit card transactions before receiving the interchange or debit fee reimbursement from the card issuing banks. This business model differs sharply from that in the U.S. where merchant funding primarily occurs after we receive the funds from the card issuing banks. CIBC has provided 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 with CIBC provides us with a line of credit of up to Cdn\$140 million, or approximately US\$90 million at current exchange rates, with an additional overdraft facility available to cover larger advances during periods of peak usage of credit and debit cards, and carries an interest rate based on Canadian Dollar LIBOR (C\$LIBOR). It contains customary covenants and events of default. The line of credit is secured by a first priority security interest in our accounts receivable from VISA Canada/International and will be guaranteed by our subsidiaries and us. This guarantee is subordinate to our primary credit facility discussed above. The CIBC credit facility has an initial term of 364 days expiring March 19, 2002, and it is renewable annually at CIBC's option.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Based on analysis completed and described below, we do not believe that we are exposed to material market risk from changes in interest rates and/or foreign currency rates.

Interest Rate

We have a line of credit which has a variable interest rate based on the London Interbank Offered Rates, or LIBOR. Accordingly, we are exposed to the impact of interest rate fluctuations. We have performed an interest rate sensitivity analysis over the near term with a 10% change in interest rates. Based on this analysis, we believe that our net income is not subject to material interest rate risk.

Foreign Currency Risk

We generate a percentage of our net income from foreign operations. We have performed a foreign exchange sensitivity analysis over the near term with a 10% change in foreign exchange rates. Although we are vulnerable to fluctuations in the Canadian dollar and British pound against the United States dollar, based on this analysis, we believe that our net income is not subject to material foreign exchange rate risk.

Historically, we have not entered into derivative financial instruments to mitigate interest rate fluctuation risk or foreign currency exchange rate risk, as it has not been cost effective. We may use derivative financial instruments in the future, if we deem it useful in mitigating our exposure to interest rate or foreign currency exchange rates.

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Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Global Payments Inc.:

We have audited the accompanying consolidated balance sheets of Global Payments Inc. (a Georgia corporation) as of May 31, 2001 and May 31, 2000 and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended May 31, 2001. 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 Global Payments Inc. as of May 31, 2001 and May 31, 2000 and the results of their operations and their cash flows for each of the three years in the period ended May 31, 2001, in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Atlanta, Georgia
July 17, 2001

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CONSOLIDATED STATEMENTS OF INCOME
GLOBAL PAYMENTS INC.

(In thousands, except per share data)

<TABLE>
<CAPTION>

	Year Ended May 31,		
	2001	2000	1999
<S>	<C>	<C>	<C>
Revenues.....	\$353,195	\$340,033	\$330,051
Operating expenses:			
Cost of service.....	192,389	181,479	169,805
Sales, general and administrative.....	102,878	95,342	83,571
Restructuring and other.....	4,882	--	--
	300,149	276,821	253,376
Operating income.....	53,046	63,212	76,675
Other income (expense):			
Interest and other income.....	2,039	796	1,183
Loss on investment.....	(5,000)	--	--
Interest and other expense.....	(6,171)	(6,119)	(7,448)
Minority interest in earnings.....	(5,430)	(4,117)	(3,809)
	(14,562)	(9,440)	(10,074)
Income before income taxes.....	38,484	53,772	66,601
Provision for income taxes.....	14,816	20,725	25,265
Net income.....	\$ 23,668	\$ 33,047	\$ 41,336
Basic earnings per share.....	\$ 0.83	\$ 1.24	\$ 1.53
Diluted earnings per share (See Note 2).....	\$ 0.82	--	--

</TABLE>

The accompanying notes are an integral part of these Consolidated Financial Statements.

22

CONSOLIDATED BALANCE SHEETS
GLOBAL PAYMENTS INC.

(In thousands, except share data)

<TABLE>
<CAPTION>

	May 31,	May 31,
	2001	2000
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 6,103	\$ 2,766
Accounts receivable, net of allowance for doubtful accounts of \$1,198 and \$1,231 in 2001 and 2000, respectively.....	39,264	33,945
Claims receivable, net of allowance for losses of \$4,445 and \$3,679, in 2001 and 2000, respectively.....	126	284
Merchant processing receivable.....	76,667	32,213
Income tax receivable.....	307	980

Inventory.....	3,216	3,694
Deferred income taxes.....	5,118	--
Prepaid expenses and other current assets.....	5,697	6,343
	-----	-----
Total current assets.....	136,498	80,225
	-----	-----
Property and equipment, net.....	44,336	28,665
Intangible assets, net.....	277,375	173,726
Investment.....	--	5,000
Other.....	395	330
	-----	-----
Total assets.....	\$458,604	\$287,946
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Line of credit.....	\$ 73,000	\$ --
Due to NDC.....	--	96,125
Merchant processing payable.....	8,829	11,880
Obligations under capital leases.....	2,739	2,900
Accounts payable and accrued liabilities.....	47,916	26,338
Deferred income taxes.....	--	410
	-----	-----
Total current liabilities.....	132,484	137,653
	-----	-----
Obligations under capital leases, net of current portion...	1,974	4,332
Deferred income taxes.....	7,237	5,403
Other long-term liabilities.....	7,035	2,291
	-----	-----
Total liabilities.....	148,730	149,679
	-----	-----
Commitments and contingencies (See Note 14)		
Minority interest in equity of subsidiaries.....	38,852	18,472
Shareholders' equity:		
NDC equity investment.....	--	120,160
Preferred stock, no par value; 5,000,000 shares authorized and none issued.....	--	--
Common stock, no par value; 200,000,000 shares authorized and 36,477,168 shares issued at May 31, 2001.....	--	--
Paid-in capital.....	272,243	--
Retained earnings.....	2,217	--
Deferred compensation.....	(2,357)	--
Cumulative translation adjustment.....	(1,081)	(365)
	-----	-----
Total shareholders' equity.....	271,022	119,795
	-----	-----
Total liabilities and shareholders' equity.....	\$458,604	\$287,946
	=====	=====

</TABLE>

The accompanying notes are an integral part of these Consolidated Financial Statements.

23

CONSOLIDATED STATEMENTS OF CASH FLOWS
GLOBAL PAYMENTS INC.

(In thousands)

<TABLE>
<CAPTION>

	Year Ended May 31,		
	2001	2000	1999
	-----	-----	-----
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net income.....	\$ 23,668	\$ 33,047	\$ 41,336
Adjustments to reconcile net income to net cash provided by operating activities:			
Restructuring and other charges.....	2,197	--	--
Loss on investment.....	5,000	--	--
Depreciation and amortization.....	10,782	9,688	9,438
Amortization of acquired intangibles and goodwill.....	10,974	10,340	10,515
Deferred income taxes.....	(3,694)	1,786	6,690
Minority interest in earnings.....	5,430	4,117	3,809
Provision for bad debts.....	6,586	1,019	479
Other, net.....	(345)	1,500	1,909
Changes in operating assets and liabilities, net of the effects of acquisitions:			
Accounts receivable, net.....	(6,202)	2,423	(4,843)
Merchant processing receivable/payable.....	7,562	(22,280)	1,488
Inventory.....	728	(2,112)	(739)

Prepaid expenses and other assets.....	1,505	(1,269)	(54)
Accounts payable and accrued liabilities.....	14,423	3,037	(9,559)
	-----	-----	-----
Net cash provided by operating activities....	78,614	41,296	60,469
	-----	-----	-----
Cash flows from investing activities:			
Capital expenditures.....	(13,601)	(6,002)	(12,528)
Business acquisitions, net of acquired cash...	(23,350)	--	(1,484)
Increase in investments.....	--	(5,000)	--
Proceeds from divested business.....	3,502	--	--
	-----	-----	-----
Net cash used in investing activities.....	(33,449)	(11,002)	(14,012)
	-----	-----	-----
Cash flows from financing activities:			
Net borrowings from (repayments to) NDC.....	(106,197)	6,750	(20,000)
Net proceeds from line of credit.....	73,000	--	--
Net decrease in NDC equity investment.....	--	(21,800)	(18,596)
Principal payments under capital lease arrangements and other long-term debt.....	(3,144)	(9,457)	(3,552)
Stock issued under employees stock plans.....	302	--	--
Dividends paid.....	(1,459)	--	--
Distributions to minority interests.....	(4,330)	(4,377)	(4,080)
	-----	-----	-----
Net cash used in financing activities.....	(41,828)	(28,884)	(46,228)
	-----	-----	-----
Increase in cash and cash equivalents.....	3,337	1,410	229
Cash and cash equivalents, beginning of year...	2,766	1,356	1,127
	-----	-----	-----
Cash and cash equivalents, end of year.....	\$ 6,103	\$ 2,766	\$ 1,356
	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these Consolidated Financial Statements.

24

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
GLOBAL PAYMENTS INC.

(In thousands, except per share data)

<TABLE>

<CAPTION>

	Number of Shares	NDC Equity Investment	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Deferred Compensation	Total Shareholders' Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at May 31, 1998.....	--	\$ 83,930	\$ --	\$ --	\$ (124)	\$ --	\$ 83,806
	=====	=====	=====	=====	=====	=====	=====
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.....	--	107,088	--	--	(165)	--	106,923
	=====	=====	=====	=====	=====	=====	=====
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.....	--	120,160	--	--	(365)	--	119,795
	=====	=====	=====	=====	=====	=====	=====
Comprehensive income							
Net income.....		19,992		3,676			23,668
Foreign currency translation adjustment.....					(716)		(716)

Total comprehensive income.....							22,952

Net transactions with NDC.....		(3,647)					(3,647)
Net distributions to NDC.....		(2,728)					(2,728)
Distribution of common stock.....	26,687	(133,777)	137,198			(3,421)	--
Stock issued under employee stock plans..	25		1,465				1,465
Stock issued for acquisition.....	9,765		133,580				133,580
Dividends paid (\$0.04 per share).....				(1,459)			(1,459)
Amortization of deferred compensation.....						1,064	1,064
	-----	-----	-----	-----	-----	-----	-----
Balance at May 31, 2001.....	36,477	\$ --	\$272,243	\$ 2,217	\$ (1,081)	\$ (2,357)	\$271,022
	=====	=====	=====	=====	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these Consolidated Financial Statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1--Spin-off and Basis of Presentation

In December 1999, National Data Corporation ("NDC") 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 (the "Distribution"). This Distribution occurred on January 31, 2001 (the "Distribution Date") and was accomplished by forming Global Payments Inc. ("Global Payments" or the "Company") on September 1, 2000, transferring the stock of the companies which comprised 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 received 0.8 share of Global Payments for each NDC share held as of the Distribution Date. After the Distribution, Global Payments and NDC became two separate public companies.

The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. Prior to the Distribution Date, the financial statements included the accounts of the subsidiaries of NDC that comprised its eCommerce business segment. Intercompany transactions have been eliminated in consolidation. Certain reclassifications have been made to the fiscal 2000 and 1999 financial statements to conform to the fiscal 2001 presentation. 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 businesses through various sales channels.

The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 131, "Disclosure About Segments of an Enterprise and Related Information." The Company's chief operating decision making group currently operates one reportable segment--electronic transaction processing--therefore the majority of the disclosures required by SFAS No. 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. Revenues from external customers from the Company's service offerings are as follows:

<TABLE>
<CAPTION>

	2001	2000	1999

	(in thousands)		
<S>	<C>	<C>	<C>
Merchant services.....	\$334,979	\$318,262	\$307,317
Funds transfer.....	18,216	21,771	22,734
	-----	-----	-----
	\$353,195	\$340,033	\$330,051

</TABLE>

The Company's operations are provided in the United States, Canada, and Europe. The following is a breakdown of revenues by geographic region:

<TABLE>
<CAPTION>

	2001	2000	1999
	(in thousands)		
<S>	<C>	<C>	<C>
United States.....	\$328,054	\$332,873	\$322,145
Canada.....	23,183	4,545	4,116
Europe.....	1,958	2,615	3,790
	-----	-----	-----
	\$353,195	\$340,033	\$330,051

</TABLE>

The consolidated 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. Through the Distribution Date of January 31, 2001, these amounts were derived from NDC's historical financial statements. As further described in Note 4, certain corporate and interest expenses had been allocated to the Company that were not previously 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.

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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 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--Card information and transaction processing services revenue are primarily based on a percentage of transaction value or on a specified amount per transaction, and 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.

Check guarantee services includes the process of electronically verifying the check being presented to the Company's merchant customer, through an extensive database. The Company guarantees the face value of the verified and guaranteed check to the merchant customer. If a verified and guaranteed check is dishonored, the Company reimburses the merchant for the check's face value, and pursues collection from the delinquent checkwriter. The Company has the right to collect the full amount of the check from the checkwriter but has historically recovered approximately 50% of the guaranteed checks. At the time revenue is recognized, the Company establishes a claims receivable from the delinquent checkwriter for the full amount of the guaranteed check and a valuation allowance for this activity based on historical and projected loss experience (See Note 14). The expense associated with the valuation allowance is included in cost of service in the accompanying consolidated statements of income.

Revenue for the check guarantee offering is primarily derived from a percentage of the face value of each guaranteed check. The Company recognizes revenue upon satisfaction of its guarantee obligation to the merchant customer. The check guarantee offering also earns revenue based on fees collected from delinquent checkwriters which is recognized when collected, as collectibility is not reasonably assured until that point.

Check verification services are similar to the services provided in the check guarantee offering, except the Company does not guarantee the verified checks. Revenue for this offering is primarily derived from fees collected from delinquent checkwriters and is recognized when collected, as collectibility is not reasonably assured until that point. This offering also earns revenue based on a fixed amount each merchant pays for each check that is verified. This revenue is recognized when the transaction is processed, since the Company has no further obligations associated with the transaction.

Terminal management products and services consist of electronic transaction processing terminal sales and rentals, terminal set-up, telephone training and technical support. Revenue associated with the terminal sale, set-up and telephone training is considered a single earnings process and is recognized when the set-up and telephone training is completed, and the merchant customer can begin processing transactions. Terminal rental revenues are recognized when the service is provided. Revenue associated with technical support is considered an independent earnings process and is recognized based on either a maintenance agreement, which is recognized on a straight-line basis over the maintenance contract term, or based on time and materials when the support 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.

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Property and equipment--Property and equipment, including equipment under capital leases, are 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 lists/merchant contracts and trademarks associated with acquisitions. Customer lists/merchant contracts are 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 lists/merchant contracts are determined based primarily on information concerning start/stop dates and yearly attrition. The useful lives of other identifiable intangibles are 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, or annual turnover statistics in the case of assembled workforce.

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 20 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, 2001 and May 31, 2000.

Investments--The Company holds a \$5 million investment in eCharge Corporation, a private company that offers Internet users secure and convenient ways to make purchases over the Internet. This investment was recorded at its historical cost of \$5.0 million at May 31, 2000. During the fourth quarter ending May 31, 2001, the Company completed an evaluation of this sole investment as it has experienced difficulty securing additional funding in current market conditions. As a result, management determined the carrying value of the investment was not recoverable and recognized a loss on investment of \$5.0 million.

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 and cash equivalents, receivables, accounts payable and accrued liabilities, and current maturities of long-term obligations, approximate 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.

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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. For periods prior to the Distribution Date, 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 for the years ended May 31, 2000 and 1999, as Global Payments stock options did not exist prior to the Distribution Date.

The following table sets forth the computation of basic and diluted earnings for the year ended May 31, 2001:

<TABLE>
<CAPTION>

	Income	Shares	Per Share
	-----	-----	-----
	(in thousands, except per share data)		
<S>	<C>	<C>	<C>
Basic EPS:			
Net income.....	\$23,668	28,616	\$0.83
Dilutive effect of stock options.....	--	300	
	-----	-----	
Diluted EPS:			
Net income available to common shareholders.....	\$23,668	28,916	\$0.82
	=====	=====	=====

</TABLE>

Impact of new accounting pronouncements--In July 2001, the Financial Accounting Standards Board published SFAS No. 142, "Goodwill and Other Intangible Assets." In accordance with the SFAS, the Company has elected to adopt the standard effective June 1, 2001. The provisions of the SFAS allow intangibles with an indefinite useful life, such as goodwill, to not be amortized prospectively and perform annual impairment tests of these intangible assets. Amortization of goodwill for fiscal 2001 and 2000 was approximately \$3.8 million and \$3.4 million, respectively. The Company expects to complete its first annual impairment tests by November 30, 2001.

Note 3--Business Acquisitions

During 2001, the Company acquired the following businesses:

<TABLE>
<CAPTION>

Business	Date Acquired	Percentage Ownership
-----	-----	-----
<S>	<C>	<C>
Brennes-Jones Group Merchant Portfolio.....	November 21, 2000	100%
Canadian Imperial Bank of Commerce ("CIBC") Merchant Acquiring Business.....	March 20, 2001	100%
Comerica Bank--Imperial Bank Merchant Portfolio.....	May 31, 2001	51%

</TABLE>

These acquisitions have 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 consolidated statements of income from the date of the acquisition.

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The aggregate cash price paid for these acquisitions consisted of \$23.4 million as follows:

<TABLE>
<CAPTION>

	2001

	(In thousands)
<S>	<C>
Fair value of assets acquired.....	\$ 175,457
Liabilities assumed.....	(8,445)
Deferred purchase price.....	(10,082)
Common stock issued (9,764,623 shares).....	(133,580)

Cash paid for acquisitions.....	\$ 23,350
	=====

</TABLE>

The excess of cost over tangible assets acquired totaled \$117.0 million, with \$52.7 allocated to goodwill and \$64.3 to customer lists/merchant contracts. The depreciable and intangible assets are being amortized over periods ranging from 2 to 20 years.

The following unaudited pro forma information for the purchase acquisitions discussed above have been prepared as if these acquisitions, the Distribution and divestitures had occurred on June 1, 1999. The information is based on historical results of the separate companies and may not necessarily be indicative of the results that would have been achieved or of results that may occur in the future. The pro forma information includes the expense for amortization of goodwill and other intangible assets resulting from these transactions and interest expense related to financing costs but does not reflect any synergies or operating cost reductions that may be achieved from the combined operations. In addition, the unaudited pro forma information excludes the impact of non-recurring charges.

<TABLE>
<CAPTION>

	2001	2000
	-----	-----
	(In thousands, except per share data)	
<S>	<C>	<C>
Revenue.....	\$445,656	\$431,620
Net income.....	39,552	36,445
Basic earnings per share.....	1.03	1.00

</TABLE>

Note 4--Transactions with NDC

The Company was charged with incremental corporate costs through the Distribution Date in the amount of \$4.7 million in fiscal 2001, \$5.0 million in fiscal 2000, and \$3.2 million in fiscal 1999. 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 conjunction with the Distribution, the Company and NDC entered 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. In addition to the above, the Company paid NDC \$2.4 million in 2001 for transitional services.

The Company was also charged corporate interest expense through January 31, 2001 based on the corporate debt allocations of NDC to the Company at the Distribution Date. The Company utilized a rollback approach to allocate the portion of the NDC consolidated group's debt and interest expense for all historical periods presented. This treatment records the 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 consolidated balance sheets. Interest expense recorded by the Company related to this debt was \$3.1 million in fiscal 2001, \$4.6 million in fiscal 2000, and \$5.0 million in fiscal 1999 and is included in interest and other expense. NDC did not charge any incremental interest expense to the Company after the Distribution Date.

Note 5--Property and Equipment

As of May 31, 2001 and May 31, 2000, property and equipment consisted of the following:

<TABLE>
<CAPTION>

	2001	2000
	-----	-----
	(In thousands)	
<S>	<C>	<C>
Property under capital leases.....	\$11,760	\$11,838
Equipment.....	45,454	30,647
Software.....	20,380	19,594
Leasehold improvements.....	2,273	6,410
Furniture and fixtures.....	3,041	3,002
Work in progress.....	8,749	2,532
	-----	-----
	91,657	74,023
Less: accumulated depreciation and amortization.....	47,321	45,358
	-----	-----
	\$44,336	\$28,665
	=====	=====

</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, 2001, May 31, 2000 and May 31, 1999. These amounts exclude other expenditures for product improvements, customer requested enhancements, maintenance and Year 2000 remediation.

<TABLE>
<CAPTION>

	2001	2000	1999
	-----	-----	-----
	(In thousands)		
<S>	<C>	<C>	<C>
Total costs associated with software development.....	\$6,437	\$2,623	\$1,774
Less: capitalization of internally developed software.....	1,891	884	625
	-----	-----	-----
Net research and development expense.....	\$4,546	\$1,739	\$1,149
	=====	=====	=====

</TABLE>

The Company capitalizes costs related to the development of certain software products. In accordance with SFAS 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.

Additionally, the Company capitalizes costs related to the development of computer software developed or obtained for internal use in accordance with the American Institute of Certified Public Accountants Statement of Position 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 \$8.1 million and \$7.9 million as of May 31, 2001 and May 31, 2000, respectively. Total software amortization expense was approximately \$2.9 million, \$2.6 million and \$1.9 million in fiscal 2001, 2000 and 1999, respectively.

Note 7--Intangible Assets

As of May 31, 2001 and May 31, 2000, intangible assets consisted of the following:

<TABLE>
<CAPTION>

	2001	2000
	-----	-----
	(In thousands)	
<S>	<C>	<C>
Customer lists/merchant contracts.....	\$160,114	\$ 98,941
Trademarks.....	28,273	28,273
Goodwill.....	137,281	83,777
Other intangibles.....	32,256	39,956
	-----	-----
	357,924	250,947
Less: accumulated amortization.....	80,549	77,221

 \$277,375 \$173,726
 =====

</TABLE>

Note 8--Accounts Payable and Accrued Liabilities

As of May 31, 2001 and May 31, 2000, accounts payable and accrued liabilities consisted of the following:

<TABLE>
 <CAPTION>

	2001	2000
	-----	-----
	(In thousands)	
<S>	<C>	<C>
Trade accounts payable.....	\$10,133	\$ 7,209
Accrued compensation and benefits.....	7,469	8,043
Accrued pensions.....	199	372
Deferred purchase price on acquisition.....	10,082	--
Accrued restructuring.....	2,347	--
Other accrued liabilities.....	17,686	10,714
	-----	-----
	\$47,916	\$26,338
	=====	=====

</TABLE>

Note 9--Retirement Benefits

Historically, the Company had participated in the NDC noncontributory defined benefit pension plan (the "NDC Plan") covering substantially all of its United States employees who have met the eligibility provisions of the NDC Plan as of May 31, 1998. During fiscal year 1998, the Company made an evaluation of its current retirement plan offerings and decided to provide its employees with a greater emphasis on its deferred compensation 401(k) plan by substantially increasing the Company's match of participants' contributions. At the same time, the Company closed the defined benefit pension plan to new participants beginning June 1, 1998. Benefits are based 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 on the Distribution Date, the Company established the Global Payments defined benefit pension plan (the "Global Payments Plan") and NDC transferred to this plan a proportionate share of assets allocable to the accrued benefits for the Company's participants under the NDC Plan. The expenses for the NDC Plan were 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 2001 and 2000, were actuarially determined.

The following table provides a reconciliation of the changes in the benefit obligations and fair value of assets over the two-year period ending May 31, 2001 and a statement of funded status at May 31 for each year:

Changes in benefit obligations

<TABLE>
 <CAPTION>

	2001	2000
	-----	-----
	(In thousands)	
<S>	<C>	<C>
Balance at beginning of year.....	\$6,119	\$6,268
Service cost.....	--	--
Interest cost.....	474	453
Amendments.....	31	--
Benefits paid.....	--	(219)
Actuarial gain.....	(12)	(383)
	-----	-----
Balance at end of year.....	\$6,612	\$6,119
	=====	=====

</TABLE>

Changes in plan assets

<TABLE>
 <CAPTION>

	2001	2000
	-----	-----
	(In thousands)	
<S>	<C>	<C>

Balance at beginning of year.....	\$ 6,186	\$5,763
Actual return on plan assets.....	(1,155)	642
Employer contributions.....	--	--
Benefits paid.....	--	(219)
	-----	-----
Balance at end of year.....	\$ 5,031	\$6,186
	=====	=====

</TABLE>

The accrued pension costs recognized in the Consolidated Balance Sheet were as follows:

<TABLE>

<CAPTION>

	2001	2000
	-----	-----
	(In thousands)	
<S>	<C>	<C>
Funded status.....	\$ (1,581)	\$ 67
Unrecognized net (gain) loss.....	1,370	(391)
Unrecognized prior service cost.....	54	42
Unrecognized net asset at June 1, 1985, being amortized over 17 years.....	(42)	(90)
	-----	-----
Accrued pension cost.....	\$ (199)	\$ (372)
	=====	=====

</TABLE>

Net pension expense (income) included the following components for the fiscal years ending May 31:

<TABLE>

<CAPTION>

	2001	2000
	-----	-----
	(In thousands)	
<S>	<C>	<C>
Service cost-benefits earned during the period.....	\$ --	\$ --
Interest cost on projected benefit obligation.....	474	453
Expected return on plan assets.....	(618)	(576)
Net amortization and deferral.....	(30)	(30)
	-----	-----
Net pension expense (income).....	\$ (174)	\$ (153)
	=====	=====

</TABLE>

Significant assumptions used in determining net pension expense and related obligations were as follows:

<TABLE>

<CAPTION>

	2001	2000
	-----	-----
<S>	<C>	<C>
Discount rate.....	7.50%	7.75%
Rate of increase in compensation levels.....	4.33%	4.33%
Expected long-term rate of return on assets.....	10.00%	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 is not available. The Company's contributions to the plan, and the related pension expenses recorded, for fiscal 1999 was \$0.1 million.

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 \$1.0 million, \$.6 million, and \$.9 million were allocated to the Company in proportion to total payroll for fiscal 2001 (through January 31, 2001), 2000, and 1999, respectively. Effective February 1, 2001, the Company established its own 401(k) with substantially the same terms as the NDC plan with the matching contribution in the form of Global Payments' common stock. In addition to the expense allocations mentioned above, the Company contributed \$0.3 million to the Global Payments' 401(k) plan in fiscal 2001.

Note 10--Income Taxes

Prior to the Distribution Date, the Company had been included in the consolidated federal income tax return of NDC. Tax provisions were 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>

	2001	2000	1999
	-----	-----	-----
	(In thousands)		
<S>	<C>	<C>	<C>
Current tax expense:			
Federal.....	\$17,200	\$16,266	\$20,146
State.....	1,310	780	1,481
	-----	-----	-----
	18,510	17,046	21,627
	-----	-----	-----
Deferred tax expense (benefit):			
Federal.....	(3,402)	3,389	3,366
State.....	(292)	290	272
	-----	-----	-----
	(3,694)	3,679	3,638
	-----	-----	-----
Total.....	\$14,816	\$20,725	\$25,265
	=====	=====	=====

</TABLE>

The Company's effective tax rates differ from federal statutory rates as follows:

<TABLE>
<CAPTION>

	2001	2000	1999
	----	----	----
<S>	<C>	<C>	<C>
Federal statutory rate.....	35.0 %	35.0 %	35.0 %
State income taxes, net of federal income tax benefit.....	1.7 %	1.3 %	1.7 %
Non-deductible amortization and write-off of intangible assets.....	2.3 %	1.6 %	1.3 %
Tax credits.....	(0.8) %	(0.5) %	(0.3) %
Other.....	0.3 %	1.1 %	0.2 %
	-----	-----	-----
Total.....	38.5 %	38.5 %	37.9 %
	=====	=====	=====

</TABLE>

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Deferred income taxes as of May 31, 2001 and May 31, 2000 reflect the impact of temporary differences between the amounts of assets and liabilities for financial accounting and income tax purposes. As of May 31, 2001 and May 31, 2000, principal components of deferred tax items were as follows:

<TABLE>
<CAPTION>

	2001	2000
	-----	-----
<S>	<C>	<C>
Deferred tax assets:		
Accrued restructuring and non-cash loss on investment....	\$ 4,233	\$ --
Accrued expenses and other.....	1,912	368
	-----	-----
	6,145	368
	-----	-----
Deferred tax liabilities:		
Property and equipment.....	1,550	1,692
Acquired intangibles.....	6,546	3,903
Prepaid expenses.....	168	386
Other.....	--	200
	-----	-----
	8,264	6,181
	-----	-----
Net deferred tax liability.....	(2,119)	(5,813)
Less: Current deferred tax (liability) asset.....	5,118	(410)
	-----	-----
Non-current deferred tax liability.....	\$(7,237)	\$(5,403)
	=====	=====

</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. The Company has not established valuation allowances for these tax assets.

Stock Options--NDC had certain Stock Option Plans (the "Plan") 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 of the Company from NDC, stock options under the Plan held by employees of the Company that were not exercised prior to the date of the Distribution were replaced with options of Global Payments. In accordance with the provisions of FASB Interpretation No. 44 ("FIN 44," "Accounting for Certain Transactions Involving Stock Compensation"), NDC stock options were 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 resulted from the replacement of the options. The exercise price of such options range from \$3.26 to \$20.90. As a result, options for 2,364,849 shares of Global Payments common stock were issued to replace NDC options under the Global Payments Inc. 2000 Long-Term Incentive Plan ("The 2000 Plan"). The Company also has a Non-Employee Director Stock Option Plan ("The Director Plan"), which provides for grants of options to directors who are not employees with the Company. A summary of changes in all outstanding options and the related weighted average exercise price per share is as follows:

<TABLE>
<CAPTION>

Year Ended May 31, 2001	The 2000 Plan		The Director Plan	
	Shares	Weighted Avg. Exercise Price Per Share	Shares	Weighted Avg. Exercise Price Per Share
<S>	<C>	<C>	<C>	<C>
Balance, beginning of year.....	--	--	--	--
Granted:				
Replacement options...	2,364,849	\$12.97	--	--
New options.....	103,301	\$17.16	23,920	\$20.90
Cancelled.....	(8,648)	\$11.51	--	--
Exercised.....	(18,499)	\$ 7.18	--	--
	-----	-----	-----	-----
Balance, end of year....	2,441,003	\$13.20	23,920	\$20.90
Shares available for future grant.....	3,278,085		376,080	

</TABLE>

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The following table summarizes information about all stock options outstanding at May 31, 2001:

<TABLE>
<CAPTION>

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Shares	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
\$3.26-\$4.73	31,722	1.73	\$ 4.48	31,722	\$ 4.48
\$5.46	67,532	3.00	\$ 5.46	67,532	\$ 5.46
\$8.86-\$13.19	1,320,436	7.24	\$11.40	385,940	\$10.81
\$14.66-\$19.01	1,010,843	7.73	\$16.24	154,673	\$17.40
\$20.90-\$23.86	34,390	9.71	\$21.08	--	--
	-----	----	-----	-----	-----
	2,464,923	7.29	\$13.27	639,867	\$11.53

</TABLE>

The weighted-average grant-date fair value per share of replacement options and options granted in 2001 under the 2000 Plan and the Director Plan is \$(10.09) and \$11.39, respectively. The negative fair value under the 2000 Plan resulted from the remeasurement and replacement of outstanding options.

The fair value of each option granted in 2001 is estimated on the date of grant using the Black-Scholes option-pricing model. The following assumptions were used for the 2000 Plan: dividend yield, 0%; expected volatility, 45%; risk-free interest rate, 4.80%; and expected life in years, 0 to 7. The following assumptions were used for the Director Plan: dividend yield, 0%; expected volatility, 45%; risk-free interest rate, 5.03%; and expected life in years, 7.

Employee Stock Purchase Plan--The Company has an Employee Stock Purchase Plan under which the sale of 1,200,000 shares of its common stock have been authorized. Employees may designate up to the lesser of \$25,000 or 20% of their annual compensation for the purchase of stock. The price for shares purchased under the plan is the lower of 85% of market value on the first day or the last day of the quarterly purchase period. At May 31, 2001, 9,881 shares have been issued under this plan, with 1,190,119 shares reserved for future issuance.

The weighted-average grant-date fair value per share granted in 2001 under the Employee Stock Purchase Plan is \$4.15.

The fair value of each share granted in 2001 under the Employee Stock Purchase Plan is estimated on the date of grant using the Black-Scholes option-pricing model using the following assumptions: dividend yield, 0%; expected volatility, 45%; risk-free interest rate, 4.68%; and expected life: 3 months.

The Company has chosen the disclosure option under SFAS No. 123, "Accounting for Stock-Based Compensation" and continues to apply Accounting Principles Board, ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for its plans. Accordingly, no compensation cost has been recognized for options granted under the plans. Had compensation cost for these plans been recognized based on the fair value of the options at the replacement date and the grant dates for awards under the plans consistent with the method of SFAS No. 123, the Company's net income and earnings per share would have been reduced to the following pro forma amounts:

<TABLE>
<CAPTION>

	2001	2000	1999

	(In thousands, except per share data)		
<S>	<C>	<C>	<C>
Net income:			
As reported.....	\$23,668	\$33,047	\$41,366
Pro forma.....	\$20,695	\$31,428	\$40,242
Basic earnings per share:			
As reported.....	\$ 0.83	\$ 1.24	\$ 1.53
Pro forma.....	\$ 0.72	\$ 1.18	\$ 1.49

</TABLE>

Pro forma income for 1999 and 2000 noted above is based on the fair value of NDC options held by Global Payments' employees.

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Restricted Stock--NDC had performance share plans for certain key officers that provided for distribution of common stock at the end of three-year measurement periods, in the form of restricted stock. As of the Distribution, the Company's officers that were participants in the NDC Plan were granted 256,565 restricted shares under the restricted stock program to replace the awards previously granted under the NDC Plan. Shares awarded under the restricted stock program are held in escrow and released to the grantee upon the grantee's satisfaction of conditions of the grantee's restricted stock agreement. Awards are recorded as deferred compensation, a reduction of shareholders' equity based on the quoted fair market value of the Company's common stock at the award date. Compensation expense is recognized ratably during the escrow period of the award. The compensation cost that was charged against income for restricted stock was \$1.1 million in 2001.

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 was \$120.2 million.

Note 12--Restructuring and Other

During the fourth quarter of fiscal 2001, the Company completed plans for the consolidation of six locations into three, including associated management and staff reductions. Total charges are categorized as follows:

<TABLE>
<CAPTION>

	Total	Cash	Non-cash

	(In thousands)		
<S>	<C>	<C>	<C>
Closed or planned closings of facilities.....	\$1,416	\$1,075	\$ 341
Severance and related costs.....	3,466	1,610	1,856

Totals.....	\$4,882	\$2,685	\$2,197
	=====		

</TABLE>

The charges relating to facilities represent locations that are either already closed or have management approved plans to be closed within the next four months. These charges include future minimum lease and operating payments, commencing on the planned exit timing, for all noncancelable leases under remaining terms of the locations identified, net of current and estimated future sublease income. The charges also include facility exit costs. Normal lease payments and operating costs will continue to be charged to operating expenses prior to actually vacating the specific facilities.

The severance and related costs arise from the Company's actions to reduce personnel in areas of redundant operations and activities. These charges reflect specifically identified employees whose employment will be terminated and were informed in the fourth quarter of fiscal 2001.

The items considered cash items were accrued at the time the charges were incurred. As of May 31, 2001, \$2.3 million of the cash portion of the restructuring charges remains accrued as a current liability in the accrued liabilities section of the balance sheet as follows:

<TABLE>
<CAPTION>

	Original Total	Payments to Date	Remaining Liability
	(In thousands)		
<S>	<C>	<C>	<C>
Closed or planned closings of facilities.....	\$1,075	\$--	\$1,075
Severance and related costs.....	1,610	338	1,272
	-----	-----	-----
Totals.....	\$2,685	\$338	\$2,347
	=====	=====	=====

</TABLE>

Note 13--Related Party Transactions

In connection with the fiscal 2001 purchase of CIBC's merchant acquiring business, CIBC holds approximately 26.8% of the Company's outstanding common stock. CIBC provides transition services under an agreement to provide various support services to the merchant acquiring business for a 24-month period

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commencing on the acquisition date of March 20, 2001. The purpose of the agreement is to facilitate the integration into our existing operations. These services include customer service, credit and debit card processing and settlement functions. For the year ending May 31, 2001 the Company incurred expenses of approximately \$11.2 million related to these services.

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 provided 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, accordingly no expenses were incurred in the year ended May 31, 2001. For the years ended May 31, 2000 and May 31, 1999 the Company incurred expenses of approximately \$0.2 million and \$3.0 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, 2001, May 31, 2000 and May 31, 1999 the Company incurred expenses of approximately \$1.2 million, \$0.9 million and \$0.6 million, respectively, related to these services.

Note 14--Commitments and Contingencies

Leases

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 2001, 2000 and 1999 was approximately \$4.7 million, \$5.8 million and \$6.3 million, respectively.

Future minimum lease payments for all noncancelable leases at May 31, 2001 were as follows:

<TABLE>
<CAPTION>

	Capital Leases	Operating Leases
	(In thousands)	
<S>	<C>	<C>
2002.....	\$3,027	\$ 7,108
2003.....	1,720	6,928
2004.....	387	5,470

2005.....	--	3,491
2006.....	--	3,206
Thereafter.....	--	12,192
	-----	-----
Total future minimum lease payments.....	5,134	\$38,395
		=====
Less: amount representing interest.....	421	

Present value of net minimum lease payments.....	4,713	
Less: current portion.....	2,739	

Long-term obligations under capital leases at May 31,		
2001.....	\$1,974	
		=====

</TABLE>

Legal

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.

Line of Credit

The Company has a commitment for a \$125 million revolving line of credit. It funded the payment of the cash due to NDC to reflect its share of NDC's pre-distribution debt used to establish the Company's initial capitalization. This line of credit is also used to meet working capital and acquisition needs. 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. The full amount outstanding is due upon demand, therefore the Company classifies the amount as a current liability. As of May 31, 2001, the Company had \$73 million outstanding under this facility. 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, there was \$96.1 million allocated and outstanding as due to NDC.

The Company also has a credit facility from CIBC that provides a line of credit up to \$140 million (Canadian dollars), approximately \$90 million U.S., with an additional overdraft facility available to cover larger advances during periods of peak usage of credit and debit cards. The facility carries an interest rate equal to Canadian Dollar LIBOR plus 0.40%. It contains customary covenants and events of default. This line of credit is secured by a first priority security interest in our accounts receivable from VISA Canada/International, and has been guaranteed by our subsidiaries. This guarantee is subordinate to our primary credit facility. The CIBC credit facility has an initial term of 364 days expiring March 19, 2002. There are no amounts outstanding under the CIBC credit facility as of May 31, 2001.

Operations

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 valuation allowances for operational losses when such losses are probable and reasonably estimated. In the opinion of management, such allowances for losses are adequate. Expenses of \$8.4 million, \$3.0 million and \$2.4 million were recorded for fiscal 2001, 2000 and 1999, respectively, for these losses.

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. 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 a valuation allowance for this activity based on historical and projected loss experiences. Expenses of \$9.9 million, \$10.1 million and \$8.5 million were recorded for fiscal 2001, 2000 and 1999, respectively, for these losses.

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, 2001 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.

Put Right

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.

Note 15--Supplemental Cash Flow Information

Historically through the Distribution Date, 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, 2001, May 31, 2000 and May 31, 1999 are as follows:

	2001	2000	1999
	(In thousands)		
	<C>	<C>	<C>
Supplemental cash flow information:			
Income taxes paid, net of refunds.....	\$ 7,718	\$5,816	\$28,134
Interest paid.....	6,015	8,506	7,070
Supplemental non-cash investing and financing activities:			
Capital leases entered into in exchange for property and equipment.....	--	915	6,710
Common stock issued in consideration for acquisitions..	133,580	--	--

Note 16--Quarterly Consolidated Financial Information (Unaudited)

	Quarter Ended			
	August 31	November 30	February 28/29	May 31
	(In thousands, except per share data)			
	<C>	<C>	<C>	<C>
Fiscal Year 2001				
Revenue.....	\$87,191	\$82,631	\$80,674	\$102,699
Operating income.....	16,581	15,972	11,966	8,527
Net income.....	8,649	8,407	5,846	766
Basic earnings per share(1).....	0.33	0.32	0.22	0.02
Diluted earnings per share(2)....	--	--	0.22	0.02
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
Diluted earnings per share(2)....	--	--	--	--

- (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 through January 31, 2001.
- (2) Diluted earnings per share is not presented in the Quarterly Consolidated Financial Information for periods prior to November 30, 2000, as Global Payments stock options did not exist prior to the Distribution Date.

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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 included in Global Payments Inc.'s annual report to shareholders incorporated by reference in this Form 10-K, and have issued our report thereon dated July 17, 2001. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule below 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
July 17, 2001

GLOBAL PAYMENTS INC.
CONSOLIDATED SCHEDULE II

Valuation & Qualifying Accounts

<TABLE>
<CAPTION>

Column A	Column B	Column C	Column D	Column E	
-----	-----	-----	-----	-----	
Description	Balance at Beginning of Period	1	2	Uncollectible Accounts Write-Off	Balance at End of Period
		Charged to Costs and Expenses	Acquired Balances		
-----	-----	-----	-----	-----	-----
(In thousands)					
<S>	<C>	<C>	<C>	<C>	<C>
Trade Receivable Allowances					
May 31, 1999.....	\$1,386	\$ 1,473	\$--	\$ 1,657	\$1,202
May 31, 2000.....	1,202	1,345	--	1,316	1,231
May 31, 2001.....	1,231	1,970	--	2,003	1,198
Allowance for operational losses-- Merchant card Processing(1)					
May 31, 1999.....	733	2,370	--	2,218	885
May 31, 2000.....	885	2,985	--	3,419	451
May 31, 2001.....	451	8,398	--	7,306	1,543
- -----					
(1) Included in Merchant processing receivable					
Allowance for claim losses--Check guarantee Processing					
May 31, 1999.....	3,508	8,521	--	8,321	3,708
May 31, 2000.....	3,708	10,089	--	10,118	3,679
May 31, 2001.....	3,679	9,949	--	9,183	4,445

</TABLE>

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

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PART III

Item 10. Directors and Executive Officers of the Registrant

We incorporate by reference in this Item 10 information about our directors

contained under the heading "Proposal 1--Election of Directors; Nominees-- Certain Information Concerning Nominee and Directors" and information about compliance with Section 16(a) of the Securities and Exchange Act of 1934 by our directors and executive officers under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" from our proxy statement to be delivered in connection with our 2001 Annual Meeting of Shareholders to be held on October 24, 2001. Refer to "Item 4A. Executive Officers of the Registrant" in this report for information about our executive officers.

Item 11. Executive Compensation

We incorporate by reference in this Item 11 the information relating to executive compensation contained under the heading "Proposal 1--Election of Directors; Nominees--Other Information about the Board and its Committees" and "Compensation and Other Benefits" from our proxy statement to be delivered in connection with our 2001 Annual Meeting of Shareholders to be held on October 24, 2001. The information contained in the proxy statement under the sections entitled "Shareholder Return Analysis" and "Report of the Compensation Committee" are specifically not incorporated by reference in this Item 11.

Item 12. Security Ownership of Certain Beneficial Owners and Management

We incorporate by reference in this Item 12 the information relating to ownership of our common stock by certain persons contained under the headings "Election of Directors--Common Stock Ownership of Management" and "--Common Stock Ownership by Certain Other Persons" from our proxy statement to be delivered in connection with our 2001 Annual Meeting of Shareholders to be held on October 24, 2001.

Item 13. Certain Relationships and Related Transactions

We incorporate by reference in this Item 13 the information regarding certain relationships and related transactions between us and some of our affiliates contained under the heading "Certain Transactions" from our proxy statement to be delivered in connection with our 2001 Annual Meeting of Shareholders to be held on October 24, 2001.

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PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) 1. Consolidated Financial Statements

Our consolidated financial statements listed below are set forth in Item 8 of this report:

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Report of Independent Public Accountants.....	21
Consolidated Statements of Income for the years ended May 31, 2001, 2000 and 1999.....	22
Consolidated Balance Sheets as of May 31, 2001 and 2000.....	23
Consolidated Statements of Cash Flows for the years ended May 31, 2001, 2000 and 1999.....	24
Consolidated Statements of Changes in Shareholders' Equity for the years ended May 31, 2001, 2000, 1999 and 1998.....	25
Notes to Consolidated Financial Statements.....	26

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(a) 2. Financial Statement Schedules

Schedule 2, Valuation and Qualifying Accounts, is set forth on page 41 of this report.

All other schedules to our consolidated financial statements have been omitted because they are not required under the related instruction or are inapplicable, or because we have included the required information in our consolidated financial statements or related notes.

(a) 3. Exhibits

The following exhibits either (i) are filed with this report or (ii) have previously been filed with the Securities and Exchange Commission and are incorporate in this Item 14 by reference to those prior filings.

- 2.1 Distribution Agreement, Plan of Reorganization and Distribution dated January 31, 2001 by and between National Data Corporation and Global Payments Inc., filed as Exhibit 2.1 to the Registrant's Current Report on

Form 8-K dated January 31, 2001, File No. 001-16111, and incorporated herein by reference.

- 3.1 Amended and Restated Articles of Incorporation of Global Payments Inc., filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K dated January 31, 2001, File No. 001-16111, and incorporated herein by reference.
- 3.2 Amended and Restated By-laws of Global Payments Inc., filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K dated January 31, 2001, File No. 001-16111, and incorporated herein by reference.
- 4.1 Shareholder Protection Rights Agreement dated January 26, 2001 between Global Payments Inc. and SunTrust Bank, filed as Exhibit 99.1 to the Registrant's Current Report on Form 8-K dated February 1, 2001, File No. 001-16111, and incorporated herein by reference.
- 4.2 Form of certificate representing Global Payments Inc. common stock as amended, filed as Exhibit 4.4 to the Registrant's Registration Statement on Form 10 dated December 28, 2000, File No. 001-16111, and incorporated herein by reference.
- 10.1 Tax Sharing and Indemnification Agreement by National Data Corporation and Global Payments Inc. dated as of January 31, 2001, filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated January 31, 2001, File No. 001-16111, and incorporated herein by reference.

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- 10.2 Employee Benefits Agreement between National Data Corporation and Global Payments Inc. dated as of January 31, 2001, filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated January 31, 2001, File No. 001-16111, and incorporated herein by reference.
- 10.3 Transition Support Agreement between National Data Corporation and Global Payments Inc. dated as of January 31, 2001, filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated January 31, 2001, File No. 001-16111, and incorporated herein by reference.
- 10.4 Intercompany Systems/Network Services Agreement between National Data Corporation and Global Payments Inc. dated as of January 31, 2001, filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K dated January 31, 2001, File No. 001-16111, and incorporated herein by reference.
- 10.5 Batch Processing Agreement between National Data Corporation and Global Payments Inc. dated as of January 31, 2001, filed as Exhibit 10.5 to the Registrant's Current Report on Form 8-K dated January 31, 2001, File No. 001-16111, and incorporated herein by reference.
- 10.6 Lease Agreement for Office Headquarters between National Data Corporation and Global Payments Inc. dated as of January 31, 2001, filed as Exhibit 10.6 to the Registrant's Current Report on Form 8-K dated January 31, 2001, File No. 001-16111, and incorporated herein by reference.
- 10.7 Sublease Agreement dated as of January 31, 2001 between Global Payment Systems LLC and National Data Corporation, filed as Exhibit 10.7 to the Registrant's Current Report on Form 8-K dated January 31, 2001, File No. 001-16111, and incorporated herein by reference.
- 10.8 Sublease Agreement dated as of January 31, 2001 between National Data Corporation and National Data Payment Systems, Inc., filed as Exhibit 10.8 to the Registrant's Current Report on Form 8-K dated January 31, 2001, File No. 001-16111, and incorporated herein by reference.
- 10.9* Amended and Restated 2000 Long-Term Incentive Plan, filed as Exhibit 10.9 to the Registrant's Registration Statement on Form 10 dated December 28, 2000, File No. 001-16111, and incorporated herein by reference.
- 10.10* 2000 Non-Employee Stock Purchase Plan, filed as Exhibit 99.2 to the Registrant's Registration Statement on Form S-8 dated January 16, 2001, File No. 001-16111, and incorporated herein by reference.
- 10.11* Amended or Restated 2000 Employee Stock Purchase Plan filed as Exhibit 99.3 to the Registrant's Registration Statement on Form S-8 dated January 16, 2001, File No. 001-16111, and incorporated herein by reference.
- 10.12* Form of Global Payments Inc. Supplemental Executive Retirement Plan as amended, filed as Exhibit 10.12 to the Registrant's Registration Statement on Form 10 dated December 28, 2000, File No. 001-16111, and incorporated herein by reference.
- 10.13* Employment Agreement for Paul R. Garcia, as amended, filed as Exhibit 10.13 to the Registrant's Registration Statement on Form 10 dated

December 28, 2000, File No. 001-16111, and incorporated herein by reference.

10.14* Employment Agreement for Thomas M. Dunn, as amended, filed as Exhibit 10.14 to the Registrant's Registration Statement on Form 10 dated December 28, 2000, File No. 001-16111, and incorporated herein by reference.

10.15* Employment Agreement for James G. Kelly, as amended, filed as Exhibit 10.15 to the Registrant's Registration Statement on Form 10 dated December 28, 2000, File No. 001-16111, and incorporated herein by reference.

10.16* Employment Agreement for Barry W. Lawson, as amended, filed as Exhibit 10.16 to the Registrant's Registration Statement on Form 10 dated December 28, 2000, File No. 001-16111, and incorporated herein by reference.

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10.17 Operating Agreement of Global Payment Systems LLC, dated March 31, 1996, as amended, filed as Exhibit 10.17 to the Registrant's Registration Statement on Form 10 dated December 28, 2000, File No. 001-16111, and incorporated herein by reference.

10.18 Registration Rights Agreements between Global Payment Systems LLC and MasterCard International Incorporated, dated April 1, 1996 as amended, filed as Exhibit 10.18 to the Registrant's Registration Statement on Form 10 dated December 28, 2000, File No. 001-16111, and incorporated herein by reference.

10.19 Asset Purchase Agreement with Canadian Imperial Bank of Commerce, as amended, filed as Exhibit 10.19 to the Registrant's Registration Statement on Form 10 dated December 28, 2000, File No. 001-16111, and incorporated herein by reference.

10.20 Investor Rights Agreement with Canadian Imperial Bank of Commerce as amended, filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated March 20, 2001, File No. 001-16111, and incorporated herein by reference.

10.21 Form of Marketing Alliance Agreement with Canadian Imperial Bank of Commerce as amended, filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated March 20, 2001, File No. 001-16111, and incorporated herein by reference.

10.22 Transition Agreement with Canadian Imperial Bank of Commerce, filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K dated March 20, 2001, File No. 001-16111, and incorporated herein by reference.

10.23 Stock Purchase Agreement with Canadian Imperial Bank of Commerce filed as Exhibit 10.5 to the Registrant's Current Report on Form 8-K dated March 20, 2001, File No. 001-16111, and incorporated herein by reference.

10.24 Credit Agreement with Canadian Imperial Bank of Commerce filed as Exhibit 10.6 to the Registrant's Current Report on Form 8-K dated March 20, 2001, File No. 001-16111, and incorporated herein by reference.

10.25** Credit Agreement dated as of January 31, 2001, among Global Payments Inc., Bank One, N.A., as Administrative Agent, Wachovia Bank, N.A., as Documentation Agent, and the Lenders named therein.

10.26** First Amendment dated March 20, 2001 to the Credit Agreement dated as of January 31, 2001 among Global Payments Inc., Bank One, N.A., as Administrative Agent, Wachovia Bank, N.A., as Documentation Agent, and the Lenders named therein.

10.27** Second Amendment dated May 14, 2001, among Global Payments Inc., Bank One, N.A., as Administrative Agent, Wachovia Bank, N.A., as Documentation Agent, and the Lenders named therein.

10.28** Third Amendment dated July 25, 2001, among Global Payments Inc., Bank One, N.A., as Administrative Agent, Wachovia Bank, N.A., as Documentation Agent, and the Lenders named therein.

21** List of Subsidiaries.

23** Consent of Independent Public Accountants.

99.1** Risk Factors

99.2** Combined Quarterly Statements of Income, are presented for information purposes for fiscal years 2000 and 2001.

- -----

* Compensatory management agreement

(b) Reports filed on Form 8-K

March 20, 2001--Item 5--Global Payments Inc. issues press release announcing completion of the acquisition of Canadian Imperial Bank of Commerce's Merchant Card Services business and press release announcing third quarter earnings results. No financial statements were filed with this report.

March 20, 2001--Item 2--Summary of Purchase of Canadian Imperial Bank of Commerce's Merchant Card Services business. The following financial statements were filed with this report:

CIBC Merchant Acquiring Business

- Auditors' Report
- Balance Sheets as of January 31, 2001 (unaudited), October 31, 2000 and October 31, 1999.
- Statements of Income for the Three Months ended January 31, 2001 and 2000 (unaudited) and for the Years ended October 31, 2000, 1999 and 1998.
- Statement of Cash Flows for the Three Months ended January 31, 2001 and 2000 (unaudited) and for the Years ended October 31, 2000, 1999 and 1998.
- Statement of Changes in Shareholders' Equity for the Years ended October 31, 2000, 1999 and 1998.
- Notes to Financial Statements.

Pro Forma financial information.

- Introduction to the Pro Forma Combined Financial Statements.
- Pro Forma Combined Balance Sheet as of February 28, 2001.
- Pro Forma Combined Statements of Income for the Year ended May 31, 2000.
- Pro Forma Combined Statements of Income for the Nine Months ended February 28, 2001.
- Notes to Pro Forma Combined Financial Statements.

May 1, 2001--Item 5--Global Payments Inc. announced a realignment of its organization to be effective by the beginning of the company's new fiscal year and the chief operating officer, Thomas M. Dunn, will be leaving the organization. No financial statements were filed with this report.

May 31, 2001--Item 5--Global Payments Inc. expanded its alliance relationship with Comerica Bank that included the purchase of Comerica's Imperial Bank's merchant portfolio. No financial statements were filed with this report.

(a) Exhibits

See Item 14(a)(3) above.

(b) Financial Statement Schedules

See Item 14(a)(2) above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Global Payments Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on August 29, 2001.

GLOBAL PAYMENTS INC.

/s/ Paul R. Garcia

By: _____
Paul R. Garcia President and
Chief Executive Officer
(Principal Executive Officer)

/s/ James G. Kelly

By: _____
James G. Kelly Chief Financial
Officer
(Principal Financial Officer
and Chief Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by a majority of the Board of Directors of the Registrant on the dates indicated.

Signature

Title

Date

/s/ Robert A. Yellowlees

Chairman of the

August 28, 2001

-----	Board	
Robert A. Yellowlees		
/s/ Edwin H. Burba, Jr.	Director	August 28, 2001

Edwin H. Burba, Jr.		
/s/ Paul R. Garcia	Director	August 29, 2001

Paul R. Garcia		
/s/ Alex W. (Pete) Hart	Director	August 23, 2001

Alex W. (Pete) Hart		
/s/ William I Jacobs	Director	August 27, 2001

William I Jacobs		

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GLOBAL PAYMENTS INC.

FORM 10-K

INDEX TO EXHIBITS

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Exhibit Numbers -----	Description -----
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10.25	Credit Agreement dated as of January 31, 2001, among Global Payments Inc., Bank One, N.A., as Administrative Agent, Wachovia Bank, N.A., as Documentation Agent, and the Lenders named therein.
10.26	First Amendment dated March 20, 2001 to the Credit Agreement dated as of January 31, 2001 among Global Payments Inc., Bank One, N.A., as Administrative Agent, Wachovia Bank, N.A., as Documentation Agent, and the Lenders named therein.
10.27	Second Amendment dated May 14, 2001, among Global Payments Inc., Bank One, N.A., as Administrative Agent, Wachovia Bank, N.A., as Documentation Agent, and the Lenders named therein.
10.28	Third Amendment dated July 25, 2001, among Global Payments Inc., Bank One, N.A., as Administrative Agent, Wachovia Bank, N.A., as Documentation Agent, and the Lenders named therein.
21	List of Subsidiaries.
23	Consent of Independent Public Accountants.
99.1	Risk Factors
99.2	Combined Quarterly Statements of Income, are presented for information purposes for fiscal years 2000 and 2001.

</TABLE>

CREDIT AGREEMENT

THIS CREDIT AGREEMENT dated as of January 31, 2001, among GLOBAL PAYMENTS INC., a Georgia corporation, as Borrower, the banks and other financial institutions listed on the signature pages hereof, as Lenders, BANK ONE, NA, a national banking association having its principal office in Chicago, Illinois, as Administrative Agent, Swing Line Lender and LC Issuer, SUNTRUST BANK, a Georgia banking corporation, as Documentation Agent, and WACHOVIA BANK, N.A., a national banking association, as Syndication Agent.

W I T N E S S E T H:

WHEREAS, the eCommerce business segment of National Data Corporation has been organized as the Borrower and its Subsidiaries, and National Data Corporation intends to distribute to its shareholders on a pro rata basis all of the common stock of the Borrower;

WHEREAS, immediately prior to such distribution, the Borrower intends to pay to National Data Corporation a cash dividend to reflect the Borrower's share of National Data Corporation's debt prior to such distribution;

WHEREAS, the Borrower has requested that the Lenders establish in its favor a revolving credit facility in order to fund such cash dividend and to provide the Borrower a source of working capital and other funds for general corporate purposes of the Borrower and its Subsidiaries subsequent to such distribution;

WHEREAS, the Lenders have agreed to establish such revolving credit facility on the terms, and subject to the conditions and requirements, set forth herein;

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

ARTICLE 1

DEFINITIONS
-----SECTION 1.1. Definitions. The terms as defined in this Section 1.1

shall, for all purposes of this Agreement and any amendment hereto (except as herein otherwise expressly provided or unless the context otherwise requires), have the meanings set forth herein:

"Acquired Entity" means the assets, in the case of an acquisition of

assets, or Capital Stock (or, if the context requires, the Person that is the issuer of such Capital Stock), in the case

of an acquisition of Capital Stock, acquired by the Borrower or any of its Subsidiaries pursuant to an Acquisition permitted by Section 6.6.

"Acquired Entity EBITDA" means, with respect to any Acquired Entity for any

period, the net income of such Acquired Entity for such period plus to the extent deducted in the determination of such Acquired Entity's net income, the sum of such Acquired Entity's (a) aggregate amount of income tax expense for such period, (b) aggregate amount of interest expense for such period, and (c) aggregate amount of depreciation and amortization, all for such period and as determined in accordance with GAAP, provided that there shall be excluded from the determination of such Acquired Entity's net income (x) the net income (or loss) attributable to all joint ventures and non-wholly owned subsidiaries of such Acquired Entity that are subject to restrictions as to distribution of funds from such entities to the Acquired Entity or any of its wholly owned subsidiaries, to the extent that cash has not actually been distributed to such Acquired Entity or its wholly owned subsidiary, and (y) all non-cash gains or losses.

"Acquisition" means any transaction, or any series of related transactions,

consummated on or after the date of this Agreement, by which the Borrower or any of its Subsidiaries (i) acquires any going business or all or substantially all of the assets of any firm, corporation, partnership, limited liability company or division thereof, whether through purchase of assets, merger or otherwise, or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage or voting

power) of the outstanding ownership interests of a partnership or limited liability company.

"Administrative Agent" means Bank One, in its capacity as administrative agent for the Lenders hereunder, its successors and permitted assigns in such capacity, and any other Person appointed as Administrative Agent in accordance with Section 8.9.

"Administrative Agent/Arranger Letter Agreement" means that certain letter agreement dated as of August 24, 2000, among the Administrative Agent, the Arranger, and NDC (for itself and on behalf of the Borrower) relating to certain fees from time to time payable to the Administrative Agent and the Arranger, together with all amendments and supplements thereto.

"Advance" means a Borrowing hereunder (and, in the case of a Eurodollar Advance, the conversion or continuation thereof) consisting of the aggregate amount of the several Loans made by one or more of the Lenders to the Borrower on the same Borrowing Date (or date of conversion or continuation), of the same Type and, in the case of a Fixed Rate Advance, for the same Interest Period, and includes a Syndicated Advance and a Swing Line Advance.

"Affiliate" means (i) any Person that directly, or indirectly through one or more intermediaries, controls the Borrower (a "Controlling Person"), (ii) any Person (other than the Borrower) which is controlled by or is under common control with a Controlling Person, or (iii) any Person of which the Borrower owns, directly or indirectly, 20% or more of the common stock or equivalent equity interests. As used herein, the term "control" means possession,

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directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Aggregate Commitment" means the aggregate of the Commitments of all the Lenders, being \$110,000,000 as of the date of this Agreement, as the same may be reduced from time to time pursuant to the terms hereof.

"Aggregate Outstanding Credit Exposure" means, at any time, the aggregate of the Outstanding Credit Exposure of all the Lenders.

"Aggregate Subsidiary Threshold" means an amount equal to eighty percent (80%) of (i) the total consolidated revenue of the Borrower and its Subsidiaries (which includes the GPS Group), less (ii) the total consolidated revenue of the GPS Group, in each case for the most recent Fiscal Quarter as shown on the Financial Statements (Annual) or Financial Statements (Quarterly), as the case may be, as most recently delivered or required to be delivered pursuant to Section 5.1.

"Agreement" means this Credit Agreement, together with all amendments and supplements hereto and all restatements hereof.

"Alternate Base Rate" means, for any day, a rate of interest per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of the Federal Funds Effective Rate for such day plus 1/2%.

"Applicable Margin" means, at any date of determination thereof with respect to any Syndicated Advance, the respective rates per annum for such Syndicated Advance calculated in accordance with Section 2.9.

"Applicable Pledge Amount" means, in respect of the amount of Capital Stock of a First Tier Non-U.S. Operating Subsidiary to be pledged to the Administrative Agent, for the ratable benefit of the Lenders, Swing Line Lender, LC Issuer and Administrative Agent, pursuant to a Pledge Agreement, the lesser of (i) 65% of all outstanding Capital Stock of such Subsidiary, and (ii) the total amount of all outstanding Capital Stock of such Subsidiary owned by the Borrower and its other Subsidiaries.

"Approved Investment Policy" means, with respect to the Borrower or any of its Subsidiaries, (i) from the Closing Date to the date of adoption of a cash investments policy by the Board of Directors of Borrower pursuant to the following clause (ii) (the "Adoption Date"), the cash investments policy previously approved by the Board of Directors of NDC and copies of which have

been delivered to the Lenders, and (ii) from the Adoption Date and thereafter, the cash investments policy formally adopted by the Board of Directors of Borrower or such Subsidiary from time to time, and approved by the Required Lenders, together with any subsequent amendment, exception or supplement thereto, to the extent such amendment, exception or supplement has been approved by the Required Lenders.

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"Arranger" means Banc One Capital Markets, Inc., a Delaware corporation,

and its successors, in its capacity as arranger of the credit facilities provided to the Borrower by this Agreement.

"Asset Sale" means the sale (including any transaction that has the

economic effect of a sale), transfer or other disposition (by way of merger or otherwise, including sales in connection with a sale and leaseback transaction, or as a result of any condemnation or casualty in respect of property) by the Borrower or any Subsidiary to any Person other than the Borrower or any Subsidiary Guarantor, of (i) any capital stock of any Subsidiary, or (ii) any other assets of the Borrower or any Subsidiary (other than inventory, obsolete or worn out assets, scrap, and cash and cash equivalent investments made pursuant to an Approved Investment Policy, in each case disposed of in the ordinary course of business), except sales, transfers or other dispositions of any assets in one transaction or a series of related transactions having a value not in excess of \$50,000.

"Assignee" has the meaning set forth in Section 9.8(c)

"Assignment Agreement" means an Assignment Agreement executed in accordance

with Section 9.8(c) in the form attached hereto as Exhibit E.

"Authorized Officer" means any of the President, Chief Financial Officer,

Treasurer, or Secretary of the Borrower, acting singly.

"Available Aggregate Commitment" means, at any time, the Aggregate

Commitment then in effect minus the Aggregate Outstanding Credit Exposure at such time.

"Bank One" means Bank One, NA, a national banking association having its

principal office in Chicago, Illinois, and its successors and assigns.

"Borrower" means Global Payments Inc., a Georgia corporation, and its

successors and permitted assigns.

"Borrowing" means a borrowing hereunder consisting of a Loan or Loans made

to the Borrower pursuant to Article 2.

"Borrowing Date" means a date on which an Advance is made hereunder.

"Business Day" means (i) with respect to any borrowing, payment or rate

selection of Eurodollar Advances, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago and New York for the conduct of substantially all of their commercial lending activities and on which dealings in United States dollars are carried on in the London interbank market, and (ii) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago for the conduct of substantially all of their commercial lending activities.

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"Canadian Acquisition" means the Acquisition by NDPS of certain net assets

of the merchant card services business of the Canadian Seller, representing the Canadian merchant processing business of the Canadian Seller in accordance with the terms of such Acquisition as provided in that certain agreement dated November 9, 2000 between NDPS and the Canadian Seller.

"Canadian Receivables" means the accounts receivable acquired by NDPS

pursuant to the Canadian Acquisition and other Canadian accounts receivable of NDPS generated in the ordinary course of business by the Canadian merchant processing business acquired by NDPS pursuant to the Canadian Acquisition.

"Canadian Receivables Credit Facility" means the documents evidencing the

credit facility made available to NDPS by the Canadian Seller providing for short-term advances to NDPS made in respect of the Canadian Receivables, with the obligations of NDPS under such credit facility to be Guaranteed by the Borrower and the Subsidiary Guarantors, together with any refinancings or replacements of such credit facility and any amendments or modifications of such credit facility or refinancing or replacement, in each case to the extent any such refinancing, replacement, amendment or modification is not on terms or otherwise less favorable in any material respect to the Lenders or the Administrative Agent.

"Canadian Receivables Intercreditor Agreement" means an agreement among the

parties to the Canadian Receivables Credit Facility and the Administrative Agent, on behalf of the Lenders, providing for the subordination of certain claims under the Canadian Receivables Credit Facility to the prior payment of the Obligations hereunder and for other intercreditor matters, all in form and substance satisfactory to the Administrative Agent and the Required Lenders.

"Canadian Seller" means Canadian Imperial Bank of Commerce.

"Capital Expenditures" means, without duplication, any expenditures for any

purchase or other acquisition of any asset that would be classified as a fixed or capital asset on a consolidated balance sheet of the Borrower and its Subsidiaries prepared in accordance with GAAP, but excluding any such assets acquired as part of an Acquisition otherwise permitted pursuant to the terms of this Agreement.

"Capital Stock" means any nonredeemable capital stock (or in the case of a

partnership or limited liability company, the partners' or members' equivalent equity interest) of the Borrower or any of its Consolidated Subsidiaries (to the extent issued to a Person other than the Borrower), whether common or preferred.

"Capitalized Lease" of a Person means any lease of property, whether real

property or personalty, by such Person as lessee that would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"CERCLA" means the Comprehensive Environmental Response Compensation and

Liability Act, 42 U.S.C. (S) 9601 et. seq. and its implementing regulations and amendments.

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"CERCLIS" means the Comprehensive Environmental Response Compensation and

Liability Inventory System established pursuant to CERCLA.

"Closing Date" means the date on which all conditions set forth in Section

3.1 are fulfilled.

"Code" means the Internal Revenue Code of 1986, as amended, or any

successor Federal tax code.

"Collateral Shortfall Amount" is defined in Section 7.3.

"Comerica" means, collectively, (i) NDPS Comerica Alliance, LLC, a Georgia

limited liability company, (ii) the subsidiaries of such company, and (iii) the successors of the Persons described in the foregoing clauses (i) and (ii) resulting from a conversion of such Person to a corporation or a limited liability company.

"Commitment" means for each Lender, the obligation of such Lender to make

Syndicated Loans, and participate in Facility LCs and Swing Line Loans, in an aggregate amount not exceeding the applicable amount set forth opposite its signature below or as set forth in any Notice of Assignment relating to any assignment thereof that has become effective pursuant to Section 9.8(c), as such amount may be reduced from time to time pursuant to the terms hereof.

"Compliance Certificate" means a compliance certificate, substantially in

the form of Exhibit D hereto, signed by the chief financial officer, chief accounting officer, or vice president of finance & planning of the Borrower, showing the calculations necessary to determine compliance with this Agreement

and stating that no Default or Event of Default exists, or if any Default or Event of Default exists, stating the nature and status thereof.

"Consolidated Adjusted EBITDA" means, as at any date of determination for

any period, with respect to the Borrower and its Consolidated Subsidiaries on a consolidated basis for such period and in accordance with GAAP, the Consolidated Net Income of the Borrower for such period, plus (a) to the extent deducted from revenues in determining such Consolidated Net Income, (i) Consolidated Interest Expense for such period, (ii) expense for income taxes paid or accrued during such period, (iii) depreciation during such period, and (iv) amortization for such period, plus, without duplication (b) any Acquired Entity EBITDA during such period calculated on a pro forma basis as of the first day of such period.

"Consolidated Debt" means at any date all Debt of the Borrower and its

Consolidated Subsidiaries, determined on a consolidated basis as of such date.

"Consolidated EBITR" means, as at any date of determination for any period,

with respect to the Borrower and its Consolidated Subsidiaries on a consolidated basis for such period and in accordance with GAAP, Consolidated Net Income of the Borrower for such period, plus to the extent deducted from revenues in determining such Consolidated Net Income, (i)

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Consolidated Fixed Charges for such period, and (ii) expenses for income taxes paid or accrued during such period.

"Consolidated Fixed Charges" means, without duplication, as at any date of

determination for any period, with respect to the Borrower and its Consolidated Subsidiaries on a consolidated basis for such period and in accordance with GAAP, the sum of (i) Consolidated Interest Expense, and (ii) all payment obligations of the Borrower and its Consolidated Subsidiaries under all Operating Leases.

"Consolidated Interest Expense" means, as at any date of determination for

any period, without duplication, interest, whether expensed or capitalized, in respect of outstanding Consolidated Debt of the Borrower and its Consolidated Subsidiaries during such period; provided that, in determining Consolidated Interest Expense, interest on Debt referred to in clauses (viii) and (ix) of the definition of Debt shall only be included to the extent that the Borrower's or any Consolidated Subsidiary's obligation to pay such Debt is not contingent in nature, as of any date of determination.

"Consolidated Net Income" means, as at any date of determination for any

period, the Net Income of the Borrower and its Consolidated Subsidiaries determined on a consolidated basis for such period, but excluding (i) non-cash gains and losses, and (ii) any equity interests of the Borrower or any Consolidated Subsidiary in the unremitted earnings and losses of any Person that is not a Consolidated Subsidiary.

"Consolidated Net Worth" means, at any date, the shareholders' (or in the

case of a partnership or limited liability company, the partners' or the members') equity of the Borrower and its Consolidated Subsidiaries, as set forth or reflected on the most recent consolidated balance sheet of the Borrower and its Consolidated Subsidiaries prepared in accordance with GAAP, but excluding any Redeemable Preferred Stock of the Borrower or any of its Consolidated Subsidiaries. Shareholders' equity generally would include, but not be limited to (i) the par or stated value of all outstanding Capital Stock, (ii) capital surplus, (iii) retained earnings, and (iv) various deductions such as (A) purchases of treasury stock, (B) valuation allowances, (C) receivables due from an employee stock ownership plan, (D) employee stock ownership plan debt guarantees, and (E) translation adjustments for foreign currency transactions.

"Consolidated Subsidiary" means at any date any Subsidiary or other entity

the accounts of which, in accordance with GAAP, would be consolidated with those of the Borrower in its consolidated financial statements as of such date; provided, however, that Comerica shall be treated as a Consolidated Subsidiary only for purposes of (i) determining the Borrower's Status pursuant to Section 2.9, and (ii) Sections 6.1, 6.2 and 6.3.

"Consolidated Total Debt" means at any date, with respect to the Borrower

and its Consolidated Subsidiaries on a consolidated basis as of such date and in accordance with GAAP, Consolidated Debt (excluding therefrom, however, Guarantees of Debt of the Borrower or any of its Consolidated Subsidiaries, respectively, by the Borrower or any such Consolidated Subsidiary).

"Contribution Agreement" means the Contribution Agreement, substantially in

 the form of Exhibit C executed and delivered by the Borrower and those

 Consolidated Subsidiaries of the Borrower that are parties to the Subsidiary
 Guarantee, in favor of the Administrative Agent for the ratable benefit of the
 Lenders, Swing Line Lender, LC Issuer, and Administrative Agent, as the same may
 be amended, supplemented and restated from time to time.

"Contribution Agreement Supplement" means the Supplement substantially in

 the form of Annex I to the Contribution Agreement executed and delivered by a

 Domestic Operating Subsidiary of the Borrower pursuant to Section 5.3.

"Controlled Group" means all members of a controlled group of corporations

 and all trades or businesses (whether or not incorporated) under common control
 which, together with the Borrower, are treated as a single employer under
 Section 414 of the Code.

"Conversion/Continuation Notice" is defined in Section 2.3(g).

"Credit Extension" means the making of an Advance or the issuance of a

 Facility LC hereunder.

"Credit Extension Date" means the Borrowing Date for an Advance or the

 issuance date for a Facility LC.

"Debt" of any Person means at any date, without duplication, (i) all

 obligations of such Person for borrowed money, (ii) all obligations of such
 Person evidenced by bonds, debentures, notes or other similar instruments, (iii)
 all obligations of such Person to pay the deferred purchase price of property or
 services, except trade accounts payable arising in the ordinary course of
 business, (iv) all obligations of such Person as lessee under Capitalized Leases
 and leases (so-called "synthetic leases") that are treated as finance leases for
 tax purposes but that do not constitute Capitalized Leases under generally
 accepted accounting principles, (v) all obligations of such Person to reimburse
 any bank or other Person in respect of amounts payable under a banker's
 acceptance, (vi) all Redeemable Preferred Stock of such Person, (vii) all
 obligations (regardless of whether contingent or absolute) of such Person to
 reimburse any bank or other Person in respect of amounts paid under a letter of
 credit or similar instrument, (viii) all Debt of others secured by a Lien on any
 asset of such Person, whether or not such Debt is assumed by such Person, (ix)
 all Debt of others Guaranteed by such Person, (x) all obligations of NDPS, the
 Borrower and the Subsidiary Guarantors (without duplication) under the Canadian
 Receivables Credit Facility, (xi) the present value of estimated future payments
 payable in connection with earn-out agreements executed in connection with
 Acquisitions by such Person, and (xii) the Net Mark-to-Market Exposure of such
 Person under all Rate Management Transactions, all as determined in accordance
 with GAAP.

"Default" means any condition or event which constitutes an Event of

 Default or which with the giving of notice or lapse of time or both would,
 unless cured or waived, become an Event of Default.

"Designated Officer" means any of the chairman, president, chief executive

 officer, chief operating officer, chief financial officer, chief information
 officer, chief accounting officer, and treasurer of the Borrower and, prior to
 the Spin-off, shall also include any of the foregoing officers of NDC.

"Documentation Agent" means SunTrust Bank, a Georgia banking corporation,

 and its successors, in its capacity as documentation agent for the credit
 facilities provided to the Borrower by this Agreement.

"Dollars" or "\$" means dollars in lawful currency of the United States of

 America.

"Domestic Operating Subsidiary" means an Operating Subsidiary organized

 under the laws of any State of the United States of America or the District of
 Columbia, or the federal laws of the United States of America.

"Environmental Authorizations" means all licenses, permits, orders,

approvals, notices, registrations or other legal prerequisites for conducting
the business of the Borrower and its Subsidiaries required by any Environmental
Requirement.

"Environmental Authority" means any foreign, federal, state, local or

regional government that exercises any form of jurisdiction or authority under
any Environmental Requirement.

"Environmental Judgments and Orders" means all judgments, decrees or orders

arising from or in any way associated with any Environmental Requirements,
whether or not entered upon consent or written agreements with an Environmental
Authority or other entity arising from or in any way associated with any
Environmental Requirement, whether or not incorporated in a judgment, decree or
order.

"Environmental Liabilities" means any liabilities, whether accrued,

contingent or otherwise, arising from and in any way associated with any
Environmental Requirements.

"Environmental Notices" means notice from any Environmental Authority or by

any other person or entity, of possible or alleged noncompliance with or
liability under any Environmental Requirement, including without limitation any
complaints, citations, demands or requests from any Environmental Authority or
from any other person or entity for correction of any, violation of any
Environmental Requirement or any investigations concerning any violation of any
Environmental Requirement.

"Environmental Proceedings" means any judicial or administrative

proceedings arising from or in any way associated with any Environmental
Requirement.

"Environmental Releases" means releases as defined in CERCLA or under any

applicable state or local environmental law or regulation.

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"Environmental Requirements" means any legal requirement relating to

health, safety or the environment and applicable to the Borrower, any Subsidiary
or the Properties, including but not limited to any such requirement under
CERCLA or similar state legislation and all federal, state and local laws,
ordinances, regulations, orders, writs, decrees and common law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as

amended from time to time, or any successor law. Any reference to any provision
of ERISA shall also be deemed to be a reference to any successor provision or
provisions thereof.

"Eurodollar Advance" means a Syndicated Advance which, except as otherwise

provided in Section 2.11, bears interest at a Eurodollar Rate.

"Eurodollar Base Rate" means, with respect to a Eurodollar Advance for the

relevant Eurodollar Interest Period, the applicable British Bankers' Association
Interest Settlement Rate for deposits in Dollars appearing on the Reuters Screen
FRBD as of 11:00 a.m. (London time) two (2) Business Days prior to the first day
of such Eurodollar Interest Period, and having a maturity equal to such
Eurodollar Interest Period, provided that (i) if Reuters Screen FRBD is not
available to the Administrative Agent for any reason, the applicable Eurodollar
Base Rate for the relevant Eurodollar Interest Period shall instead be the
applicable British Bankers' Association Interest Settlement Rate for deposits in
Dollars as reported by any other generally recognized financial information
service as of 11:00 a.m. (London time) two (2) Business Days prior to the first
day of such Eurodollar Interest Period, and having a maturity equal to such
Eurodollar Interest Period, and (ii) if no such British Bankers' Association
Interest Settlement Rate is available to the Administrative Agent, the
applicable Eurodollar Base Rate for the relevant Eurodollar Interest Period
shall instead be the rate determined by the Administrative Agent to the rate at
which Bank One or one of its Affiliate banks offers to place deposits in Dollars
with first-class banks in the London interbank market at approximately 11:00
a.m. (London time) two (2) Business Days prior to the first day of such
Eurodollar Interest Period, in the approximate amount of Bank One's relevant
Eurodollar Loan and having a maturity equal to such Eurodollar Interest Period.

"Eurodollar Interest Period" means, with respect to a Eurodollar Advance, a

period of fourteen days or one, two, three or six months commencing on a Business Day selected by the Borrower pursuant to this Agreement. Each Eurodollar Interest Period of one, two, three or six months shall end on the day which corresponds numerically to such date one, two, three or six months thereafter, provided, however, that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Eurodollar Interest Period shall end on the last Business Day of such next, second, third or sixth succeeding month. If a Eurodollar Interest Period would otherwise end on a day which is not a Business Day, such Eurodollar Interest Period shall end on the next succeeding Business Day, provided, however, that if said next succeeding Business Day falls in a new calendar month, such Eurodollar Interest Period shall end on the immediately preceding Business Day.

"Eurodollar Loan" means a Syndicated Loan which, except as otherwise

provided in Section 2.11, bears interest at a Eurodollar Rate.

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"Eurodollar Rate" means, with respect to a Eurodollar Advance for the

relevant Eurodollar Interest Period, the sum of (i) the quotient of (a) the Eurodollar Base Rate applicable to such Eurodollar Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such Eurodollar Interest Period, plus (ii) the Applicable Margin for Eurodollar Advances then in effect. The Eurodollar Rate shall be rounded to the next higher multiple of 1/16 of 1% if the rate is not such a multiple.

"Event of Default" has the meaning set forth in Section 7.1.

"Excluded Taxes" means, in the case of each Lender, Swing Line Lender, LC

Issuer, or Administrative Agent, or its applicable Lending Installation, taxes imposed on its overall net income, and franchise taxes imposed on it, by (i) the jurisdiction under the laws of which it is incorporated or organized, or (ii) the jurisdiction in which its principal executive office or applicable Lending Installation is located.

"Facility LC" is defined in Section 2.4(a).

"Facility LC Application" is defined in Section 2.4(c).

"Facility LC Collateral Account" is defined in Section 2.4(k).

"Facility Termination Date" means (i) January 30, 2004 or any later date to

which the Facility Termination Date may be extended in accordance with Section 2.25, or (ii) any earlier date on which the Aggregate Commitment is reduced to zero or otherwise terminated pursuant to the terms of this Agreement.

"Federal Funds Effective Rate" means, for any day, an interest rate per

annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10 a.m. (Chicago time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"Financial Institution" has the meaning ascribed thereto in O.C.G.A. (S) 7-

1-4(21) as of the date hereof.

"Financial Statements (Annual)" means the balance sheet of such Person as

of the end of such Fiscal Year and the related consolidated statements of income, shareholders' equity and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year.

"Financial Statements (Quarterly)" means the balance sheet of such Person

as of the end of such quarter and the related statement of income and statement of cash flows for such quarter and for the portion of the Fiscal Year ended at the end of such quarter, setting forth in each case

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in comparative form the figures for the corresponding quarter and the corresponding portion of the previous Fiscal Year.

"First Tier Non-U.S. Operating Subsidiary" means a Non-U.S. Operating Subsidiary, the majority of whose Capital Stock is owned by the Borrower and/or its Domestic Operating Subsidiaries.

"Fiscal Quarter" means any fiscal quarter of the Borrower.

"Fiscal Year" means any fiscal year of the Borrower.

"Fixed Charge Coverage Ratio" means the ratio, determined as of the end of each Fiscal Quarter of the Borrower, for the Fiscal Quarter just ended and the immediately preceding three Fiscal Quarters, of (i) Consolidated EBITR for such period to (ii) Consolidated Fixed Charges for such period.

"Fixed Rate" means a Eurodollar Rate or Quoted Fixed Rate, as the case may be.

"Fixed Rate Advance" means an Advance which bears interest at a Fixed Rate.

"Fixed Rate Swing Line Advance" means a Swing Line Advance which bears interest at a Quoted Fixed Rate.

"Fixed Rate Loan" means a Loan which bears interest at a Fixed Rate.

"Floating Rate" means, for any day, a rate per annum equal to the sum of (i) the Alternate Base Rate for such day, plus (ii) the Applicable Margin for Floating Rate Advances then in effect for such day, in each case changing when and as the Alternate Base Rate changes.

"Floating Rate Advance" means a Syndicated Advance or Swing Line Advance which bears interest at the Floating Rate.

"Floating Rate Loan" means a Syndicated Loan or Swing Line Loan which bears interest at the Floating Rate.

"Form 10 Filing" means the registration statement on Form 10 filed by the Borrower with the Securities and Exchange Commission in respect of the Spin-off on September 8, 2000, as amended by each of Amendment No. 1 filed on October 27, 2000, Amendment No. 2 filed on November 2, 2000, Amendment No. 3 filed on December 1, 2000, Amendment No. 4 filed on December 13, 2000, and Amendment No. 5 filed on December 28, 2000, all as effective on January 2, 2001.

"GAAP" means generally accepted accounting principles applied on a basis consistent with those which, in accordance with Section 1.2, are to be used in making the calculations for purposes of determining compliance with the terms of this Agreement.

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"GPI Group" means the Borrower and each of its Consolidated Subsidiaries other than the GPS Group.

"GPS" means Global Payment Systems LLC, a limited liability company organized under the laws of Georgia, its successors and permitted assigns.

"GPS Group" means GPS and each of its Consolidated Subsidiaries.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to secure, purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to provide collateral security, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the

purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Hazardous Materials" includes, without limitation, (a) solid or hazardous waste, as defined in the Resource Conservation and Recovery Act of 1980, 42 U.S.C. (S) 6901 et. seq. and its implementing regulations and amendments, or in any applicable state or local law or regulation, (b) "hazardous substance", "pollutant", or "contaminant" as defined in CERCLA, or in any applicable state or local law or regulation, (c) gasoline, or any other petroleum product or by-product, including, crude oil or any fraction thereof (d) toxic substances, as defined in the Toxic Substances Control Act of 1976, or in any applicable state or local law or regulation or (e) insecticides, fungicides, or rodenticides, as defined in the Federal Insecticide, Fungicide, and Rodenticide Act of 1975, or in any applicable state or local law or regulation, as each such Act, statute or regulation may be amended from time to time.

"Indenture" means the trust indenture dated as of November 6, 1996, between National Data Corporation and The First National Bank of Chicago, as trustee, pursuant to which National Data Corporation issued its Convertible Subordinated Notes Due 2003 in an aggregate principal amount of \$143,750,000.

"Information Statement" means the Information Statement in respect of the Spin-off as sent to NDC's shareholders on December 28, 2000.

"Interest Period" means (i) a Eurodollar Interest Period, or (ii) a Quoted Fixed Rate Interest Period.

"Investment" means any investment in any Person, whether by means of purchase or acquisition of obligations or securities of such Person, capital contribution to such Person, loan

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or advance to such Person, making of a time deposit with such Person, Guarantee or assumption of any obligation of such Person or otherwise.

"LC Fee" is defined in Section 2.4(d).

"LC Issuer" means Bank One (or any subsidiary or affiliate of Bank One designated by it) in its capacity as issuer of Facility LCs hereunder.

"LC Obligations" means, at any time, the sum, without duplication, of (i) the aggregate undrawn stated amount of all Facility LCs outstanding at such time, plus (ii) the aggregate unpaid amount at such time of all Reimbursement Obligations.

"LC Payment Date" is defined in Section 2.4(e).

"Lender" means each bank or other financial institution or lender listed on the signature pages hereof as having a Commitment, and its successors and permitted assigns. Unless otherwise specified, the term "Lender" includes Bank One in its capacity as Swing Line Lender.

"Lending Installation" means, with respect to a Lender, Swing Line Lender, or LC Issuer, any office, branch, subsidiary or affiliate of such Lender, Swing Line Lender, or LC Issuer.

"Level I Status" exists at any date if the Leverage Ratio in effect as of such date is less than 0.5 to 1.0.

"Level II Status" exists at any date if the Leverage Ratio in effect as of such date is greater than or equal to 0.5 to 1.0, but less than 1.0 to 1.0.

"Level III Status" exists at any date if the Leverage Ratio in effect as of such date is greater than or equal to 1.0 to 1.0, but less than 1.5 to 1.0.

"Level IV Status" exists at any date if the Leverage Ratio in effect as of

such date is greater than or equal to 1.5 to 1.0, but less than 2.0 to 1.0.

"Level V Status" exists at any date if the Leverage Ratio in effect as of

such date is greater than or equal to 2.0 to 1.0.

"Leverage Ratio" means, as of the end of any Fiscal Quarter, the ratio of

Consolidated Total Debt as of such date to Consolidated Adjusted EBITDA for such
Fiscal Quarter and the immediately preceding three Fiscal Quarters. For
purposes of the foregoing calculation, the Debt described in clause (x) of the
definition of "Debt" shall be included in Consolidated Total Debt at a level
equal to the weighted average outstanding principal amount thereof during the
Fiscal Quarter then ending.

"Lien" means, with respect to any asset, any mortgage, deed to secure debt,

deed of trust, lien, pledge, charge, security interest, security title,
preferential arrangement, which has the practical effect of constituting a
security interest or encumbrance, or encumbrance or servitude of

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any kind in respect of such asset to secure or assure payment of a Debt or a
Guarantee, whether by consensual agreement or by operation of statute or other
law. For the purposes of this Agreement, the Borrower and each of its
Subsidiaries shall be deemed to own subject to a Lien any asset which it has
acquired or holds subject to the interest of a vendor or lessor under any
conditional sale agreement, capital lease or other title retention agreement
relating to such asset.

"LLC Conversion" means the transaction or series of related transactions

(including, without limitation, a merger, reorganization, liquidation, or
transfer of members' interests or assets) pursuant to which a business
corporation organized under the laws of a state of the United States, the shares
of which are owned by the members of GPS immediately prior to such
transaction(s) in the same proportion as their respective members' interests in
GPS immediately following such transaction(s), succeeds to all assets and
businesses of GPS as in existence immediately prior to such transaction(s).

"LLC Conversion Date" means the date on which a Permitted LLC Conversion is

consummated and effective.

"LLC Operating Agreement" means the Operating Agreement of Global Payment

Systems LLC Limited Liability Company dated as of March 31, 1996, among
Mastercard International Incorporated, GPS Holding Limited Partnership, National
Data Corporation of Canada, Ltd., the Borrower, NDC International, Ltd., and
National Data Payment Systems, Inc., as amended and in effect from time to time.

"Loan" means a Syndicated Loan or a Swing Line Loan, as the case may be.

"Loan Documents" means this Agreement, the Notes, the Subsidiary Guarantee,

the Contribution Agreement, the Pledge Agreements, the Facility LC Applications,
and all other documents and agreements contemplated hereby and executed by the
Borrower or any Consolidated Subsidiary of the Borrower in favor of the
Administrative Agent or any Lender.

"Margin Stock" means "margin stock" as defined in Regulations T, U or X.

"Material Adverse Effect" means, with respect to any event, act, condition

or occurrence of whatever nature (including any adverse determination in any
litigation, arbitration, or governmental investigation or proceeding), whether
singly or in conjunction with any other event or events, act or acts, condition
or conditions, occurrence or occurrences, whether or not related, a material
adverse change in, or a material adverse effect upon, any of (a) the financial
condition, operations, business, properties or prospects of the Borrower and its
Consolidated Subsidiaries taken as a whole, (b) the rights and remedies of the
Administrative Agent, the LC Issuer, the Swing Line Lender, or the Lenders under
the Loan Documents, or the ability of the Borrower or any of its Subsidiaries to
perform its obligations under the Loan Documents to which it is a party (such
obligations to include, without limitation, payment of the Obligations and
observance and performance of the covenants set forth in Articles 5 and 6
hereof), as applicable, or (c) the legality, validity or enforceability of any
Loan Document.

"Modify" and "Modification" are defined in Section 2.4(a).

"Multiemployer Plan" shall have the meaning set forth in Section 4001(a)

(3) of ERISA.

"NDC" means National Data Corporation, a Delaware corporation and, prior to

the Spin-off, the sole shareholder of the Borrower, and its successors.

"NDC Credit Agreement" means the Credit Agreement dated as of December 19,

1997, among NDC, the lenders that are parties thereto, The First National Bank of Chicago (now Bank One), as Administrative Agent, and Wachovia Bank, N.A., as Documentation Agent, as the same has been amended and is in effect as of the Closing Date.

"NDPS" means National Data Payment Systems, Inc., a New York corporation,

and its successors and permitted assigns.

"Net Income" means, as applied to any Person for any period, the aggregate

amount of net income of such Person, after taxes, for such period, as determined in accordance with GAAP.

"Net Mark-to-Market Exposure" means, with respect to any Person as of any

date of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Rate Management Transactions.

"Unrealized losses" means the fair market value of the cost to such Person of

replacing such Rate Management Transaction as of the date of determination and on the same terms thereof (assuming the Rate Management Transaction were to be terminated as of that date), and "unrealized profits" means the fair market

value of the gain to such Person of replacing such Rate Management Transaction as of the date of determination and on the same terms thereof (assuming such Rate Management Transaction were to be terminated as of that date).

"Net Proceeds of Capital Stock" means any proceeds received or deemed

received by the Borrower or its Consolidated Subsidiary in respect of the issuance or sale of Capital Stock or conversion of any Debt to Capital Stock, after deducting therefrom all reasonable and customary costs and expenses incurred by the Borrower or such Consolidated Subsidiary directly in connection with such issuance or sale of such Capital Stock or conversion of such Debt. In the case of an Acquisition where some or all of the consideration for the Acquisition is Capital Stock, the amount of proceeds received or deemed received in respect of such Capital Stock shall be equal to the shareholders' (or in the case of a partnership or limited liability company, the partners' or members') equity of the Acquired Entity immediately following the Acquisition, as determined in accordance with GAAP, less all non-cash, non-recurring charges required or appropriate under GAAP to be taken by the Borrower and its Consolidated Subsidiaries as a result of the Acquisition, provided that in no instance shall "Net Proceeds of Capital Stock" as so calculated be less than zero.

"Non-U.S. Lender" is defined in Section 2.24(d).

"Non-U.S. Operating Subsidiary" means any Operating Subsidiary of the

Borrower other than a Domestic Operating Subsidiary.

"Notes" means, collectively, the Syndicated Notes and the Swing Line Note;

and "Note" means any one of the Notes.

"Notice of Assignment" means a Notice of Assignment to be delivered

pursuant to the provisions of the Assignment Agreement.

"Obligations" means all unpaid principal of and accrued and unpaid interest

on all Loans, LC Obligations, accrued and unpaid fees, and expenses, reimbursements, indemnities and other obligations of the Borrower to the Lenders or to any Lender, the Swing Line Lender, the LC Issuer, the Administrative Agent or any indemnified party hereunder arising under the Loan Documents.

"Operating Lease" of a Person means any lease (other than a Capitalized

Lease) of property, whether real property or personalty, by such Person as

lessee, regardless of its term.

"Operating Subsidiary" means any Subsidiary of the Borrower that owns or

acquires assets, including without limitation, Capital Stock issued by any other
Person.

"Other Taxes" is defined in Section 2.24(b).

"Outstanding Credit Exposure" means, as to any Lender at any time, the sum

of (i) the aggregate principal amount of its Loans outstanding at such time,
(ii) an amount equal to its Pro Rata Share of the aggregate principal amount of
Swing Line Loans outstanding at such time, and (iii) an amount equal to its Pro
Rata Share of the LC Obligations outstanding at such time.

"Participant" has the meaning set forth in Section 9.8(b).

"Payment Date" means the first Business Day of each calendar quarter,

beginning with the calendar quarter commencing April 2, 2001.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity

succeeding to any or all of its functions under ERISA.

"Permitted GPS Investment" means loans, advances and other Investments made

by or on behalf of any members of the GPI Group on or after May 31, 2000 to or
in any members of the GPS Group in an aggregate amount for all such loans,
advances and other Investments not to exceed \$10,000,000.

"Permitted LLC Conversion" means an LLC Conversion effected and implemented

in accordance with the conditions and requirements of Section 6.9(b).

"Person" means an individual, a corporation, a limited liability company, a

partnership, an unincorporated association, a trust or any other entity or
organization, including, but not limited to, a government or political
subdivision or an agency or instrumentality thereof.

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"Plan" means at any time an employee pension benefit plan which is covered

by Title IV of ERISA or subject to the minimum funding standards under Section
412 of the Code and is either (i) maintained by a member of the Controlled Group
for employees of any member of the Controlled Group or (ii) maintained pursuant
to a collective bargaining agreement or any other arrangement under which more
than one employer makes contributions and to which a member of the Controlled
Group is then making or accruing an obligation to make contributions or has
within the preceding five plan years made contributions.

"Pledge Agreements" means the pledge and security agreements made by the

Borrower and/or its Subsidiaries pursuant to which the Applicable Pledge Amount
of the Capital Stock of First Tier Non-U.S. Operating Subsidiaries is pledged to
the Administrative Agent, for the ratable benefit of the Lenders, Swing Line
Lender, LC Issuer, and Administrative Agent, creating and granting a first
priority pledge and Lien thereon, as required by Sections 3.1 and 5.3, all in
form and substance satisfactory to the Administrative Agent.

"Prime Rate" means a rate per annum equal to the prime rate of interest

announced from time to time by Bank One or its parent company (which is not
necessarily the lowest charged to any customer), changing when and as said prime
rate changes.

"Properties" means, as of the date of any determination, all real property

currently owned, leased or otherwise used or occupied by the Borrower or any of
its Subsidiaries, wherever located.

"Pro Rata Share" means, with respect to a Lender, a portion equal to a

fraction the numerator of which is such Lender's Commitment and the denominator
of which is the Aggregate Commitment.

"Quoted Fixed Rate" means a fixed rate of interest quoted by the Swing Line

Lender to the Borrower, and accepted by the Borrower, pursuant to Section 2.5(e)
to be applicable to a Swing Line Loan as specified by the Borrower for a Quoted

Fixed Rate Interest Period.

"Quoted Fixed Rate Interest Period" means a period not to exceed seven (7)

calendar days specified by the Borrower as being applicable to a Swing Line Loan being requested by the Borrower to bear interest at a Quoted Fixed Rate.

"Rate Management Transaction" means any transaction (including an agreement

with respect thereto) now existing or hereafter entered into between the Borrower and any counterparty which is a rate swap, basis swap, forward rate transaction, commodity swap, equity or equity index swap, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices or other financial measures.

"Redeemable Preferred Stock" of any Person means any preferred stock (or in

the case of a limited liability company, the members' equivalent equity interest) issued by such Person

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which is at any time prior to the Facility Termination Date either (i) mandatorily redeemable (by sinking fund or similar payments or otherwise) or (ii) redeemable at the option of the holder thereof.

"Regulation D" means Regulation D of the Board of Governors of the Federal

Reserve System as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Regulation T" means Regulation T of the Board of Governors of the Federal

Reserve System, as in effect from time to time, together with all official rulings and interpretations issued thereunder.

"Regulation U" means Regulation U of the Board of Governors of the Federal

Reserve System, as in effect from time to time, together with all official rulings and interpretations issued thereunder.

"Regulation X" means Regulation X of the Board of Governors of the Federal

Reserve System, as in effect from time to time, together with all official rulings and interpretations issued thereunder.

"Reimbursement Obligations" means, at any time, the aggregate of all

obligations of the Borrower then outstanding under Section 2.4 to reimburse the LC Issuer for amounts paid by the LC Issuer in respect of any one or more drawings under Facility LCs.

"Reportable Event" means a reportable event as defined in Section 4043 of

ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"Required Lenders" means at any time Lenders having at least two-thirds

(2/3) of the Aggregate Commitment or, if the Aggregate Commitment is no longer in effect, Lenders holding at least two-thirds (2/3) of the Aggregate Outstanding Credit Exposure.

"Reserve Requirement" means, with respect to a Eurodollar Interest Period,

the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on new non-personal time deposits of \$100,000 or more with a maturity equal to that of such Eurocurrency liabilities (in the case of Eurodollar Advances).

"Restricted Investments" means cash investments in U.S. dollars in (i) U.S.

Government securities and United States agency securities, including repurchase agreements with a short-term rating of A1 by Standard & Poor's Corporation

Inc. ("Moody's"), (ii) municipal securities rated A or better by S&P or Moody's, (iii) certificates of deposit issued by a bank rated A1 by S&P or P1 by Moody's, (iv) commercial paper rated A1 by S&P or P1 by Moody's, (v) tender bonds or variable rate demand bonds supported by a letter of credit issued by a United States bank whose long-term certificates of deposit are rated A or better by S&P or Moody's, (vi) auction rate municipal securities (35-day auction cycle) with long-term debt ratings of A or better by S&P or Moody's, and (vii) investments of the types approved pursuant to the applicable Approved Investment Policy, provided that all such cash investments shall be made in accordance with the guidelines and other requirements of the Approved Investment Policy, including without limitation, the requirement that an amount estimated to meet a minimum seven day cash requirement of the Borrower be held in overnight funds, and without giving effect to any exceptions to any such guidelines or requirements.

"Restricted Payment" means (i) any dividend or other distribution on any

Capital Stock of the Borrower (except dividends payable solely in its Capital Stock), or (ii) any payment on account of the purchase, redemption, retirement or acquisition of (a) any Capital Stock of the Borrower (except as acquired upon the conversion thereof into additional Capital Stock) or (b) any option, warrant or other right to acquire any Capital Stock of the Borrower.

"Single Subsidiary Threshold" means an amount equal to ten percent (10%) of

(i) the total consolidated revenue of the Borrower and its Subsidiaries (which includes the GPS Group), less (ii) the total consolidated revenue of the GPS Group, in each case for the most recent Fiscal Quarter as shown on the Financial Statements (Annual) or Financial Statements (Quarterly), as the case may be, as most recently delivered or required to be delivered pursuant to Section 5.1.

"Spin-off" means the distribution by NDC on a tax-free basis of all of the

shares of the Borrower's common stock to NDC's shareholders pursuant to a pro rata dividend to such shareholders.

"Spin-off Dividend" means a cash dividend payable to NDC to reflect the

Borrower's share of NDC's debt prior to the Spin-off, to be paid to NDC immediately prior to the Spin-off.

"Status" means, at any date of determination, whichever of Level I Status,

Level II Status, Level III Status, Level IV Status, or Level V Status exists at such time.

"Subsidiary" of a Person means (i) any corporation more than 50% of the

outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower (including GPS and each Subsidiary of GPS).

"Subsidiary Guarantee" means the Subsidiary Guarantee substantially in the

form of Exhibit B executed and delivered by the Subsidiary Guarantors, in favor

of the Administrative

Agent for the ratable benefit of the Lenders, as the same may be amended, supplemented and restated from time to time.

"Subsidiary Guarantee Supplement" means each Supplement substantially in

the form of Annex I to the Subsidiary Guarantee executed and delivered by a

Domestic Operating Subsidiary of the Borrower pursuant to Section 5.3.

"Subsidiary Guarantors" means, collectively, the Subsidiaries of the

Borrower that are parties to the Subsidiary Guarantee and each additional Domestic Operating Subsidiary of the Borrower that executes and delivers a Subsidiary Guarantee Supplement pursuant to Section 5.3.

"Swing Line Advance" means a Borrowing pursuant to Section 2.5 consisting

of a Swing Line Loan (which may be made either as a Floating Rate Advance or as a Quoted Fixed Rate Advance) made by the Swing Line Lender to the Borrower on the same date and interest rate basis and, if made as a Quoted Fixed Rate Advance, for the same Interest Period.

"Swing Line Borrowing Notice" means the notice given by the Borrower to the

Administrative Agent requesting a Swing Line Advance as provided in Section 2.5(e).

"Swing Line Commitment" means the commitment of the Swing Line Lender to

make Swing Line Loans to the Borrower in an aggregate principal amount at any time outstanding not to exceed \$15,000,000.

"Swing Line Lender" means Bank One or any subsequent Lender extending to

the Borrower the Swing Line Commitment hereunder.

"Swing Line Loans" means, collectively, the loans made to the Borrower by

the Swing Line Lender pursuant to Section 2.5.

"Swing Line Note" means the promissory note evidencing the Swing Line Loans

substantially in the form of Exhibit A-2 and duly completed in accordance with

the terms hereof, including any amendment, modification, renewal or replacement of such promissory note.

"Syndicated Advance" means a borrowing hereunder (or conversion or

continuation thereof) consisting of the aggregate amount of the several Syndicated Loans made by the Lenders to the Borrower, on the same Borrowing Date (or date of conversion or continuation), of the same Type and, in the case of a Eurodollar Advance, for the same Interest Period.

"Syndicated Borrowing Notice" is defined in Section 2.3(f).

"Syndicated Loan" means, with respect of a Lender, a Loan made by such

Lender pursuant to Section 2.3.

"Syndicated Note" means a promissory note, substantially in the form of

Exhibit A-1 with appropriate insertions, duly executed and delivered to the

Administrative Agent by the Borrower for the account of a Lender and payable to the order of such Lender in the amount of

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its Commitment, including any amendment, modification, renewal or replacement of such promissory note.

"Syndication Agent" means Wachovia Bank, N.A., a national banking

association, and its successors, in its capacity as syndication agent for the credit facilities provided to the Borrower by this Agreement.

"Taxes" means any and all present or future taxes, duties, levies, imposts,

deductions, charges or withholdings, and any and all liabilities with respect to the foregoing, but excluding Excluded Taxes and Other Taxes.

"Third Parties" means all lessees, sublessees, licensees and other users of

the Properties, excluding those users of the Properties in the ordinary course of the Borrower's business and on a temporary basis.

"Transferee" has the meaning set forth in Section 9.8(d)

"Type" means (i) with respect to any Advance, its nature as a Eurodollar

Advance, a Quoted Fixed Rate Advance, or a Floating Rate Advance, (ii) with respect to any Syndicated Advance, its nature as a Eurodollar Advance or a Floating Rate Advance, and (iii) with respect to any Swing Line Advance, its nature as a Quoted Fixed Rate Advance or a Floating Rate Advance.

"Wholly Owned Subsidiary" means any Subsidiary all of the Capital Stock or

other ownership interests of which (except directors' qualifying shares) are at

the time directly or indirectly owned by the Borrower.

SECTION 1.2. Accounting Terms and Determinations. Unless otherwise

specified herein, all terms of an accounting character used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants or otherwise required by a change in GAAP) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Lenders (or, prior to delivery of the initial set of audited consolidated financial statements of the Borrower, consistent with the most recent audited consolidated financial statements of NDC), unless with respect to any such change concurred in by the Borrower's independent public accountants or required by GAAP, in determining compliance with any of the provisions of any of the Loan Documents: (i) the Borrower shall have objected to determining such compliance on such basis at the time of delivery of such financial statements, or (ii) the Required Lenders shall so object in writing within 30 days after the delivery of such financial statements, in either of which events such calculations shall be made on a basis consistent with those used in the preparation of the latest financial statements as to which such objection shall not have been made (which, if such objection is made in respect of the first financial statements delivered under Section 5.1, shall mean the financial statements referred to in Section 4.4).

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SECTION 1.3. References. Unless otherwise indicated, references in this

Agreement to "Articles", "Exhibits", "Schedules", "Sections" and other Subdivisions are references to Articles, exhibits, schedules, sections and other subdivisions hereof.

SECTION 1.4. Use of Defined Terms. All terms defined in this Agreement

shall have the same defined meanings when used in any of the other Loan Documents, unless otherwise defined therein or unless the context shall require otherwise.

SECTION 1.5. Terminology.

(a) General. All personal pronouns used in this Agreement, whether used

in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and the plural shall include the singular. Titles of Articles and Sections in this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement.

(b) Special Corporate Terminology. All references to corporate nature,

the capital stock, stockholders, directors, articles or certificate of incorporation and by-laws, or such similar terms, of any Person shall, if such Person is a limited liability company, refer respectively to the limited liability company nature, the equity interest, members, managing member, articles of organization and operating agreement of such Person. In addition, after a Permitted LLC Conversion, all references to GPS's limited liability status, equity interest, members, managing member, articles of organization and operating agreement shall be deemed to refer respectively to GPS's corporate nature, the capital stock, stockholders, directors, articles or certificate of incorporation and by-laws.

ARTICLE 2

THE CREDITS

SECTION 2.1. Description of Facility. Upon the terms and subject to the

conditions set forth in this Agreement, the Lenders hereby grant to the Borrower a revolving credit facility pursuant to which: (i) each Lender severally agrees to make Syndicated Loans to the Borrower in accordance with Section 2.3; (ii) each Lender severally agrees to participate in Facility LCs issued for the account of the Borrower pursuant to Section 2.4; and (iii) each Lender agrees to participate in Swing Line Loans made by the Swing Line Lender to the Borrower pursuant to Section 2.5; provided that, no Lenders shall be required to make any Loans or participate in any Facility LCs or Swing Line Loans where, after giving effect thereto, the Aggregate Outstanding Credit Exposure would exceed the Aggregate Commitment.

SECTION 2.2. Availability of Facility. Subject to the terms and

conditions of this Agreement, the revolving credit facility is available from the date of this Agreement to the Facility Termination Date, and the Borrower

may borrow, repay and reborrow at any time prior to the Facility Termination Date.

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SECTION 2.3. Syndicated Advances.

(a) Commitment. From and including the date of this Agreement and prior

to the Facility Termination Date, each Lender severally agrees, on the terms and conditions set forth in this Agreement, to make Syndicated Loans to the Borrower from time to time in amounts not to exceed in the aggregate at any one time outstanding an amount equal to its Commitment less the sum of its Pro Rata Share of all Swing Line Loans and LC Obligations then outstanding. The Commitment by each Lender to lend hereunder shall expire on the Facility Termination Date.

(b) Required Payments; Termination. The Borrower agrees to pay all

outstanding Syndicated Advances and all other unpaid Obligations in full on the Facility Termination Date.

(c) Ratable Loans. Each Syndicated Advance hereunder shall consist of

Syndicated Loans made from the several Lenders based on their respective Pro Rata Shares of the Aggregate Commitment.

(d) Types of Syndicated Advances. The Syndicated Advances may be

Eurodollar Advances, Floating Rate Advances, or a combination thereof, selected by the Borrower in accordance with Sections 2.3(f) and 2.3(g).

(e) Minimum Amount of Each Syndicated Advance; Maximum Number of Advances.

Each Eurodollar Advance shall be in the minimum amount of \$1,000,000 (and in multiples of \$500,000 if in excess thereof), and each Floating Rate Advance shall be in the minimum amount of \$500,000 (and in multiples of \$100,000 if in excess thereof); provided, however, that any Floating Rate Advance may be in the amount of the then-Available Aggregate Commitment, and any Eurodollar Advance may be in the amount of the then-Available Aggregate Commitment so long as such Eurodollar Advance is not less than \$1,000,000; and provided, further, that the total number of Syndicated Advances outstanding at any time shall not exceed nine (9) (with all Floating Rate Advances for purposes of the foregoing limitation being deemed to constitute a single Advance).

(f) Method of Selecting Types and Interest Periods for New Syndicated Advances. The Borrower shall select the Type of Syndicated Advance and, in the

case of each Eurodollar Advance, the Interest Period applicable to each such Eurodollar Advance from time to time. The Borrower shall give the Administrative Agent irrevocable notice (a "Syndicated Borrowing Notice") not later than 10:00 a.m. (Chicago time) at least one Business Day before the Borrowing Date of each Floating Rate Advance and three Business Days before the Borrowing Date for each Eurodollar Advance, specifying:

- (i) the Borrowing Date, which shall be a Business Day, of such Syndicated Advance,
- (ii) the aggregate amount of such Syndicated Advance,
- (iii) the Type of Syndicated Advance selected, and

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- (iv) in the case of each Eurodollar Advance, the Interest Period applicable thereto.

Not later than noon (Chicago time) on each Borrowing Date, each Lender shall make available its Syndicated Loan or Loans, in funds immediately available in Chicago to the Administrative Agent at its address specified pursuant to Article 9. The Administrative Agent will make the funds so received from the Lenders available to the Borrower at the Administrative Agent's aforesaid address not later than 2:00 p.m. (Chicago time) on such date.

(g) Conversion and Continuation of Outstanding Syndicated Advances.

Floating Rate Advances shall continue as Floating Rate Advances unless and until such Floating Rate Advances are converted into Eurodollar Advances. Each Eurodollar Advance of any Type shall continue as a Eurodollar Advance of such Type until the end of the then applicable Interest Period therefor, at which time such Eurodollar Advance shall be automatically converted into a Floating Rate Advance unless the Borrower shall have given the Administrative Agent a Conversion/Continuation Notice requesting that, at the end of such Interest Period, such Eurodollar Advance either continue as a Eurodollar Advance of such

Type for the same or another Interest Period or be converted into a Syndicated Advance of another Type. Subject to the terms of Section 2.3(e), the Borrower may elect from time to time to convert all or any part of a Syndicated Advance of any Type into any other Type or Types of Syndicated Advances; provided that any conversion of any Eurodollar Advance shall be made on, and only on, the last day of the Interest Period applicable thereto. The Borrower shall give the Administrative Agent irrevocable notice (a "Conversion/Continuation Notice") of each conversion of a Syndicated Advance or continuation of a Eurodollar Advance not later than 10:00 a.m. (Chicago time) at least one Business Day, in the case of a conversion into a Floating Rate Advance, or three Business Days, in the case of a conversion into or continuation of a Eurodollar Advance, prior to the date of the requested conversion or continuation, specifying:

- (i) the requested date which shall be a Business Day, of such conversion or continuation;
- (ii) the aggregate amount and Type of Syndicated Advance(s) to be converted or continued; and
- (iii) the amount and Type(s) of Syndicated Advance(s) into which such Syndicated Advance is to be converted or continued and, in the case of a conversion into or continuation of a Eurodollar Advance, the duration of the Interest Period applicable thereto.

SECTION 2.4. Facility LCs.

(a) Issuance. The LC Issuer hereby agrees, on the terms and conditions -----
set forth in this Agreement, to issue standby letters of credit (each, a "Facility LC") and to renew, extend, increase, decrease or otherwise modify each Facility LC ("Modify," and each such action a "Modification"), from time to time from and including the date of this Agreement and prior to the Facility Termination Date upon the request of the Borrower; provided that immediately after

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each such Facility LC is issued or Modified, (i) the aggregate amount of the outstanding LC Obligations shall not exceed \$10,000,000, (ii) the Aggregate Outstanding Credit Exposure shall not exceed the Aggregate Commitment, and (iii) no more than ten (10) Facility LCs shall then be outstanding. No Facility LC shall have an expiry date later than the earlier of (x) the fifth Business Day prior to the Facility Termination Date, and (y) one year after its issuance, provided that any Facility LC with a one-year tenor may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the fifth Business Day prior to the Facility Termination Date.

(b) Participations. Upon the issuance or Modification by the LC Issuer of -----
a Facility LC in accordance with this Section 2.4, the LC Issuer shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably sold to each Lender, and each Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the LC Issuer, a participation in such Facility LC (and each Modification thereof) and the related LC Obligations in proportion to its Pro Rata Share.

(c) Notice. Subject to Section 2.4(a), the Borrower shall give the LC -----
Issuer notice prior to 10:00 a.m. (Chicago time) at least five Business Days prior to the proposed date of issuance or Modification of each Facility LC, specifying the beneficiary, the proposed date of issuance (or Modification) and the expiry date of such Facility LC, and describing the proposed terms of such Facility LC and the nature of the transactions proposed to be supported thereby. Upon receipt of such notice, the LC Issuer shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Lender, of the contents thereof and of the amount of such Lender's participation in such proposed Facility LC. The issuance or Modification by the LC Issuer of any Facility LC shall, in addition to the conditions precedent set forth in Article 3 (the satisfaction of which the LC Issuer shall have no duty to ascertain), be subject to the conditions precedent that such Facility LC shall be satisfactory to the LC Issuer and that the Borrower shall have executed and delivered such application agreement and/or such other instruments and agreements relating to such Facility LC as the LC Issuer shall have reasonably requested (each, a "Facility LC Application"). In the event of any conflict between the terms of this Agreement and the terms of any Facility LC Application, the terms of this Agreement shall control.

(d) LC Fees. The Borrower shall pay to the Administrative Agent, for the -----
account of the Lenders ratably in accordance with their respective Pro Rata Shares, a letter of credit fee at a per annum rate equal to the Applicable Margin in effect from time to time for Eurodollar Advances on the average daily undrawn stated amount under such Facility LC, such fee to be payable in arrears

on each Payment Date (such fee described in this sentence as an "LC Fee"). The Borrower shall also pay to the LC Issuer for its own account (x) at the time of issuance of each Facility LC, a fronting fee in an amount equal to 0.100% of the face amount of such Facility LC, and (y) documentary and processing charges in connection with the issuance or Modification of and draws under Facility LCs in accordance with the LC Issuer's standard schedule for such charges as in effect from time to time.

(e) Administration; Reimbursement by Lenders. Upon receipt from the

beneficiary of any Facility LC of any demand for payment under such Facility LC, the LC Issuer shall notify

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the Administrative Agent and the Administrative Agent shall promptly notify the Borrower and each other Lender as to the amount to be paid by the LC Issuer as a result of such demand and the proposed payment date (the "LC Payment Date"). The responsibility of the LC Issuer to the Borrower and each Lender shall be only to determine that the documents (including each demand for payment) delivered under each Facility LC in connection with such presentment shall be in conformity in all material respects with such Facility LC. The LC Issuer shall endeavor to exercise the same care in the issuance and administration of the Facility LCs as it does with respect to letters of credit in which no participations are granted, it being understood that in the absence of any gross negligence or willful misconduct by the LC Issuer, each Lender shall be unconditionally and irrevocably liable without regard to the occurrence of any Default or Event of Default or any condition precedent whatsoever, to reimburse the LC Issuer on demand for (i) such Lender's Pro Rata Share of the amount of each payment made by the LC Issuer under each Facility LC to the extent such amount is not reimbursed by the Borrower pursuant to Section 2.4(f) below, plus (ii) interest on the foregoing amount to be reimbursed by such Lender, for each day from the date of the LC Issuer's demand for such reimbursement (or, if such demand is made after 11:00 a.m. (Chicago time) on such date, from the next succeeding Business Day) to the date on which such Lender pays the amount to be reimbursed by it, at a rate of interest per annum equal to the Federal Funds Effective Rate for the first three days and, thereafter, at a rate of interest equal to the rate applicable to Floating Rate Advances.

(f) Reimbursement by Borrower. The Borrower irrevocably and

unconditionally agrees to reimburse the LC Issuer on or before the applicable LC Payment Date for any amounts to be paid by the LC Issuer upon any drawing under any Facility LC, without presentment, demand, protest or other formalities of any kind; provided that neither the Borrower nor any Lender shall hereby be precluded from asserting any claim for direct (but not consequential) damages suffered by the Borrower or such Lender to the extent, but only to the extent, caused by (i) the willful misconduct or gross negligence of the LC Issuer in determining whether a request presented under any Facility LC issued by it complied with the terms of such Facility LC or (ii) the LC Issuer's failure to pay under any Facility LC issued by it after the presentation to it of a request strictly complying with the terms and conditions of such Facility LC. All such amounts paid by the LC Issuer and remaining unpaid by the Borrower shall bear interest, payable on demand, for each day until paid at a rate per annum equal to (x) the rate applicable to Floating Rate Advances for such day if such day falls on or before the applicable LC Payment Date and (y) the sum of 2% plus the rate applicable to Floating Rate Advances for such day if such day falls after such LC Payment Date. The LC Issuer will pay to each Lender ratably in accordance with its Pro Rata Share all amounts received by it from the Borrower for application in payment, in whole or in part, of the Reimbursement Obligation in respect of any Facility LC issued by the LC Issuer, but only to the extent such Lender has made payment to the LC Issuer in respect of such Facility LC pursuant to Section 2.4(e). Subject to the terms and conditions of this Agreement (including, without limitation, the submission of a Syndicated Borrowing Notice in compliance with Section 2.3 or a Swing Line Borrowing Notice in compliance with Section 2.5, and the satisfaction of the applicable conditions precedent set forth in Article 3), the Borrower may request an Advance hereunder for the purpose of satisfying any Reimbursement Obligation.

(g) Obligations Absolute. The Borrower's obligations under this Section

2.4 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff,

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counterclaim or defense to payment which the Borrower may have or have had against the LC Issuer, any Lender or any beneficiary of a Facility LC. The Borrower further agrees with the LC Issuer and the Lenders that the LC Issuer and the Lenders shall not be responsible for, and the Borrower's Reimbursement Obligation in respect of any Facility LC shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged, or any dispute between or among the Borrower, any of its Affiliates, the beneficiary of any Facility LC or any financing

institution or other party to whom any Facility LC may be transferred or any claims or defenses whatsoever of the Borrower or of any of its Affiliates against the beneficiary of any Facility LC or any such transferee. The LC Issuer shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Facility LC. The Borrower agrees that any action taken or omitted by the LC Issuer or any Lender under or in connection with each Facility LC and the related drafts and documents, if done without gross negligence or willful misconduct, shall be binding upon the Borrower and shall not put the LC Issuer or any Lender under any liability to the Borrower.

(h) Actions of LC Issuer. The LC Issuer shall be entitled to rely, and

shall be fully protected in relying, upon any Facility LC, Facility LC Application, draft, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the LC Issuer. The LC Issuer shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first have received such advice or concurrence of the Required Lenders as it reasonably deems appropriate or it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Notwithstanding any other provision of this Section 2.4, the LC Issuer shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders and any future holders of a participation in any Facility LC.

(i) Indemnification. The Borrower hereby agrees to indemnify and hold

harmless each Lender, the LC Issuer and the Administrative Agent, and their respective directors, officers, agents and employees from and against any and all claims and damages, losses, liabilities, costs or expenses which such Lender, the LC Issuer or the Administrative Agent may incur (or which may be claimed against such Lender, the LC Issuer or the Administrative Agent by any Person whatsoever) by reason of or in connection with the issuance, execution and delivery or transfer of or payment or failure to pay under any Facility LC or any actual or proposed use of any Facility LC, including, without limitation, any claims, damages, losses, liabilities, costs or expenses which the LC Issuer may incur by reason of or in connection with (i) the failure of any other Lender to fulfill or comply with its obligations to the LC Issuer hereunder (but nothing herein contained shall affect any rights the Borrower may have against any defaulting Lender) or (ii) by reason of or on account of the LC Issuer issuing any Facility LC which specifies that the term "beneficiary" included therein includes any successor by operation of law of the named

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beneficiary, but which Facility LC does not require that any drawing by any such successor beneficiary be accompanied by a copy of a legal document, satisfactory to the LC Issuer, evidencing the appointment of such successor Beneficiary; provided that the Borrower shall not be required to indemnify any Lender, the LC Issuer or the Administrative Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (x) the willful misconduct or gross negligence of the LC Issuer in determining whether a request presented under any Facility LC complied with the terms of such Facility LC or (y) the LC Issuer's failure to pay under any Facility LC after the presentation to it of a request strictly complying with the terms and conditions of such Facility LC. Nothing in this Section 2.4 is intended to limit the obligations of the Borrower under any other provision of this Agreement.

(j) Lenders' Indemnification. Each Lender shall, ratably in accordance

with its Pro Rata Share, indemnify the LC Issuer, its affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) against any cost, expense (including reasonable counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from such indemnitees' gross negligence or willful misconduct or the LC Issuer's failure to pay under any Facility LC after the presentation to it of a request strictly complying with the terms and conditions of the Facility LC) that such indemnitees may suffer or incur in connection with this Section 2.4 or any action taken or omitted by such indemnitees hereunder.

(k) Facility LC Collateral Account. The Borrower agrees that it will,

upon the request of the Administrative Agent or the Required Lenders and until the final expiration date of any Facility LC and thereafter as long as any amount is payable to the LC Issuer or the Lenders in respect of any Facility LC, maintain a special collateral account pursuant to arrangements satisfactory to the Administrative Agent (the "Facility LC Collateral Account") at the Administrative Agent's office at the address specified pursuant to Article 9, in the name of such Borrower but under the sole dominion and control of the

Administrative Agent, for the benefit of the Lenders and in which such Borrower shall have no interest other than as set forth in Section 7.3. The Borrower hereby pledges, assigns and grants to the Administrative Agent, on behalf of and for the ratable benefit of the Lenders and the LC Issuer, a security interest in all of the Borrower's right, title and interest in and to all funds which may from time to time be on deposit in the Facility LC Collateral Account to secure the prompt and complete payment and performance of the Obligations. The Administrative Agent will invest any funds on deposit from time to time in the Facility LC Collateral Account in certificates of deposit of Bank One having a maturity not exceeding 30 days. Nothing in this Section 2.4 shall either obligate the Administrative Agent to require the Borrower to deposit any funds in the Facility LC Collateral Account or limit the right of the Administrative Agent to release any funds held in the Facility LC Collateral Account in each case other than as required by Section 7.3.

(1) Rights as a Lender. In its capacity as a Lender, the LC Issuer shall have the same rights and obligations as any other Lender.

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SECTION 2.5. Swing Line Advances.

(a) Commitment. From and including the date of this Agreement and prior to the Facility Termination Date, the Swing Line Lender agrees, on the terms and conditions set forth in this Agreement, to make Swing Line Loans to the Borrower from time to time in amounts not to exceed in the aggregate at any one time outstanding the amount of the Swing Line Commitment then in effect, provided that immediately after giving effect to any Swing Line Loan, the Aggregate Outstanding Credit Exposure shall not exceed the Aggregate Commitment. The Borrower shall be entitled to repay and reborrow Swing Line Loans in accordance with the provisions, and subject to the limitations, set forth herein (including the limitations set forth in Section 2.1). The Swing Line Commitment shall expire on the Facility Termination Date.

(b) Required Payments; Termination. The Borrower agrees to pay each Swing Line Advance in full within seven (7) days from the date such Advance is made to the Borrower. The Borrower agrees to pay all outstanding Swing Line Advances in full on the Facility Termination Date.

(c) Types of Swing Line Advances. The Swing Line Advances may be Floating Rate Advances or Quoted Fixed Rate Advances, or a combination thereof, selected by the Borrower in accordance with Section 2.5(e).

(d) Minimum Amount of Each Swing Line Advance. Each Swing Line Advance shall be in the minimum amount of \$500,000 and in multiples of \$100,000 if in excess thereof; provided, however, that any Swing Line Advance may be in the amount of the unused portion of the Swing Line Commitment so long as such Advance is not less than \$100,000. Notwithstanding the foregoing, the Borrower shall not be entitled to have outstanding at any time more than five (5) Swing Line Advances.

(e) Method of Selecting Types of Swing Line Advances. Whenever the Borrower desires to obtain a Swing Line Advance, the Borrower shall give the Swing Line Lender (with a copy to the Administrative Agent) prior written notice (or telephonic notice promptly confirmed in writing) of such Swing Line Advance (each a "Swing Line Borrowing Notice"). Each Swing Line Borrowing Notice requesting a Floating Rate Advance shall be given prior to 3:30 p.m. (Chicago time) on the Borrowing Date for such Advance and shall specify the aggregate principal amount of such Advance and the date such Advance is to be made (which shall be a Business Day). Each Swing Line Borrowing Notice requesting a Quoted Fixed Rate Advance shall be given prior to 12:00 noon (Chicago time) on the Borrowing Date and shall specify the aggregate principal amount of such Advance, the date such Advance is to be made (which shall be a Business Day), and the Interest Period to be applicable to such Advance. The Swing Line Lender shall promptly furnish the Borrower (with a copy to the Administrative Agent) with a quotation of the Quoted Fixed Rate being offered with respect to such Swing Line Advance by telephone (promptly confirmed in writing, if requested) or by facsimile transmission. The Borrower shall immediately inform the Swing Line Lender (with a copy to the Administrative Agent) of its decision as to whether to accept the Quoted Fixed Rate and to confirm the borrowing of the Swing Line Advance (which may be done by telephone, promptly confirmed in writing, and which decision shall be irrevocable). If the Borrower has so informed the Swing Line Lender and confirmed the terms of the Swing Line Advance, then no later than 4:00 p.m. (Chicago time) on such date, the Swing Line Lender shall make the principal amount of the

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Swing Line Advance available to the Administrative Agent in immediately available funds at the Payment Office of the Administrative Agent, and the Administrative Agent will make available to the Borrower such amount at the Administrative Agent's address specified in Article 9 by such time. In the event the Swing Line Lender does not make such amount available to the Administrative Agent at the time prescribed above, but such amount is received later that day, such amount may be credited to the Borrower in the manner described in the preceding sentence on the next Business Day (with interest on such amount to begin accruing hereunder on such next Business Day).

(f) Purchase by Lenders of Swing Line Advances. If the Borrower fails to -----
repay a Swing Line Advance when required by Section 2.5(b), then upon request of the Swing Line Lender, each Lender other than the Swing Line Lender shall purchase a participating interest in such Swing Line Advance in an amount equal to its Pro Rata Share of such Swing Line Advance, and the Swing Line Lender shall furnish each Lender with confirmation evidencing such participating interest. Such purchase shall be made on the next Business Day following such request. On the date of such required purchase, each Lender will immediately transfer to the Swing Line Lender, in immediately available funds, the amount of its participation. If such Swing Line Advance is not outstanding as a Floating Rate Advance at the time of such purchase, such Swing Line Advance shall automatically be converted to, and thereafter bear interest, as a Floating Rate Advance. Whenever, at any time after the Swing Line Lender has received from any such Lender the funds for its participating interest in a Swing Line Advance, the Administrative Agent receives any payment on account thereof, the Administrative Agent will distribute to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded); provided, however, that if such payment received by the Administrative Agent is required to be returned, such Lender will return to the Administrative Agent any portion thereof previously distributed by the Administrative Agent to it. Each Lender's obligation to purchase such participating interest shall be absolute and unconditional and shall not be affected by any circumstance, including without limitation (i) any setoff, counterclaim, recoupment, defense or other right that such Lender or any other Person may have against the Swing Line Lender or any other Person for any reason whatsoever, (ii) the occurrence or continuation of a Default or an Event of Default or the termination of any of the Commitments, (iii) any adverse change in the condition (financial or otherwise) of the Borrower or any of its Consolidated Subsidiaries, or any other Person, (iv) any breach of this Agreement by the Borrower or by any other Lender, or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

SECTION 2.6. Fees. The Borrower agrees to pay to the Administrative

Agent the following fees:

(a) for the account of each Lender, a facility fee equal to the total Commitment of such Lender in effect from time to time (whether or not used by the Borrower) multiplied by the applicable per annum facility fee rate set forth in Section 2.9, payable quarterly in arrears on each Payment Date commencing April 2, 2001, and on the Facility Termination Date;

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(b) for the account of each Lender, the outstanding balance of the initial commitment fees of 0.25% per annum on the total Commitment of such Lender from the date of Borrower's acceptance of such Lender's Commitment until the Closing Date, payable on the Closing Date;

(c) for the account of each Lender, the outstanding balance of the up-front fees payable on the amount of such Lender's Commitment at the rate of (i) 0.20% for each Lender having a Commitment of \$35,000,000 or more, or (ii) 0.15% for each Lender having a Commitment less than \$35,000,000, the balance of such up-front fees being payable on the Closing Date;

(d) for the account of the LC Issuer and the Lenders, the fees required by Section 2.4(d), payable on the dates and in the amounts set forth in Section 2.4(d); and

(e) for the account of the Administrative Agent and the Arranger, the fees due under the Administrative Agent/Arranger Letter Agreement, payable on the dates and in the amounts as provided therein.

SECTION 2.7. Reductions in Commitments. The Borrower may, at its option,

permanently reduce the Aggregate Commitment in whole, or in part ratably among the Lenders in accordance with their Pro Rata Shares, in a minimum amount of \$1,000,000 and in integral multiples of \$500,000, upon at least three Business Days' written notice to the Administrative Agent, which notice shall specify the amount of any such reduction; provided, however, that the amount of the Aggregate Commitment may not be reduced below the Aggregate Outstanding Credit Exposure.

SECTION 2.8. Principal Prepayments. The Borrower may, at its option,

from time to time pay, without penalty or premium, any outstanding Floating Rate Advance in full, or in part in a minimum aggregate amount of \$500,000 or any integral multiple of \$100,000 in excess thereof, upon one Business Day's prior notice to the Administrative Agent. Any Fixed Rate Advance may be paid in full, or in part in a minimum aggregate amount of \$1,000,000 (or \$500,000, in the case of a Swing Line Advance) or any integral multiple of \$500,000 (or \$100,000, in the case of a Swing Line Advance) in excess thereof, upon three Business Days' prior notice to the Administrative Agent (i) without penalty or premium if paid on the last day of an applicable Interest Period, or (ii) with payment of all applicable amounts specified in Section 2.22 if paid on any other day.

SECTION 2.9. Applicable Margin and Facility Fee Rates. The Applicable

Margin set forth below with respect to each Eurodollar Advance and Floating Rate Advance and the applicable rates set forth below for the facility fees payable pursuant to Section 2.6(a) shall be subject to adjustment (upwards or downwards, as appropriate) based on the Borrower's Status as at the end of each Fiscal Quarter in accordance with the table set forth below. The Borrower's Status as at the last day of each Fiscal Quarter shall be determined from the then most recent annual or quarterly financial statements of the Borrower delivered by the Borrower pursuant to Section 5.1(a) or 5.1(b) and the Compliance Certificate delivered by the Borrower pursuant to Section 5.1(c). The adjustment, if any, to the Applicable Margin shall be effective with respect to all Advances made, and all conversions to and continuations of Eurodollar Advances

occurring, on and after the next Business Day following the delivery to the Administrative Agent of such financial statements and Compliance Certificate (the "Adjustment Effective Date"); the adjustment, if any, to the facility fee rates shall be effective on the Adjustment Effective Date. No adjustment in Applicable Margin shall be effective with respect to any Eurodollar Advances outstanding on and prior to the Adjustment Effective Date until such Advances are subsequently continued or converted as Eurodollar Advances with a new Interest Period. In the event that the Borrower shall at any time fail to furnish to the Lenders such financial statements and Compliance Certificate within the applicable time limitations specified by Section 5.1, then the maximum Applicable Margin and facility fee rates shall apply from the date of such failure until the next Business Day after such financial statements and Compliance Certificate are so delivered. Notwithstanding anything to the contrary contained herein, the Borrower's Status as of the date of this Agreement shall be deemed to be Level III Status, and the Applicable Margin and facility fee rate shall not be less than the respective percentages shown below for Level III Status during the first three months following the Closing Date; thereafter the Applicable Margin and facility fee rate will be adjusted as provided herein.

Status	Applicable Margin for Eurodollar Advances	Applicable Margin for Floating Rate Advances	Applicable Facility Fee Rates
Level I	0.550%	0.000%	0.200%
Level II	0.675%	0.000%	0.200%
Level III	0.750%	0.000%	0.250%
Level IV	1.000%	0.000%	0.250%
Level V	1.125%	0.000%	0.375%

SECTION 2.10. Changes in Interest Rate, etc. Each Floating Rate Advance

shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Floating Rate Advance is made or is converted from a Eurodollar Advance into a Floating Rate Advance pursuant to Section 2.3(f) to but excluding the date it becomes due or is converted into a Eurodollar Advance pursuant to Section 2.3(f) hereof, at a rate per annum equal to the Floating Rate for such day. Changes in the rate of interest on any Floating Rate Advance will take effect simultaneously with each change in the Alternate Base Rate. Each Fixed Rate Advance shall bear interest on the outstanding principal amount thereof from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the interest rate determined as applicable to such Fixed Rate Advance. No Interest Period may end after the Facility Termination Date.

SECTION 2.11. Rates Applicable After Default. Notwithstanding anything to

the contrary contained in Section 2.3 or 2.5, during the continuance of a

Default or Event of Default the Required Lenders may, at their option, by notice to the Borrower (which notice may be

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revoked at the option of the Required Lenders notwithstanding any provision of Section 9.6(a) requiring unanimous consent of the Lenders to changes in interest rates), declare that no Syndicated Advance may be made as, converted into or continued as a Eurodollar Advance. During the continuance of an Event of Default, the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 9.6(a) requiring unanimous consent of the Lenders to changes in interest rates), declare that (x) each Fixed Rate Advance shall bear interest for the remainder of the applicable Interest Period at the rate otherwise applicable to such Interest Period plus 2% per annum, (y) each Floating Rate Advance shall bear interest at a rate per annum equal to the Floating Rate plus 2% per annum, and (z) the LC Fee shall be increased by 2% per annum, provided that during the continuance of an Event of Default under Section 7.1(h) or (i), the interest rates and fees set forth in the preceding clauses (x), (y) and (z) shall be applicable to all Credit Extensions without any election or action on the part of the Administrative Agent or the Lenders.

SECTION 2.12. Method of Payment. All payments of the Obligations

hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Administrative Agent at the Administrative Agent's address specified pursuant to Article 9, or at any other Lending Installation of the Administrative Agent specified in writing by the Administrative Agent to the Borrower, by 1:00 p.m. (local time at the Lending Installation) on the date when due, and the Administrative Agent will promptly distribute to the Swing Line Lender, the LC Issuer and/or the Lenders, as the case may be, their respective portions of each such payment received by the Administrative Agent for the account of the Swing Line Lender, LC Issuer, or the Lenders, as the case may be; provided, however, that if on any date the Borrower shall pay less than the full amount of its Obligations owing to the Lenders on such date, such payment shall be distributed to the Lenders ratably based upon the ratio that the aggregate amount of such Obligations owing to each such Lender on such date bears to the aggregate amount of such Obligations owing to all the Lenders on such date. Each payment delivered to the Administrative Agent for the account of the Swing Line Lender, LC Issuer, or the Lenders, as the case may be, shall be delivered promptly by the Administrative Agent to such Person in the same type of funds that the Administrative Agent received at its address specified pursuant to Article 9 or at any Lending Installation specified in a notice received by the Administrative Agent from such Person. The Administrative Agent is hereby authorized to charge the respective accounts of the Borrower maintained with Bank One for each payment of principal, interest, Reimbursement Obligations, fees and other Obligations as it becomes due hereunder. Each reference to the Administrative Agent in this Section 2.12 shall also be deemed to refer, and shall apply equally, to the LC Issuer, in the case of payments required to be made by the Borrower to the LC Issuer pursuant to Section 2.4(f).

SECTION 2.13. Noteless Agreement; Evidence of Indebtedness.

(a) Each Lender (including the Swing Line Lender) shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

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(b) The Administrative Agent shall also maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period with respect thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, (iii) the original stated amount of each Facility LC and the amount of LC Obligations outstanding at any time, and (iv) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(c) The entries maintained in the accounts maintained pursuant to paragraphs (a) and (b) above shall be prima facie evidence of the existence and amounts of the Obligations therein recorded; provided, however, that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

(d) Any Lender may request that its Loans be evidenced by a promissory note (a "Note"). In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to the order of such Lender in a form supplied by the Administrative Agent. Thereafter, the Loans evidenced by such Note and interest thereon shall at all times (including after any assignment pursuant to Section 9.8) be represented by one or more Notes payable to the order of the

payee named therein or any assignee pursuant to Section 9.8, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in paragraphs (a) and (b) above.

SECTION 2.14. Telephonic Notices. The Borrower hereby authorizes the

Lenders, the Swing Line Lender, and the Administrative Agent to extend, convert or continue Advances, effect selections of Types of Advances and to transfer funds based on telephonic notices made by any person or persons the Administrative Agent, the Swing Line Lender, or any Lender in good faith believes to be acting on behalf of the Borrower. The Borrower agrees to deliver promptly to the Administrative Agent a written confirmation, if such confirmation is requested by the Administrative Agent, any Lender or the Swing Line Lender of each telephonic notice signed by an Authorized Officer. If the written confirmation differs in any material respect from the action taken by the Administrative Agent, the Lenders, or the Swing Line Lender, the records of the Administrative Agent, the Lenders, and the Swing Line Lender shall govern absent manifest error.

SECTION 2.15. Interest Payment Dates; Interest and Fee Basis. The

Borrower agrees to pay interest accrued on each Floating Rate Advance on each Payment Date, commencing with the first such date to occur after the date hereof, on any date on which the Floating Rate Advance is paid, whether due to acceleration or otherwise, and at maturity. Interest accrued on that portion of the outstanding principal amount of any Floating Rate Advance converted into a Eurodollar Advance on a day other than a Payment Date shall be payable on the date of conversion. The Borrower agrees to pay interest accrued on each Fixed Rate Advance on the last day of its applicable Interest Period, on any date on which the Fixed Rate Advance is paid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurodollar Advance having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. Interest on

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Fixed Rate Advances, LC Fees, and facility fees shall be calculated for actual days elapsed on the basis of a 360-day year; interest on Floating Rate Advances shall be calculated for actual days elapsed on the basis of a 365 or 366-day year, as applicable. Interest shall be payable for the day an Advance is made but not for the day of any payment on the amount paid if payment is received prior to noon (local time) at the place of payment. If any payment of principal of or interest on an Advance or any fees or other Obligations hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such payment.

SECTION 2.16. Notification of Advances, Interest Rates, Prepayments and

Commitment Reductions. Promptly after receipt thereof, the Administrative Agent

will notify each Lender of the contents of each Aggregate Commitment reduction notice, Syndicated Borrowing Notice, Conversion/Continuation Notice and repayment notice received by it hereunder. Promptly after notice from the LC Issuer, the Administrative Agent will notify each Lender of the contents of each request for issuance of a Facility LC hereunder. The Administrative Agent will notify each Lender of the interest rate applicable to each Eurodollar Advance promptly upon determination of such interest rate and will give each Lender prompt notice of each change in the Alternate Base Rate.

SECTION 2.17. Lending Installations. Subject to Section 2.23, each of the

Lenders and Swing Line Lender may book its Loans and its participation in any LC Obligations and Swing Line Loans, and the LC Issuer may book the Facility LCs, at any Lending Installation selected by it and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Loans, Notes, Facility LCs, and participations in Facility LCs shall be deemed held by each Lender, Swing Line Lender or LC Issuer, as the case may be, for the benefit of such Lending Installation. Each Lender, Swing Line Lender or LC Issuer, as the case may be, may, by written or telex notice to the Administrative Agent and the Borrower, designate a Lending Installation through which Loans or participations in Facility LCs and Swing Line Loans will be made or booked by it or Facility LCs will be issued by it and for whose account payments are to be made in respect of such Loans, Facility LCs or participations therein.

SECTION 2.18. Non-Receipt of Funds by the Administrative Agent. Unless

the Borrower or a Lender, as the case may be, notifies the Administrative Agent prior to the date on which it is scheduled to make payment to the Administrative Agent of (i) in the case of a Lender, the proceeds of a Loan or participation in any Facility LC or Swing Line Loan, or (ii) in the case of the Borrower, a payment of principal, interest, Reimbursement Obligation, or fees to the

Administrative Agent for the account of the Lenders, LC Issuer, or the Swing Line Lender, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Borrower, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so

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made available by the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (i) in the case of repayment by a Lender, LC Issuer, or the Swing Line Lender, the Federal Funds Effective Rate for such day or (ii) in the case of repayment by the Borrower, the interest rate applicable to the relevant Loan or Reimbursement Obligation.

SECTION 2.19. Yield Protection. If a law or any governmental or quasi-

governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any interpretation thereof, or the compliance of any Lender, Swing Line Lender or LC Issuer therewith,

- (i) subjects any Lender, Swing Line Lender or LC Issuer or its applicable Lending Installation to any tax, duty, charge or withholding on or from payments due from the Borrower (excluding taxation of the overall net income of such Lender, Swing Line Lender or LC Issuer or its applicable Lending Installation imposed by the jurisdiction or taxing authority in which its principal executive office or Lending Installation is located), or changes the basis of taxation of payments to any Lender, Swing Line Lender or LC Issuer in respect of its Loans, Facility LCs, or participations therein, or other amounts due it hereunder, or
- (ii) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender, Swing Line Lender or LC Issuer or its applicable Lending Installation (other than reserves and assessments taken into account in determining the interest rate applicable to Eurodollar Advances), or
- (iii) imposes any other condition the result of which is to increase the cost to any Lender, Swing Line Lender or LC Issuer or its applicable Lending Installation of making, funding or maintaining its Loans or of issuing or participating in Facility LCs or Swing Line Loans, or reduces any amount receivable by any Lender, Swing Line Lender or LC Issuer or its applicable Lending Installation in connection with its Loans, Facility LCs or participations therein, or requires any Lender, Swing Line Lender or LC Issuer or its applicable Lending Installation to make any payment calculated by reference to the amount of Loans, Facility LCs or participations therein held or interest received by it, by an amount deemed material by it,

and the result of any of the foregoing is to increase the cost to such Lender, Swing Line Lender, or LC Issuer or its applicable Lending Installation, as the case may be, of making or maintaining its Eurodollar Loans or Commitment or of issuing or participating in Facility LCs or Swing Line Loans or to reduce the return received by such Lender, Swing Line Lender, or LC Issuer or its applicable Lending Installation, as the case may be, in connection with such Eurodollar Loans, Commitment, Facility LCs or participations therein, then, within 15 days of demand by such Lender, Swing Line Lender, or LC Issuer, as the case may be, the Borrower shall pay such

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Lender, Swing Line Lender, or LC Issuer, such additional amount or amounts as will compensate it for such increased cost or reduction in amount received.

SECTION 2.20. Changes in Capital Adequacy Regulations. If a Lender, Swing

Line Lender, or LC Issuer determines the amount of capital required or expected to be maintained by such Lender, Swing Line Lender, or LC Issuer, or its applicable Lending Installation, or any corporation controlling such Lender, Swing Line Lender, or LC Issuer, is increased as a result of a Change, then, within 15 days of demand by such Lender, Swing Line Lender, or LC Issuer, the Borrower shall pay such Lender, Swing Line Lender, or LC Issuer the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender, Swing Line Lender, or LC Issuer determines is attributable to this Agreement, its Outstanding Credit Exposure or its Commitment to make Loans and issue or participate in Facility LCs or Swing Line Loans, as the case may be, hereunder (after taking into account such Lender's, Swing Line Lender's, or LC Issuer's policies as to capital adequacy).

"Change" means (i) any change after the date of this Agreement in the Risk-Based Capital Guidelines, or (ii) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender, Swing Line Lender, or LC Issuer or its applicable Lending Installation or any corporation controlling any Lender, Swing Line Lender, or LC Issuer. "Risk-Based Capital Guidelines" means (i) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted prior to the date of this Agreement.

SECTION 2.21. Availability of Types of Advances. If any Lender determines

that maintenance of its Eurodollar Loans at a suitable Lending Installation would violate any applicable law, rule, regulation, or directive, whether or not having the force of law, or if the Required Lenders determine that (i) deposits of a type and maturity appropriate to match fund Eurodollar Advances are not available or (ii) the interest rate applicable to a Eurodollar Advance does not accurately reflect the cost of making or maintaining such Eurodollar Advance, then the Administrative Agent shall suspend the availability of the Eurodollar Advance and require any Eurodollar Advances to be repaid or promptly converted into a Floating Rate Advance.

SECTION 2.22. Funding Indemnification. If any payment of a Fixed Rate

Advance occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment or otherwise, or if the Borrower fails to make a prepayment of a Fixed Rate Advance on the date specified in any notice given in respect of such prepayment, or if a Fixed Rate Advance is not made on the date specified by the Borrower in any notice given in respect of such Fixed Rate Advance for any reason other than default by the Lenders, the Borrower will indemnify each Lender for any loss or cost incurred by it resulting therefrom, including, without limitation, any lost profits and any loss or cost in liquidating or employing deposits acquired to fund or maintain the Fixed Rate Advance.

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SECTION 2.23. Lending Installation; Lender Statements; Survival of

Indemnity. To the extent reasonably possible, each Lender, Swing Line Lender and

LC Issuer shall designate an alternate Lending Installation with respect to its Fixed Rate Loans or Facility LCs or participations therein to reduce any liability of the Borrower to it under Sections 2.19 and 2.20 or to avoid the unavailability of a Type of Advance under Section 2.21, so long as such designation is not disadvantageous to it in its reasonable judgment. Each Lender, Swing Line Lender and LC Issuer shall deliver a written statement to the Borrower (with a copy to the Administrative Agent) as to the amount due, if any, under Section 2.19, 2.20, or 2.22. Such written statement shall set forth in reasonable detail the calculations upon which it determined such amount and shall be conclusive in the absence of manifest error. Determination of amounts payable under such Sections in connection with a Fixed Rate Loan shall be calculated as though such Lender or the Swing Line Lender funded its Fixed Rate Loan through the purchase of a deposit of the type and maturity corresponding to the deposit used as a reference in determining the Fixed Rate applicable to such Loan, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement of any such Lender, Swing Line Lender or LC Issuer shall be payable on demand after receipt by the Borrower of such written statement. The obligations of the Borrower under Sections 2.19, 2.20, and 2.22 shall survive payment of the Obligations and termination of this Agreement.

SECTION 2.24. Taxes.

(a) All payments by the Borrower to or for the account of any Lender, Swing Line Lender, the LC Issuer or the Administrative Agent hereunder or under any Note or Loan or in respect of any Facility LC shall be made free and clear of and without deduction for any and all Taxes. If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Lender, Swing Line Lender, LC Issuer or the Administrative Agent, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.24) such Lender, Swing Line Lender, LC Issuer or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall pay the full amount deducted to the relevant authority in accordance with applicable law and (iv) the Borrower shall furnish to the Administrative Agent the original copy of a

receipt evidencing payment thereof within 30 days after such payment is made.

(b) In addition, the Borrower hereby agrees to pay any present or future stamp or documentary taxes and any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under any Note or Loan in respect of any Facility LC or from the execution or delivery of, or otherwise with respect to, this Agreement or any Note or Facility LC Application ("Other Taxes").

(c) The Borrower hereby agrees to indemnify the Administrative Agent, the LC Issuer, Swing Line Lender, and each Lender for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed on amounts payable under this Section 2.24) paid by the Administrative Agent, the LC Issuer, Swing Line Lender, or such

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Lender and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. Payments due under this indemnification shall be made within 30 days of the date the Administrative Agent, the LC Issuer, Swing Line Lender, or such Lender makes demand therefor pursuant to this Section 2.24.

(d) Each Lender, Swing Line Lender and LC Issuer that is not incorporated under the laws of the United States of America or a state thereof (each a "Non-U.S. Lender") agrees that it will, not more than ten Business Days after the date of this Agreement (i) deliver to each of the Borrower and the Administrative Agent two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, certifying in either case that such Non-U.S. Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, and (ii) deliver to each of the Borrower and the Administrative Agent a United States Internal Revenue Form W-8 or W-9, as the case may be, and certifying that it is entitled to an exemption from United States backup withholding tax. Each Non-U.S. Lender further undertakes to deliver to each of the Borrower and the Administrative Agent (x) renewals or additional copies of such form (or any successor form) on or before the date that such form expires or becomes obsolete, and (y) after the occurrence of any event requiring a change in the most recent forms so delivered by it, such additional forms or amendments thereto as may be reasonably requested by the Borrower or the Administrative Agent. All forms or amendments described in the preceding sentence shall certify that such Non-U.S. Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Non-U.S. Lender from duly completing and delivering any such form or amendment with respect to it and such Non-U.S. Lender advises the Borrower and the Administrative Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

(e) For any period during which a Non-U.S. Lender has failed to provide the Borrower with an appropriate form pursuant to subsection (d) above (unless such failure is due to a change in treaty, law or regulation, or any change in the interpretation or administration thereof by any governmental authority, occurring subsequent to the date on which a form originally was required to be provided), such Non-U.S. Lender shall not be entitled to indemnification under this Section 2.24 with respect to Taxes imposed by the United States; provided that, should a Non-U.S. Lender which is otherwise exempt from or subject to a reduced rate of withholding tax become subject to Taxes because of its failure to deliver a form required under clause (d) above, the Borrower shall take such steps as such Non-U.S. Lender shall reasonably request to assist such Non-U.S. Lender to recover such Taxes.

(f) Any Non-U.S. Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments under this Agreement or any Loan or in respect of any Facility LC pursuant to the law of any relevant jurisdiction or any treaty shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

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(g) If the Internal Revenue Service or any other governmental authority of the United States or any other country or any political subdivision thereof asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Non-U.S. Lender (because the appropriate form was not delivered or properly completed, because such Non-U.S. Lender failed to notify the Administrative Agent of a change in circumstances which rendered its exemption from withholding ineffective, or for any other reason), such Non-U.S. Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax, withholding therefor, or otherwise, including penalties and interest, and including taxes imposed by any jurisdiction on amounts payable to the

Administrative Agent under this subsection, together with all costs and expenses related thereto (including attorneys' fees and time charges of attorneys for the Administrative Agent, which attorneys may be employees of the Administrative Agent). The obligations of the Non-U.S. Lenders under this Section 2.24(g) shall survive the payment of the Obligations and termination of this Agreement.

SECTION 2.25. Extension of Facility Termination Date. The Borrower may

request up to two one-year extensions of the Facility Termination Date by submitting on each occasion a request for an extension to the Administrative Agent (each an "Extension Request") no more than 90 days and no less than 60 days prior to the third and fourth anniversaries of the Closing Date. Promptly upon receipt of any Extension Request, the Administrative Agent shall notify each Lender thereof and shall request each Lender to approve the Extension Request. Each Lender approving the Extension Request shall deliver its written consent no later than 30 days prior to such third or fourth anniversary, as the case maybe, of the Closing Date. If the approval of each of the Lenders is received by the Administrative Agent by such time, the Facility Termination Date shall be extended in each case by one year, and the Administrative Agent shall promptly notify the Borrower and each Lender of the new Facility Termination Date.

ARTICLE 3

CONDITIONS TO CREDIT EXTENSIONS

SECTION 3.1. Conditions to First Credit Extension. The obligation of

each Lender and the Swing Line Lender to make a Loan, and the LC Issuer to issue a Facility LC, on the occasion of the first Credit Extension, is subject to the satisfaction of the conditions set forth in this Section 3.1 and in Section 3.2, and receipt by the Administrative Agent of the following (in sufficient number of counterparts (except as to the Notes)) for delivery of a counterpart to each Lender, Swing Line Lender, and LC Issuer and retention of one counterpart by the Administrative Agent:

(a) from each of the Lenders, either (i) a duly executed counterpart of this Agreement, or (ii) a facsimile transmission of the duly executed counterpart of this Agreement together with a confirmation that such original counterpart is being sent to the Administrative Agent;

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(b) a duly executed Syndicated Note for the account of each Lender requesting the same, and a duly executed Swing Line Note for the account of the Swing Line Lender if so requested;

(c) the duly executed Subsidiary Guarantee and Contribution Agreement;

(d) if applicable, the duly executed Pledge Agreement(s), together with any and all certificates representing the Capital Stock pledged thereby, instruments of transfer and stock powers endorsed in blank, and Uniform Commercial Code financing statements in appropriate form with respect thereto;

(e) the opinions of (i) Suellyn P. Tornay, general counsel of the Borrower and the Subsidiary Guarantors, and (ii) Alston & Bird, LLP, special counsel for the Borrower and the Subsidiary Guarantors, in each case dated as of the date hereof, substantially in the forms of Exhibit G-1 and G-2, respectively, and

covering such additional matters relating to the transactions contemplated hereby as the Administrative Agent or any Lender may reasonably request;

(f) a certificate, dated as of the date hereof, signed on behalf of the Borrower by its principal financial officer, to the effect that (i) no Default or Event of Default has occurred and is continuing on such date, (ii) the representations and warranties of the Borrower contained in Article 4 are true on and as of such date, and (iii) all conditions to such Credit Extension pursuant to this Article 3 have been satisfied as of such date;

(g) all documents which the Administrative Agent or any Lender may reasonably request relating to the existence of the Borrower and each Subsidiary Guarantor, the authority for and the validity of this Agreement, the Notes, the Subsidiary Guarantee, the Contribution Agreement, the Pledge Agreement(s) (if applicable), and any other matters relevant hereto, all in form and substance satisfactory to the Administrative Agent, including, without limitation, a certificate of the Borrower and each Subsidiary Guarantor signed by the Secretary or an Assistant Secretary of such Person, certifying as to the names, true signatures and incumbency of the officer or officers of such Person authorized to execute and deliver the Loan Documents, and certified copies of the following items: (i) the certificate of incorporation of the Borrower and the certificate or articles of incorporation of each of the Subsidiary Guarantors that is a corporation, (ii) the articles of organization of each of the Subsidiary Guarantors that is a limited liability company, (iii) the

partnership agreement of each of the Subsidiary Guarantors that is a partnership, (iv) the by-laws of the Borrower and each of the Subsidiary Guarantors that is a corporation, (v) each operating or management agreement of a Subsidiary Guarantor that is a limited liability company, (vi) a certificate of the Secretary of State of the jurisdiction of organization of the Borrower and the Subsidiary Guarantors as to the good standing of the Borrower and Subsidiary Guarantors in such jurisdiction and, as to the Borrower and each of the Subsidiary Guarantors doing business in Georgia, a certificate of the Secretary of State of Georgia as to its good standing in such jurisdiction, and (vii) the action taken by the respective boards of directors of the Borrower and the Subsidiary Guarantors authorizing the execution, delivery and performance of this Agreement, the Notes, the Subsidiary Guarantee, the

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Contribution Agreement, the Pledge Agreement(s), and the other Loan Documents to which they are parties;

(h) certified copies of all consents, approvals, authorizations, registrations, and filings required to be made or obtained by the Borrower in connection with the financings evidenced by this Agreement, the Spin-off, the Spin-off Dividend, and the other transactions contemplated herein, including without limitation, the Form 10 Filing and the Information Statement;

(i) certified copy of the resolutions adopted by the respective boards of directors of the Borrower and NDC approving the Spin-off and Spin-off Dividend;

(j) a pro forma consolidated balance sheet dated as of the Closing Date for the Borrower and its Subsidiaries after giving effect to the Spin-off and the Spin-off Dividend, reflecting a Consolidated Net Worth for Borrower of not less than \$120,000,000;

(k) written money transfer instructions, in substantially the form of Exhibit F hereto, addressed to the Administrative Agent and signed by an

Authorized Officer of the Borrower, together with such other related money transfer authorizations as the Administrative Agent may have reasonably requested;

(l) an opinion of King & Spalding, special counsel for the Administrative Agent, addressed to the Administrative Agent and the Lenders and dated the date hereof, as to the enforceability of the Loan Documents and covering such additional matters relating to the Loan Documents as the Administrative Agent or any Lender may reasonably request;

(m) a Syndicated Borrowing Notice, Swing Line Borrowing Notice, or request for issuance of a Facility LC, as the case may be; and

(n) all other documents, certificates, and other information as the Administrative Agent may reasonably request.

In addition, each of the following conditions shall have been satisfied on such date:

(o) the Borrower and NDC shall have made arrangements to pay the Spin-off Dividend and effect the Spin-off, with the effectiveness of the Spin-off to occur no later than 11:59 p.m. on such date, subject to no conditions or requirements other than the passage of time, and otherwise on terms consistent in all material respects with the terms of the Form 10 Filing and the Information Statement;

(p) the pro forma financial condition of the Borrower and its Subsidiaries on the Closing Date, after giving effect to the Spin-off and the Spin-off Dividend, is consistent in all material respects with the pro forma financial statements for the Borrower and its Subsidiaries included in the Form 10 Filing and Information Statement;

(q) since May 31, 2000, there shall have occurred no events, acts, conditions or occurrences of whatever nature, singly or in the aggregate, that have had, or are reasonably

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expected to have, a Material Adverse Effect (and for purposes of the foregoing, an Acquisition by the Borrower otherwise permitted by the terms of this Agreement shall not be deemed to have had such a Material Adverse Effect at the time of the Acquisition);

(r) no actions, suits or other legal proceedings shall be pending or, to the knowledge of the Borrower, threatened, against or affecting the Borrower or NDC and seeking to enjoin, restrain, or otherwise challenge or contest the validity of the Spin-off or payment of the Spin-off Dividend;

(s) NDC shall have made arrangements satisfactory to the Administrative Agent and the Lenders to have a portion of the Spin-off Dividend paid to the

Lenders under the NDC Credit Agreement and shall have entered into an amendment and restatement of the NDC Credit Agreement;

(t) neither the Spin-off nor payment of the Spin-off Dividend shall cause or result in the occurrence of any Default or Event of Default under the Indenture, or require any prepayment, repurchase or redemption of any indebtedness governed thereby, and NDC shall remain solely liable for the payment of such indebtedness; and

(u) all fees, costs and expenses (including the fees and expenses of counsel to the Administrative Agent) required to be paid as of the Closing Date to the Administrative Agent and the Lenders shall have been paid and satisfied in full.

SECTION 3.2. Conditions to All Borrowings. The obligation of each

Lender, Swing Line Lender and LC issuer to make a Loan or issue or Modify a Facility LC on the occasion of each Credit Extension is subject to the satisfaction of the following conditions:

(a) receipt by the Administrative Agent of a Syndicated Borrowing Notice, Swing Line Borrowing Notice, or request for issuance or Modification of a Facility LC, as the case may be;

(b) the fact that, immediately after such Credit Extension, no Default or Event of Default shall have occurred and be continuing;

(c) the fact that the representations and warranties of the Borrower contained in Article 4 of this Agreement shall be true on and as of the date of such Credit Extension except for changes expressly permitted herein and except to the extent that such representations and warranties relate solely to an earlier date;

(d) the fact that, immediately after such Credit Extension (i) the Outstanding Credit Exposure of each Lender will not exceed the amount of its Commitment, and (ii) the Aggregate Outstanding Credit Exposure of all Lenders will not exceed the amount of the Aggregate Commitment; and

(e) since May 31, 2000, there shall have been no events, acts, conditions or occurrences of whatever nature, singly or in the aggregate, which have had, or could reasonably

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be expected to have, a Material Adverse Effect (and for purposes of the foregoing, an Acquisition by the Borrower otherwise permitted by the terms of this Agreement shall not be deemed to have such a Material Adverse Effect at the time of the Acquisition thereof).

Each request for a Credit Extension hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such request and the date of such Credit Extension as to the facts specified in paragraphs (b), (c), (d) and (e) of this Section 3.2.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

On the Closing Date, and at such other times as specified in Section 3.2, the Borrower represents and warrants to the Lenders, Swing Line Lender, LC Issuer and the Administrative Agent that:

SECTION 4.1. Existence and Power. The Borrower (i) is duly organized,

validly existing and in good standing under the laws of its jurisdiction of organization, (ii) is duly qualified to transact business in every jurisdiction set forth on Schedule 4.1, and the failure of the Borrower to be so qualified in

any other jurisdiction could not reasonably be expected to have or cause a Material Adverse Effect, and (iii) has all powers and all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted, except where the failure to have any such licenses, authorizations, consents and approvals could not reasonably be expected to have or cause a Material Adverse Effect.

SECTION 4.2. Organizational and Governmental Authorization; No

Contravention. The execution, delivery and performance by the Borrower of this

Agreement, the Notes and the other Loan Documents (i) are within the Borrower's powers as a corporation or limited liability company, as the case may be, (ii) have been duly authorized by all necessary organizational action, (iii) require no action by or in respect of or filing with, any governmental body, agency or

official, (iv) do not contravene, or constitute a default under, any provision of applicable law or regulation or of the Borrower's organizational documents or of any material agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or any of its Subsidiaries, and (v) do not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

SECTION 4.3. Binding Effect. This Agreement constitutes a valid and

binding agreement of the Borrower enforceable in accordance with its terms, and the Notes, Subsidiary Guarantee, Contribution Agreement, Pledge Agreement(s), and the other Loan Documents to which the Borrower or any Subsidiary is a party, when executed and delivered in accordance with this Agreement, will constitute valid and binding obligations of the Borrower or such Subsidiary, as the case may be, enforceable in accordance with their respective terms, provided that the enforceability hereof and thereof is subject in each case to general principles of equity and to bankruptcy, insolvency, fraudulent transfer, and similar laws affecting the enforcement of creditors' rights generally.

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SECTION 4.4. Financial Information.

(a) The Borrower has heretofore furnished to the Lenders true and correct copies of the audited consolidated balance sheets of the NDC eCommerce business segment (reorganized as the Borrower) as of May 31, 2000 and May 31, 1999 and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended May 31, 2000 (collectively, the "GPI Annual Financial Statements"). All such GPI Annual

Financial Statements fairly present in all material respects and in accordance with GAAP the financial position of the respective entities covered by such GPI Annual Financial Statements and the results of operations and cash flows for such entities for the respective Fiscal Years then ended.

(b) The Borrower has heretofore furnished to the Lenders true and correct copies of the consolidated balance sheet of the NDC eCommerce business segment (reorganized as the Borrower) as of November 30, 2000 and the related consolidated statements of income and cash flows for the Fiscal Quarter ending November 30, 2000 (collectively, the "2001 Second Quarter Financial

Statements"). The 2001 Second Quarter Financial Statements fairly present in

all material respects and in accordance with GAAP (subject to normal year-end adjustments) the financial position of the respective entities covered by such 2001 Second Quarter Financial Statements and the results of operations and cash flows for such entities for the Fiscal Quarter then ended.

(c) Since May 31, 2000, there have been no events, acts, conditions or occurrences, singly or in the aggregate, having or reasonably expected to have or cause a Material Adverse Effect (and for purposes of the foregoing, an Acquisition by the Borrower otherwise permitted by the terms of this Agreement shall not be deemed to have such a Material Adverse Effect at the time of the Acquisition thereof).

SECTION 4.5. No Litigation, Contingent Liabilities. There is no action,

suit or proceeding pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official which could reasonably be expected to have or cause a Material Adverse Effect. Neither the Borrower nor any of its Subsidiaries has any material Contingent Obligations not provided for or disclosed in the financial statements referred to in Section 4.4(a) or delivered to the Lenders pursuant to Section 5.1.

SECTION 4.6. Compliance with ERISA.

(a) The Borrower and each member of the Controlled Group have fulfilled their obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and are in compliance in all material respects with the presently applicable provisions of ERISA and the Code, and have not incurred any liability to the PBGC under Title IV of ERISA.

(b) Neither the Borrower nor any member of the Controlled Group is or ever has been obligated to contribute to any Multiemployer Plan.

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SECTION 4.7. Compliance with Laws; Taxes. The Borrower and its

Subsidiaries are in compliance with all applicable laws, regulations and similar requirements of governmental authorities, except where such compliance is being contested in good faith through appropriate proceedings. There have been filed

on behalf of the Borrower and its Subsidiaries all Federal, state and local income, excise, property and other tax returns which are required to be filed by them and all taxes due pursuant to such returns or pursuant to any assessment received by or on behalf of the Borrower or any Subsidiary have been paid or contested as permitted by Section 5.6. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

SECTION 4.8. Subsidiaries. Each of the Subsidiaries, if any, listed on

Schedule 4.8 is a corporation (or a limited liability company or partnership)

duly organized, validly existing and in good standing under the laws of the jurisdiction where it was created and organized, is qualified to transact business in every jurisdiction where the failure of any such Subsidiary to be so qualified in any other jurisdictions could reasonably be expected to have or cause a Material Adverse Effect, and has all powers and all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted, except where the failure to have any such licenses, authorizations, consents and approvals could not reasonably be expected to have or cause a Material Adverse Effect. The Borrower has no Subsidiaries except for those Subsidiaries listed on Schedule 4.8, as the same may be supplemented from

time to time in writing by the Borrower, which accurately sets forth their respective jurisdictions of creation.

SECTION 4.9. Not an Investment Company. Neither the Borrower nor any

Subsidiary is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 4.10. Ownership of Property; Liens. The Borrower and its

Subsidiaries have title to its properties sufficient for the conduct of its business, including without limitation, all properties reflected in the Borrower's most recent consolidated financial statements provided to the Lenders as described in Section 4.4 or delivered pursuant to Section 5.1, as the case may be (but excluding any such assets sold in the ordinary course of business, or as otherwise expressly permitted by Section 6.9 of this Agreement or consented to in writing by the Required Lenders, subsequent to the date of such financial statements), and none of such properties is subject to any Lien except as permitted by Section 6.8.

SECTION 4.11. No Default. Neither the Borrower nor any of its

Subsidiaries is in default under or with respect to any agreement, instrument or undertaking to which it is a party (including, without limitation, the Subsidiary Guarantee) or by which it or any of its property is bound which could reasonably be expected to have or cause a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

SECTION 4.12. Full Disclosure. All financial statements, reports,

certificates, and other information (whether written or, in the case of information furnished by any Designated Officer, oral) heretofore furnished by or on behalf of the Borrower to the Administrative Agent

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or any Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby (excluding any superseded information corrected or updated by delivery to the Administrative Agent, prior to the Closing Date, of corrected, updated or restated information) is, and all such information hereafter furnished by such representatives of the Borrower to the Administrative Agent or any Lender will be, true, accurate and complete in every material respect or based on reasonable estimates on the date as of which such information is stated or certified. The Borrower has disclosed to the Lenders in writing any and all facts known to the Borrower, after due inquiry, which could reasonably be expected to have or cause a Material Adverse Effect.

SECTION 4.13. Environmental Matters.

(a) Neither the Borrower nor any of its Subsidiaries is subject to any Environmental Liability which could reasonably be expected to have or cause a Material Adverse Effect and, to the best of the Borrower's knowledge, neither the Borrower nor any of its Subsidiaries has been designated as a potentially responsible party under CERCLA or under any state statute similar to CERCLA. To the best of the Borrower's knowledge, none of the Properties has been identified on any current or proposed (i) National Priorities List under 40 C.F.R. (S) 300, (ii) CERCLIS list or (iii) any list arising from a state statute similar to CERCLA.

(b) No Hazardous Materials are being, and, to the best of the Borrower's knowledge, have been, used, produced, manufactured, processed, treated,

recycled, generated, stored, disposed of, managed or otherwise handled at, or shipped or transported to or from the Properties or are otherwise present at, on, in or under the Properties, or, to the best of the knowledge of the Borrower, without independent inquiry, at or from any adjacent site or facility, except for Hazardous Materials used, produced, manufactured, processed, treated, recycled, generated, stored, disposed of, managed, or otherwise handled in minimal amounts in the ordinary course of business in compliance in all material respects with all applicable Environmental Requirements.

(c) The Borrower and its Subsidiaries are in compliance in all material respects with all Environmental Requirements in connection with the operation of the Properties and the Borrower's and its Subsidiary's respective businesses.

SECTION 4.14. Capital Stock. All Capital Stock, redeemable capital stock, -----
debentures, bonds, notes and all other securities and equity interests of the Borrower and its Subsidiaries presently issued and outstanding are validly and properly issued in accordance with all applicable laws, including but not limited to, the "Blue Sky" laws of all applicable states and the federal securities laws. The Capital Stock of the Borrower's Wholly Owned Subsidiaries is owned by the Borrower free and clear of any Lien or adverse claim (other than Liens created under the Pledge Agreements as contemplated herein). At least a majority of the Capital Stock of the Borrower's other Subsidiaries (other than Wholly Owned Subsidiaries) is owned by the Borrower free and clear of any Lien or adverse claim.

SECTION 4.15. Margin Stock. Neither the Borrower nor any of its -----
Subsidiaries is engaged principally, or as one of its important activities, in the business of purchasing or carrying any Margin Stock, and no part of the proceeds of any Loan will be used to purchase or

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carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock, or be used for any purpose which violates, or which is inconsistent with, the provisions of Regulation U or Regulation X.

SECTION 4.16. Insolvency. After giving effect to the execution and -----
delivery of the Loan Documents and the making of the Loans under this Agreement, the Borrower will not be "insolvent," within the meaning of such term as used in O.C.G.A. (S) 18-2-22 or as defined in (S) 101 of Title 11 of the United States Code, as amended from time to time, or be unable to pay its debts generally as such debts become due, or have an unreasonably small capital to engage in any business or transaction, whether current or contemplated.

SECTION 4.17. LLC Status. At all times prior to the LLC Conversion Date, -----
(i) GPS is and will be a validly existing limited liability company not subject to federal income tax at the entity level, (ii) no event described in Section 23.1 ("Dissolving Events") of the LLC Operating Agreement has occurred, and (iii) no action has been taken by GPS or its members that would render inaccurate the matters stated in the preceding clauses (i) and (ii).

SECTION 4.18. Spin-off Transactions. The Spin-off and the Spin-off -----
Dividend and all other related transactions comply in all material respects with all applicable laws and regulations, including without limitation, federal and state securities laws and regulations, and all organizational documents of the Borrower and NDC. The Spin-off and Spin-off Dividend and related transactions have been, or will be not later than 11:59 p.m. on the date of the initial Credit Extension made hereunder, consummated in all material respects in accordance with the terms and conditions set forth in the Form 10 Filing and Information Statement.

ARTICLE 5

AFFIRMATIVE COVENANTS

The Borrower agrees that, from and after the Closing Date and for so long as any Lender or Swing Line Lender has any Commitment or Swing Line Commitment hereunder, any Facility LC remains outstanding, or any amount payable under any Loan, Reimbursement Obligation or any other Obligation hereunder remains unpaid:

SECTION 5.1. Information. The Borrower will deliver to each of the -----
Lenders:

(a) as soon as available and in any event within 95 days after the end of each Fiscal Year, Financial Statements (Annual) of (i) the Borrower and its Consolidated Subsidiaries on a consolidated basis, and (ii) GPS and its

Consolidated Subsidiaries on a consolidated basis, all certified by Arthur Andersen LLP or other independent public accountants of nationally recognized standing, with such certification to be free of exceptions and qualifications (including, without limitation, statements as to "going concern" status) not acceptable to the Required Lenders (provided, that delivery pursuant to subsection (g) below of copies of the Annual Report on Form 10-K of the Borrower for such Fiscal Year filed with the Securities and

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Exchange Commission shall be deemed to satisfy the requirements of this Section 5.1(a) with respect to the Borrower);

(b) as soon as available and in any event within 50 days after the end of each of the first three quarters of each Fiscal Year, Financial Statements (Quarterly) of (i) the Borrower and its Consolidated Subsidiaries on a consolidated basis, and (ii) GPS and its Consolidated Subsidiaries on a consolidated basis, all certified as to fairness of presentation in all material respects, generally accepted accounting principles and consistency by the chief financial officer or the chief accounting officer of the Borrower or GPS, as the case may be, (provided, that delivery pursuant to subsection (g) below of copies of the Quarterly Report on Form 10-Q of the Borrower for such Fiscal Quarter filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 5.1(b) with respect to the Borrower);

(c) simultaneously with the delivery of each set of financial statements referred to in subsections (a) and (b) above, a Compliance Certificate (i) setting forth in reasonable detail the calculations required to establish compliance with the requirements of Sections 5.3, 6.1 through 6.9 inclusive, and 6.15 on the date of such financial statements and (ii) stating whether any Default or Event of Default exists on the date of such certificate and, if any Default or Event of Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(d) within five Business Days after the delivery of each set of annual financial statements referred to in subsection (a) above, a statement of the firm of independent public accountants which reported on such statements to the effect that nothing has come to their attention in the course of their audit to cause them to believe that any Default or Event of Default existed on the date of such financial statements;

(e) within five Business Days after the chief executive officer, chief financial officer, chief accounting officer, controller or chief legal officer of the Borrower (or any other individual having similar duties and responsibilities as any of the foregoing although not having the same title) becomes aware of the occurrence of any Default or Event of Default, a certificate of the chief financial officer or the chief accounting officer or such other Person of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(f) promptly upon the mailing thereof to the shareholders of the Borrower or the members or shareholders of GPS generally, copies of all financial statements, reports and proxy statements so mailed;

(g) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and annual, quarterly or monthly reports which the Borrower shall have filed with the Securities and Exchange Commission;

(h) if and when the Borrower or any member of the Controlled Group (i) gives or is required to give notice to the PBGC of any Reportable Event with respect to any Plan which

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might reasonably be expected to constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such Reportable Event, a copy of the notice of such Reportable Event given or required to be given to the PBGC, (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA, a copy of such notice, or (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate or appoint a trustee to administer any Plan, a copy of such notice, in each case where such Reportable Event, withdrawal liability, termination or appointment could reasonably be expected to have or cause a Material Adverse Effect;

(i) from time to time such additional information regarding the financial position or business of the Borrower and its Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request;

(j) copies of the Borrower's and each of its Operating Subsidiaries' Approved Investment Policy as of the Closing Date and within 14 Business Days of any subsequent change therein;

(k) promptly upon the receipt thereof, a copy of any management letter or management report prepared by the Borrower's independent certified public accountants in conjunction with the financial statements described in Section 5.1(a); and

(l) within five Business Days after the chief executive officer, chief financial officer, chief accounting officer, controller or chief legal officer of the Borrower (or any other individual having similar duties and responsibilities as any of the foregoing although not having the same title) becomes aware of any pending or overtly threatened litigation or other legal proceedings, or any cancellation or termination of any material agreement or receipt or sending of written notice of default or intended cancellation or termination in respect thereof, or the occurrence of any other event or condition that, in any such case, could reasonably be expected to have a Material Adverse Effect.

SECTION 5.2. Inspection of Property, Books and Records. The Borrower

will (i) keep, and cause each of its Subsidiaries to keep, proper books of record and account in which full, true and correct entries in conformity with GAAP shall be made of all dealings and transactions in relation to its business and activities; and (ii) permit, and cause each of its Subsidiaries to permit, representatives of any Lender, after notice to an officer of the Borrower or Subsidiary, at such Lender's expense during any period in which a Default or Event of Default is not in existence and at the Borrower's expense during any period in which a Default or Event of Default is in existence, to visit (which date of visit shall be two (2) Business Days after the date such request is made or any earlier date as may be mutually agreed by the Borrower and such Lender) and inspect any of their respective properties, to examine and make abstracts from any of their respective books and records and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants. The Borrower agrees to cooperate and assist in such visits and inspections, in each case at such reasonable times and as often as may reasonably be desired. Notwithstanding the foregoing, during any period in which a Default or Event of Default is not in existence, no Lender may

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engage in (i) more than two inspections per Fiscal Year or (ii) discussions with the Borrower's independent public accountants, unless the Borrower shall have otherwise consented to same.

SECTION 5.3. Additional Subsidiary Guarantors; Additional Pledge

Agreements.

(a) If any Domestic Operating Subsidiary of the Borrower (but excluding any Operating Subsidiary that is a member of the GPS Group), whether now existing or hereafter organized or acquired, has consolidated revenue in any Fiscal Quarter that exceeds the Single Subsidiary Threshold, then the Borrower shall cause such Domestic Operating Subsidiary to become an additional Subsidiary Guarantor, as provided in this Section 5.3, within 30 days after delivery of the Financial Statements (Annual) or Financial Statements (Quarterly), as the case may be, with respect to such Fiscal Quarter; provided, however, that in those instances where as a result of an Acquisition, or as a result of the sale, contribution, or other transfer of assets to a Subsidiary of the Borrower (other than a member of the GPS Group), the consolidated revenue of the resulting Domestic Operating Subsidiary is projected (on a pro forma basis) by the Borrower to exceed the Single Subsidiary Threshold during the current or the immediately succeeding Fiscal Quarter of the Borrower, and such Domestic Operating Subsidiary is not then a Subsidiary Guarantor, the Borrower shall cause such Domestic Operating Subsidiary to become an additional Subsidiary Guarantor, as provided in this Section 5.3, within 30 days after the date of such Acquisition, sale, contribution or other transfer of assets.

(b) If any First Tier Non-U.S. Operating Subsidiary, whether now existing or hereafter organized or acquired, has consolidated revenue in any Fiscal Quarter that exceeds the Single Subsidiary Threshold, then the Borrower shall cause the Applicable Pledge Amount of the Capital Stock of such First Tier Non-U.S. Operating Subsidiary to be pledged to the Administrative Agent, for the ratable benefit of the Lenders, the Swing Line Lender, the LC Issuer, and the Administrative Agent, pursuant to a Pledge Agreement as provided in this Section 5.3, within 30 days after delivery of the Financial Statements (Annual) or Financial Statements (Quarterly), as the case may be, with respect to such Fiscal Quarter; provided, however, that in those instances where as a result of an Acquisition, or as a result of the sale, contribution, or other transfer of assets to a Subsidiary of the Borrower, the consolidated revenue of the resulting First Tier Non-U.S. Operating Subsidiary is projected (on a pro forma basis) by the Borrower to exceed the Single Subsidiary Threshold during the current or the immediately succeeding Fiscal Quarter of the Borrower, and none of the Capital Stock of such First Tier Non-U.S. Operating Subsidiary is then pledged to the Administrative Agent pursuant to a Pledge Agreement, then the Borrower shall cause the Applicable Pledge Amount of the Capital Stock of such First Tier Non-U.S. Operating Subsidiary to be so pledged to the Administrative

Agent pursuant to a Pledge Agreement as provided in this Section 5.3, within 30 days after the date of such Acquisition, sale, contribution or other transfer of assets.

(c) If for any Fiscal Quarter of the Borrower, the aggregate revenue (on a non-consolidated basis) of the Borrower and those Domestic Operating Subsidiaries that are then Subsidiary Guarantors, and those First Tier Non-U.S. Operating Subsidiaries whose Capital Stock has been pledged to the Administrative Agent pursuant to a Pledge Agreement, are less than the Aggregate Subsidiary Threshold, then the Borrower shall cause one or more other Domestic Operating Subsidiaries to become additional Subsidiary Guarantors, as provided in this

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Section 5.3, and/or shall cause the Applicable Pledge Amount of Capital Stock of one or more other First Tier Non-U.S. Operating Subsidiaries to be pledged to the Administrative Agent pursuant to a Pledge Agreement, within 30 days after delivery of the Financial Statements (Annual) or Financial Statements (Quarterly), as the case may be, with respect to such Fiscal Quarter, so that after including the revenue of any such additional Subsidiary Guarantors and First Tier Non-U.S. Operating Subsidiaries, the aggregate revenue (on a non-consolidated basis) of the Borrower and all such Subsidiary Guarantors and First Tier Non-U.S. Operating Subsidiaries would equal or exceed the Aggregate Subsidiary Threshold for such Fiscal Quarter; provided, however, that in those instances where as a result of an Acquisition, or as a result of the sale, contribution, or other transfer of assets to a Subsidiary of the Borrower (other than a member of the GPS Group), or as a result of the sale or other disposition of assets by the Borrower or any Subsidiary (including the sale or other disposition of the capital stock of any Subsidiary, other than a Subsidiary of the GPS Group), the aggregate revenue (on a non-consolidated basis) of the Borrower, those Domestic Operating Subsidiaries that are then Subsidiary Guarantors, and those First Tier Non-U.S. Operating Subsidiaries whose Capital Stock has been pledged to the Administrative Agent pursuant to a Pledge Agreement, are projected (on a pro forma basis) by the Borrower to be less than the Aggregate Subsidiary Threshold during the current or the immediately succeeding Fiscal Quarter of the Borrower, then the Borrower shall cause one or more other Domestic Operating Subsidiaries to become additional Subsidiary Guarantors, as provided in this Section 5.3, and/or shall cause the Applicable Pledge Amount of the Capital Stock of one or more other First Tier Non-U.S. Operating Subsidiaries to be pledged to the Administrative Agent pursuant to a Pledge Agreement, within 30 days after the date of such Acquisition, sale, contribution or other transfer or disposition, so that after including the revenue of any such additional Subsidiary Guarantors and First Tier Non-U.S. Operating Subsidiaries, the aggregate revenue (on a non-consolidated basis) of the Borrower and all such Subsidiary Guarantors and First Tier Non-U.S. Operating Subsidiaries for such Fiscal Quarter would equal or exceed the Aggregate Subsidiary Threshold.

(d) The Borrower may elect at any time to have a Domestic Operating Subsidiary become an additional Subsidiary Guarantor as provided in this Section 5.3.

(e) Upon the occurrence and during the continuation of any Event of Default, if the Required Lenders so direct, the Borrower shall (i) cause all of its Domestic Operating Subsidiaries (excluding Domestic Operating Subsidiaries that are members of the GPS Group) to become additional Subsidiary Guarantors, as provided in this Section 5.3, within 30 days after the Borrower's receipt of written confirmation of such direction from the Administrative Agent, and (ii) cause the Applicable Pledge Amount of the Capital Stock of all First Tier Non-U.S. Subsidiaries to be pledged to the Administrative Agent pursuant to a Pledge Agreement, as provided in this Section 5.3, within 30 days after the Borrower's receipt of written confirmation of such direction from the Administrative Agent.

(f) A Domestic Operating Subsidiary shall become an additional Subsidiary Guarantor by executing and delivering to the Administrative Agent a Subsidiary Guarantee Supplement and a Contribution Agreement Supplement, accompanied by (i) all other Loan Documents related thereto, (ii) certified copies of certificates or articles of incorporation or organization, by-laws, membership operating agreements, and other organizational documents,

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appropriate authorizing resolutions of the board of directors of such Domestic Operating Subsidiaries, and opinions of counsel comparable to those delivered pursuant to Section 3.1(e), and (iii) such other documents as the Administrative Agent may reasonably request. No Domestic Operating Subsidiary that becomes a Subsidiary Guarantor shall thereafter cease to be a Subsidiary Guarantor or be entitled to be released or discharged from its obligations under the Subsidiary Guarantee or Contribution Agreement.

(g) The Capital Stock of a First Tier Non-U.S. Operating Subsidiary shall be pledged to the Administrative Agent by the execution and delivery to the Administrative Agent of a Pledge Agreement, accompanied by (i) all certificates representing such Capital Stock, instruments of transfer and stock powers

endorsed in blank, and Uniform Commercial Code financing statements in appropriate form in respect thereof, and (ii) such other documents as the Administrative Agent may reasonably request (including, without limitation, certified copies of certificates or articles of incorporation or organization, by-laws, membership operating agreements, and other organizational documents, appropriate authorizing resolutions of the Board of Directors of the holders of such Capital Stock, and opinions of counsel comparable to those delivered pursuant to Section 3.1(e)). The Capital Stock of a First Tier Non-U.S. Operating Subsidiary that has been pledged to the Administrative Agent pursuant to a Pledge Agreement shall not be entitled thereafter to be released from such Pledge Agreement, except in connection with a sale of such Capital Stock otherwise expressly permitted pursuant to Section 5.4 or Section 6.9 of this Agreement or consented to in writing by all of the Lenders.

SECTION 5.4. Maintenance of Existence. The Borrower shall at all times

maintain its existence as a corporation in the jurisdiction of its incorporation. At all times prior to the LLC Conversion Date, the Borrower shall cause GPS to maintain its existence as a limited liability company not subject to federal income tax, and at all times thereafter as a corporation in the jurisdiction of its incorporation. The Borrower shall cause each of its Operating Subsidiaries to maintain its legal existence, and carry on its business in substantially the same industry as such business shall be carried on the date of the first Borrowing hereunder; provided, that (i) the Borrower may

dissolve Subsidiaries from time to time if (x) the Board of Directors of the Borrower has determined that such dissolution is desirable, and (y) such dissolution could not reasonably be expected to have or cause a Material Adverse Effect, and (ii) the Borrower or any Subsidiary may eliminate or discontinue a business line pursuant to Section 6.9(a).

SECTION 5.5. Use of Proceeds. The proceeds of the Loans shall be used

(i) to fund the Spin-off Dividend in an amount not to exceed \$65,000,000, and (ii) for working capital and other general corporate purposes, in each case to the extent not otherwise prohibited herein (including, without limitation, pursuant to Section 6.6(b)). No portion of the proceeds of the Loans will be used by the Borrower (i) in connection with any hostile tender offer for, or other hostile acquisition of, stock (or in the case of a limited liability company, the members' equivalent equity interest) of any corporation or limited liability company with a view towards obtaining control of such other corporation or limited liability company, (ii) directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any Margin Stock, or (iii) for any purpose in violation of any applicable law or regulation.

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SECTION 5.6. Compliance with Laws; Payment of Taxes. The Borrower will,

and will cause each of its Subsidiaries and each member of the Controlled Group to, comply in all material respects with applicable laws (including but not limited to ERISA), regulations and similar requirements of governmental authorities (including but not limited to PBGC), except where the necessity of such compliance is being contested in good faith through appropriate proceedings. The Borrower will, and will cause each of its Subsidiaries to, pay, prior to the accrual of any penalty in respect thereof, all taxes, assessments, governmental charges, claims for labor, supplies, rent and other obligations which, if unpaid, might become a Lien against the property of the Borrower or any Subsidiary, except liabilities being contested in good faith and against which, if reasonably requested by the Administrative Agent, the Borrower will set up reserves in accordance with GAAP.

SECTION 5.7. Insurance. The Borrower will maintain, and will cause each

of its Subsidiaries to maintain (either in the name of the Borrower or in such Subsidiary's own name), with financially sound and reputable insurance companies, insurance on all its property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies of established repute engaged in the same or similar business.

SECTION 5.8. Maintenance of Property. The Borrower shall, and shall

cause each of its Subsidiaries to, maintain all of its properties and assets in good condition, repair and working order, ordinary wear and tear excepted.

SECTION 5.9. Environmental Notices. Upon obtaining knowledge thereof,

the Borrower shall furnish to the Lenders and the Administrative Agent prompt written notice of all Environmental Liabilities, pending, threatened or anticipated Environmental Proceedings, Environmental Notices, Environmental Judgments and Orders, and Environmental Releases at, on, in, under or in any way affecting the Properties or any adjacent property, and all facts, events, or conditions that could lead to any of the foregoing if any of the foregoing could reasonably be expected to have or cause a Material Adverse Effect; provided,

that should the Borrower or any of its Subsidiaries receive any written notice with respect to any of the foregoing, then the Borrower shall provide the Lenders and the Administrative Agent with a copy of same, regardless of whether the facts, events or conditions described therein might have or cause a Material Adverse Effect.

SECTION 5.10. Environmental Release. The Borrower agrees that upon the

occurrence of an Environmental Release it will act promptly to investigate the extent of, and to take appropriate remedial action to remedy, such Environmental Release, to the extent required by any applicable Environmental Requirement or any Environmental Judgment and Order, unless the Borrower is contesting such action in good faith through appropriate proceedings.

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ARTICLE 6

NEGATIVE COVENANTS

The Borrower agrees that, from and after the Closing Date and for so long as any Lender or Swing Line Lender has any Commitment or Swing Line Commitment hereunder, any Facility LC remains outstanding, or any amount payable under any Loan, Reimbursement Obligation or any other Obligation hereunder remains unpaid:

SECTION 6.1. Leverage Ratio. The Leverage Ratio at the end of each

Fiscal Quarter shall not be greater than 2.25 to 1.00 for the Fiscal Quarter just ended and the immediately preceding three Fiscal Quarters.

SECTION 6.2. Minimum Consolidated Net Worth. Consolidated Net Worth, as

at the end of each Fiscal Quarter, will not be less than the sum of (i) \$117,000,000 plus (ii) 50% of cumulative Consolidated Net Income of the Borrower earned in each Fiscal Quarter beginning with the first Fiscal Quarter ending after the Closing Date (taken as one accounting period), but excluding from such calculations of Consolidated Net Income for purposes of this clause (ii), any Fiscal Quarter in which the Consolidated Net Income of the Borrower and its Consolidated Subsidiaries is negative, plus (iii) 100% of the cumulative Net Proceeds of Capital Stock received or deemed received during any period after the Closing Date, calculated quarterly at the end of each Fiscal Quarter, plus (iv) 100% of the increase to Consolidated Net Worth resulting from the conversion of Debt into equity interests.

SECTION 6.3. Fixed Charge Coverage Ratio. The ratio of (i) Consolidated

EBITR to (ii) Consolidated Fixed Charges as at the end of each Fiscal Quarter, shall not be less than 2.50 to 1.00 for the Fiscal Quarter just ended and the immediately preceding three Fiscal Quarters.

SECTION 6.4. Restricted Payments. The Borrower will not declare or make

any Restricted Payment if, after giving effect thereto, (i) the aggregate of all Restricted Payments declared or made exceeds the following amounts: (x) \$20,000,000 for the period from the Closing Date through the end of the Borrower's 2001 Fiscal Year (excluding the Spin-off Dividend), and (y) \$20,000,000 for any Fiscal Year of the Borrower thereafter; or (ii) any Default or Event of Default shall be in existence (which has not been specifically waived in writing pursuant to Section 9.6) either immediately preceding or succeeding the making or declaration of any such Restricted Payment.

SECTION 6.5. Loans or Advances. Neither the Borrower nor any of its

Subsidiaries shall make loans or advances to any Person (excluding advances made by NDPS to Canadian merchants in the ordinary course of the merchant card processing business acquired in the Canadian Acquisition, and other accounts receivable of the Borrower and its Subsidiaries arising from advances made by them in the ordinary course of their respective businesses), except: (i) loans or advances (other than travel advances described in clause (v) below) to employees not exceeding \$1,000,000 in aggregate principal amount outstanding at any time (in the case of the GPI Group) or \$500,000 in aggregate principal amount outstanding at any time

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(in the case of the GPS Group), in each case made in the ordinary course of business and consistent with practices existing on the Closing Date, (ii) deposits required by government agencies or public utilities, (iii) loans or advances by the Borrower to its Operating Subsidiaries (which shall not include GPS or Subsidiaries of GPS) or by such Operating Subsidiaries to the Borrower, (iv) loans or advances by GPS to its Operating Subsidiaries or by such Operating Subsidiaries to GPS, (v) travel advances to employees not exceeding \$500,000 in the aggregate principal amount outstanding at any time for each of the GPI Group and the GPS Group, in each case made in the ordinary course of business and

consistent with practices existing on the Closing Date, (vi) loans or advances by the Borrower and NDC to Comerica not exceeding the aggregate amount outstanding at any time of (x) \$18,000,000 minus (y) Investments made under Section 6.6(a) (excluding clause (ix) thereof), (vii) loans and advances to any members of the GPS Group outstanding as a portion of the Permitted GPS Investment, (viii) advances by the Borrower or NDPS made in the ordinary course against future compensation becoming due and payable by the Borrower or NDPS to "independent service organizations" that are parties to certain merchant services agreements entered into in the ordinary course of business with the Borrower or NDPS, and (ix) loans or advances representing Investments as described on Schedule 6.6; provided that after giving effect to the making of

any loans, advances or deposits permitted by clauses (i) through (vii) of this Section, no Default or Event of Default shall be in existence (which has not been specifically waived in writing pursuant to Section 9.6).

SECTION 6.6. Investments; Acquisitions.

(a) Neither the Borrower nor any of its Subsidiaries shall make Investments in any Person except as permitted by Section 6.5 and except the following Investments (provided such Investments do not violate Section 6.6(b)):

(i) absent the existence of a Default or Event of Default, Restricted Investments;

(ii) Investments in Subsidiaries (including, without limitation, any Person becoming a Subsidiary as a result of such Investment pursuant to an Acquisition otherwise permitted pursuant to Section 6.6(b)) other than members of the GPS Group;

(iii) Guarantees (A) by the Borrower and NDC for the benefit of GPS and Comerica in existence as of August 31, 1997, of obligations in amounts not greater than the amounts guaranteed thereunder as of August 31, 1997, (B) by the Borrower and NDC for certain obligations of Technology Sales and Leasing Co., Inc., and any other Subsidiary (other than a Subsidiary that is a member of the GPS Group) in connection with the Equipment Lease Agreements, but solely to the extent that such Guarantees and the Debt Guaranteed pursuant thereto are not prohibited by any other terms of this Agreement, (C) by the Borrower and its Subsidiaries of obligations of other Subsidiaries of the Borrower (other than Subsidiaries that are members of the GPS Group) of Debt that is not of the types described in clauses (i) through (iv) of the definition of the term "Debt", provided that the obligations that are being Guaranteed are not prohibited by the terms of this Agreement, (D) by GPS of obligations of other members of the GPS Group, and (E) by the Borrower and the Subsidiary Guarantors in respect of the Obligations

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hereunder; provided that (1) with respect to clause (A), the Borrower shall

be obligated to obtain a release of such Guarantees without any further liability thereunder upon the Borrower and its Subsidiaries ceasing to be the Majority in Interest members of GPS, and (2) with respect to the preceding clauses (B), (C), and (D), no Default or Event of Default is in existence before or upon or after giving effect thereto;

(iv) an Investment in Comerica not exceeding an aggregate amount outstanding of (A) \$18,000,000 minus (B) outstanding loans or advances made under Section 6.5 (vi);

(v) capital contributions of assets as permitted by Section 6.9(a);

(vi) Investments made in Subsidiaries of GPS by GPS or by other Subsidiaries of GPS;

(vii) Investments made pursuant to an Acquisition otherwise permitted pursuant to Section 6.6(b);

(viii) Investments in any members of the GPS Group made as a portion of the Permitted GPS Investment;

(ix) Investments in existence on the Closing Date and described on Schedule 6.6; and

(x) Other Investments not described in the preceding clauses (i) through (viii) made in an aggregate amount not to exceed (x) for the period from the Closing Date through the end of the Borrower's 2001 Fiscal Year, \$10,000,000, and (y) for each subsequent Fiscal Year, the sum of (A) \$10,000,000, and (B) the amount, if any, by which \$10,000,000 exceeds the actual aggregate Investments made by the Borrower and its Subsidiaries pursuant to this clause (vii) in the immediately preceding Fiscal Year (or, where such preceding Fiscal Year is the 2001 Fiscal Year, the period from

the Closing Date through the end of such 2001 Fiscal Year).

(b) Without the prior written consent of the Required Lenders, the Borrower will not, nor will it permit any of its Subsidiaries to, acquire, whether directly or through the purchase of stock, convertible notes or otherwise, effect an Acquisition, or otherwise acquire any assets other than the loans, advances and investments permitted by Section 6.5 or 6.6(a), the assets of one of its Subsidiaries, or of fixed assets (which fixed assets do not constitute all or substantially all of the assets of the Person from whom such assets are acquired), unless in each case (i) such acquisition is of a business which is similar (as to product sold or service rendered) to the Borrower's or any relevant Subsidiary's, (ii) such acquisition is to be made upon a negotiated basis with the approval of the board of directors of the Person to be acquired, or of the percentage of ownership interests required by the charter documents of such Person to approve any such acquisition, (iii) on a pro forma basis for the most recent four Fiscal Quarters of the Borrower after giving effect to such acquisition as of the first day of such period, the Leverage Ratio is less than 2.00 to 1.00 (and, if requested by the Administrative Agent, the Borrower has

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provided to the Administrative Agent a certificate to such effect with supporting calculations), (iv) the total amount of cash consideration paid, and Debt assumed or otherwise becoming part of Consolidated Total Debt (excluding Debt of NDPS arising pursuant to the Canadian Receivables Credit Facility), in such acquisition, together with the aggregate amount of such cash consideration and Debt in respect of all other acquisitions made during the then-current Fiscal Year (or, in the case of the Borrower's 2001 Fiscal Year, the period from the Closing Date through the end of such 2001 Fiscal Year) shall not exceed \$50,000,000, and (v) no Default or Event of Default shall be in existence or be caused thereby (which has not been specifically waived in writing pursuant to Section 9.6).

SECTION 6.7. Indebtedness. The Borrower will not, nor will it permit

any of its Subsidiaries to, create, incur or suffer to exist any Debt, other than:

(a) the Loans, LC Obligations and Subsidiary Guarantees;

(b) Debt secured by Liens permitted pursuant to Section 6.8;

(c) Debt owing to the Borrower by any of its Subsidiaries (other than Subsidiaries that are members of the GPS Group), and Debt owing to GPS by any other members of the GPS Group, in any such case payable on demand on a non-subordinated basis;

(d) Debt arising from the renewal or extension of any Debt described in clause (b) above, provided that the amount of such Debt is not increased;

(e) Debt owing to any Person as a portion of the consideration payable to the seller(s) in an Acquisition permitted by Section 6.6;

(f) Debt owing by a Subsidiary of the Borrower that was in existence at the time such Person became a Subsidiary of the Borrower and not created or incurred in contemplation of such event, and that cannot be prepaid without penalty or premium or assumed by the Borrower, in an aggregate principal amount not to exceed (i) \$10,000,000, in the case of Debt not secured by any Lien, and (ii) \$25,000,000, in the case of Debt of the type described in Section 6.8 (b) or (d);

(g) Debt owing by NDPS and arising from the Guarantee of such Debt by the Borrower and the Subsidiary Guarantors pursuant to the Canadian Receivables Credit Facility in an aggregate amount outstanding at any time not to exceed Can. \$140,000,000 plus such additional amount as is necessary to fund short-term advances during peak generation periods for Canadian Receivables, so long as (x) such Debt is secured by no assets of NDPS or any other members of the GPI Group other than the Canadian Receivables and the proceeds thereof, and (y) the Canadian Receivables Intercreditor Agreement is in full force and effect;

(h) Debt owing by GPS or any other members of the GPS Group to any members of the GPI Group and constituting a portion of the Permitted GPS Investment;

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(i) Debt of the Borrower arising from any Rate Management Transactions entered into in the ordinary course of business for protection against fluctuations in interest rates and/or foreign currency exchange rates, and not for speculative purposes; and

(j) Debt of the Borrower not described in clauses (a) through (i) above in an aggregate principal amount outstanding at any time not to exceed \$25,000,000.

Notwithstanding the foregoing, no Subsidiary of the Borrower that is not a Subsidiary Guarantor (excluding GPS and the other members of the GPS Group)

shall in any event create, incur or suffer to exist any Debt of the types described in clause (i) or (ii) of the definition of the term "Debt", other than Debt owing to the Borrower or any Subsidiary Guarantor and payable on demand on a non-subordinated basis.

SECTION 6.8. Negative Pledge. Neither the Borrower nor any of its

Subsidiaries will create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except for the following.

(a) Liens existing on the date of this Agreement and described on Schedule

6.8 securing Debt outstanding on the date of this Agreement in an aggregate
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principal amount not exceeding \$15,000,000;

(b) any Lien existing on any asset of any Person at the time such Person becomes a Subsidiary, not created in contemplation of such event, that secures Debt permitted by Section 6.7(f);

(c) any Lien on any asset securing Debt (including, without limitation, a Capitalized Lease) incurred or assumed for the purpose of financing all or any part of the cost of acquiring or constructing such asset, provided that such Lien (i) attaches to such asset (and no other asset) concurrently with or within 18 months after the acquisition or completion of construction thereof, and (ii) secures solely such Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring or constructing such asset;

(d) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Borrower or a Consolidated Subsidiary and not created in contemplation of such event, that secures Debt permitted by Section 6.7(f);

(e) any Lien existing on any asset prior to the acquisition thereof by the Borrower or a Subsidiary and not created in contemplation of such acquisition;

(f) Liens securing Debt owing by any Subsidiary of the Borrower (other than a Subsidiary that is a member of the GPS Group) to the Borrower or to any other Subsidiary of the Borrower (other than a Subsidiary that is a member of the GPS Group);

(g) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by any Lien permitted by any of the foregoing clauses (a) through (f) of this

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Section, provided that (i) such Debt is not secured by any additional assets, and (ii) the amount of such Debt secured by any such Lien is not increased;

(h) Liens incidental to the conduct of its business or the ownership of its assets, including, without limitation, Liens of materialmen and landlords, which (i) do not secure Debt and (ii) do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(i) any Lien in respect of any taxes which are either (x) not, as at any date of determination, due and payable or (y) being contested in good faith as permitted by Section 5.6;

(j) Liens in respect of judgments or awards for which appeals or proceedings for review are being prosecuted and in respect of which a stay of execution upon any such appeal or proceeding for review shall have been secured, provided that such Person shall have established reserves which are adequate under GAAP for such judgments or awards;

(k) Liens existing on the date of this Agreement created by NDPS on certain of its assets, and securing certain indemnity obligations of NDPS to the sellers of the merchant credit card processing contracts;

(l) Liens on the Canadian Receivables securing the Debt permitted pursuant to Section 6.7(g); and

(m) Liens not otherwise permitted by the foregoing paragraphs of this Section securing Debt, otherwise permitted pursuant to Section 6.7, in an aggregate principal amount at any time outstanding not to exceed \$10,000,000;

provided that Liens permitted by the foregoing paragraphs (a) through (k) and paragraph (m) shall at no time secure Debt or other liabilities or obligations in an aggregate amount greater than \$55,000,000.

SECTION 6.9. Consolidations, Mergers and Sales of Assets.

(a) The Borrower will not, nor will it permit any of its Subsidiaries to,

consolidate or merge with or into, or effect any Asset Sale to, any other Person, or discontinue or eliminate any Operating Subsidiary or business segment, provided that (A) the Borrower may merge with another Person if (i) such Person was organized under the laws of the United States of America or one of its states, (ii) the Borrower is the corporation surviving such merger and (iii) immediately after giving effect to such merger, no Default or Event of Default shall have occurred and be continuing, (B) Subsidiaries may merge with, and sell assets to, one another and the Borrower, except that no Subsidiary of the Borrower, other than a member of the GPS Group, shall merge with or sell assets to a member of the GPS Group, (C) the Borrower and its Subsidiaries may eliminate or discontinue business lines and segments from time to time if (i) such action has been approved by the Board of Directors of the Borrower, and (ii) such elimination or discontinuance will not jeopardize the Borrower's or any Subsidiary Guarantor's ability to perform under any of the Loan Documents, (D) so long as no Default or Event of

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Default shall be in existence either immediately prior to or following any asset disposition, the Borrower and its respective Subsidiaries may effect any Asset Sale so long as the value of the assets sold (measured at the higher of book value or the total sale price for such assets) pursuant to all such Asset Sales (i) during the Fiscal Year ending May 31, 2001, does not exceed \$40,000,000, and (ii) during any subsequent Fiscal Year does not exceed ten percent (10%) of the book value of the consolidated total assets of the Borrower as of the end of the immediately preceding Fiscal Year, (E) Subsidiaries which are formed for the sole purpose of (1) merging into Persons that will become Subsidiaries, or (2) acquiring the assets or stock (or in the case of a limited liability company, the members' equivalent equity interests) of Persons and thereafter becoming Subsidiaries, may merge with such Persons or consolidate those Persons' assets with the assets of those Subsidiaries and (F) GPS may effect an LLC Conversion as set forth in Section 6.9(b).

(b) GPS will not effect an LLC Conversion except upon compliance with and satisfaction of the following requirements and conditions:

(1) GPS will give the Administrative Agent not less than 30 days' prior written notice of its intent to effect an LLC Conversion, such notice to include the earliest date of the LLC Conversion and a description in reasonable detail of the transactions that will be consummated in order to effect the LLC Conversion;

(2) GPS will submit to the Administrative Agent not less than 15 days prior to the LLC Conversion Date the proposed forms of transaction documents (e.g., merger agreement, asset contribution or transfer agreements, assignments, and assumption agreements) to be used by GPS to effect the LLC Conversion (collectively, the "LLC Conversion Documents");

(3) There will be executed and delivered to the Administrative Agent, at or before the LLC Conversion the following documents, all in form and substance satisfactory to the Required Lenders:

- (A) a tax sharing agreement between Newco and the Borrower (or other entity with whom Newco's tax returns may be consolidated for federal and state income tax purposes);
- (B) a certificate, dated as of the LLC Conversion Date, signed on behalf of each of GPS and Newco by a principal financial officer of each of GPS and Newco, to the effect that (i) no Default or Event of Default has occurred and is continuing on such date, and (ii) the representations and warranties contained in Article 4 are true on and as of such date;

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(C) a certified copy of the LLC Conversion Documents as the same are being executed and delivered in connection with the LLC Conversion; and

(D) all documents which the Administrative Agent or any Lender may reasonably request relating to the existence of Newco, the authority for and the validity of the LLC Conversion Documents and the documents to be delivered pursuant to this Section 6.9(b)(3) (collectively, the "Newco Documents"), and any other matters relevant thereto, including without limitation, a certificate of Newco signed by the Secretary or an Assistant Secretary of Newco, certifying as to the names, true signatures and incumbency of the officer or officers of Newco authorized to execute and deliver the LLC Conversion Documents and the Newco Documents, and certified copies

of the certificate or articles of incorporation and by-laws of Newco, the action taken by the Board of Directors of Newco authorizing the execution, delivery and performance of the LLC Conversion Documents and the Newco Documents, and a certificate of the Secretary of State of Georgia (and, if different, the Secretary of State of the state of incorporation of Newco) as to the good standing of Newco.

SECTION 6.10. Limitation on Payment Restrictions Affecting Subsidiaries.

The Borrower will not, nor will it permit any of its Subsidiaries to, create or otherwise cause or suffer to exist or become effective, any consensual encumbrance or restriction (excluding any such encumbrance or restriction under this Agreement) on the ability of any such Subsidiary to (i) pay dividends or make any other distributions on any of its Capital Stock, or (ii) pay any indebtedness owed to the Borrower or any of its Subsidiaries, or (iii) transfer any of its property or assets to the Borrower or any of its Subsidiaries, except any such encumbrance or restriction imposed by a lender extending purchase money financing in respect of any asset or assets of the Borrower or any Subsidiary so long as such encumbrance or restriction does not so encumber or restrict any other assets or property of the Borrower or any Subsidiary.

SECTION 6.11. Change in Fiscal Year. The Borrower will not change its

Fiscal Year without the consent of the Required Lenders, which consent shall not be unreasonably withheld.

SECTION 6.12. Environmental Matters. The Borrower will not, and will not

permit any Third Party to, use, produce, manufacture, process, treat, recycle, generate, store, dispose of, manage at, or otherwise handle, or ship or transport to or from the Properties any Hazardous Materials except for Hazardous Materials used, produced, manufactured, processed, treated, recycled, generated, stored, disposed, managed, or otherwise handled in the ordinary course of business in compliance in all material respects with all applicable Environmental Requirements.

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SECTION 6.13. Transactions with Affiliates. Except for those agreements

more particularly described on Schedule 6.13, neither the Borrower nor any of its Subsidiaries shall enter into, or be a party to, any transaction with any Affiliate of the Borrower or such Subsidiary (which Affiliate is not the Borrower or a Guarantor), except as permitted by law and in the ordinary course of business and pursuant to reasonable terms which are no less favorable to the Borrower or such Subsidiary than would be obtained in a comparable arm's length transaction with a Person which is not an Affiliate.

SECTION 6.14. GPS Membership Interest Voting; GPS Restrictive Agreements.

(a) The Borrower shall cause its Subsidiaries to vote their respective equity shares to cause GPS to make distributions and then distribute the same to the Borrower to the maximum extent permitted under the Operating Agreement in order for the Borrower to meet its obligations with respect to fees, interest and principal payments on the Loans and other Obligations payable by the Borrower hereunder.

(b) The Borrower shall not permit, without the prior written consent of the Administrative Agent and all of the Lenders, (i) any amendment of the definition of "Majority in Interest" contained in the Operating Agreement, (ii) any amendment or other modification to the Operating Agreement which (1) limits distributions or other payments payable by GPS to the Borrower through its Subsidiaries, or (2) reduce the percentage of voting control held by the Borrower through its Subsidiaries in GPS, or (iii) otherwise restricts distributions from GPS through its Subsidiaries to the Borrower.

SECTION 6.15. Capital Expenditures. Neither the Borrower nor any of its

Subsidiaries will make or permit to be made Capital Expenditures in any Fiscal Quarter ending after the Closing Date such that the aggregate amount of such Capital Expenditures during such Fiscal Quarter and the immediately preceding three (3) Fiscal Quarters (but excluding Fiscal Quarters ending on or before November 30, 2000) exceeds \$25,000,000.

ARTICLE 7

DEFAULTS

SECTION 7.1. Events of Default. Each of the following events ("Events

of Default") shall constitute an Event of Default under this Agreement:

(a) the Borrower shall fail to pay when due any principal of any Loan, or shall fail to pay any Reimbursement Obligation within one Business Day after such obligation shall become due, or shall fail to pay any interest on any Loan within three Business Days after such interest shall become due, or shall fail to pay any fee or other amount payable hereunder within five Business Days after such fee or other amount becomes due; or

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(b) the Borrower shall fail to observe or perform any covenant contained in Section 5.1(e), Section 5.2(ii), Sections 6.1 through 6.11 inclusive, or Sections 6.13 through 6.15 inclusive;

(c) the Borrower shall fail to observe or perform any covenant or agreement contained or incorporated by reference in this Agreement (other than those covered by paragraph (a) or (b) above) and such failure shall not have been cured within 30 days after the earlier to occur of (i) written notice thereof has been given to the Borrower by the Administrative Agent at the request of any Lender or (ii) the Borrower otherwise becomes aware of any such failure; or

(d) any representation, warranty, certification or statement made or incorporated by reference in Article 4 hereof, in any other Loan Document, or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect or misleading in any material respect when made (or deemed made); or

(e) the Borrower or any of its Subsidiaries shall fail to make any payment in respect of Debt outstanding in the aggregate principal amount of \$5,000,000 or greater (other than (i) the Loans and (ii) Debt held by the Borrower owed by a Consolidated Subsidiary or Debt held by a Consolidated Subsidiary owed by the Borrower) when due or within any applicable grace period; or

(f) an "Event of Default" shall occur under any of the other Loan Documents; provided, that, should any such "Event of Default" be waived by the Required Lenders (or, if required by Section 9.6(a) or the terms of such other Loan Document, all Lenders), then, such waiver shall operate as a waiver of an Event of Default arising under this Section 7.1(f) as a result of same; or

(g) any event or condition shall occur which results in the acceleration of the maturity of Debt outstanding of the Borrower or any of its Subsidiaries (other than (i) the Loans and (ii) Debt held by the Borrower owed by a Consolidated Subsidiary or Debt held by a Consolidated Subsidiary owed by the Borrower) in the aggregate principal amount of \$5,000,000 or greater (including, without limitation, any "put" of such Debt to the Borrower or any of its Subsidiaries) or enables (or, with the giving of notice or lapse of time or both, would enable) the holders of such Debt or any Person acting on such holders' behalf to accelerate the maturity thereof (including, without limitation, any "put" of such Debt to the Borrower or any of its Subsidiaries); or

(h) the Borrower or any of its Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any action to authorize any of the foregoing; or

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(i) an involuntary case or other proceeding shall be commenced against the Borrower or any of its Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Borrower or any of its Subsidiaries under the federal bankruptcy laws as now or hereafter in effect; or

(j) the Borrower or any member of its Controlled Group shall fail to pay when due any material amount which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans shall be filed under Title IV of ERISA by the Borrower, any member of its Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any such Plan or Plans or a proceeding shall be instituted by a fiduciary of any such Plan or

Plans to enforce Section 515 or 4219(c) (5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any such Plan or Plans must be terminated; or the Borrower or any other member of its Controlled Group shall enter into, contribute or be obligated to contribute to, terminate or incur any withdrawal liability with respect to, a Multiemployer Plan; provided, that no Default or Event of Default shall arise under this paragraph (j) so long as the maximum potential liability to the Borrower or any member of its Controlled Group shall be not greater than \$5,000,000; or

(k) one or more judgments or orders for the payment of money in an aggregate amount in excess of \$5,000,000, shall be rendered against the Borrower or any of its Subsidiaries and such judgment or order shall continue unsatisfied and unstayed for a period of 30 days; or

(l) a federal tax lien shall be filed against the Borrower under Section 6323 of the Code or a lien of the PBGC shall be filed against the Borrower under Section 4068 of ERISA and in either case such lien shall (i) secure an obligation, or asserted obligation, in excess of \$5,000,000 and (ii) remain undischarged or unstayed for a period of 30 days after the date of filing; or

(m) (i) any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of 35% or more of the outstanding shares of the voting stock of the Borrower, or (ii) as of any date a majority of the Board of Directors of the Borrower consists of individuals who were not either (A) directors of the Borrower as of the corresponding date of the previous year, (B) selected or nominated to become directors by the Board of Directors of the Borrower of which a majority consisted of individuals described in clause (A), or (C) selected or nominated to become directors by the Board of Directors of the Borrower of which a majority consisted of individuals described in clause (A) and individuals described in clause (B); or

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(n) (i) prior to the LLC Conversion Date, the Borrower and its Subsidiaries shall cease to be the "Majority in Interest" (as defined in the LLC Operating Agreement on the Closing Date) of GPS or its successor, or shall cease to have the right under the LLC Operating Agreement to designate a majority of the Board of Directors of GPS; or (ii) as of any date on or after the LLC Conversion Date, (A) any Person or two or more Persons acting in concert (other than the Borrower and its Subsidiaries) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of 20% or more of the outstanding shares of the voting stock of GPS; or (B) a majority of the Board of Directors of GPS consists of individuals who were not either (x) directors of GPS as of the corresponding date of the previous year, (y) selected or nominated to become directors by the Board of Directors of GPS of which a majority consisted of individuals described in clause (x), or (z) selected or nominated to become directors by the Board of Directors of GPS of which a majority consisted of individuals described in clause (x) and individuals described in clause (y); or

(o) the dissolution or liquidation of GPS under the LLC Operating Agreement or under applicable law, or the consummation of any LLC Conversion, other than a Permitted LLC Conversion; or

(p) (i) the Subsidiary Guarantee or any Pledge Agreement shall cease to be enforceable or (ii) the Borrower or any Subsidiary shall assert that any Loan Document is not enforceable; or

(q) the Canadian Receivables Credit Facility shall have expired or been terminated or cancelled, or otherwise cease to be in full force or effect without being replaced or refinanced by a credit facility meeting the requirements of a Canadian Receivables Credit Facility as defined herein.

SECTION 7.2. Notice of Default. The Administrative Agent shall give

notice to the Borrower of any Default under Section 7.1(c) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

SECTION 7.3. Termination of Commitments; Acceleration; Facility LC

Collateral Account.

(a) If any Default or Event of Default described in Section 7.1(h) or 7.1(i) occurs with respect to the Borrower, the obligations of the Lenders (including the Swing Line Lender) to make Loans hereunder and the obligation of the LC Issuer to issue Facility LCs shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Administrative Agent, the LC Issuer, the Swing Line Lender, or any Lender, and the Borrower will be and become thereby

unconditionally obligated, without any further notice, act or demand, to pay to the Administrative Agent an amount in immediately available funds, which funds shall be held in the Facility LC Collateral Account, equal to the difference of (x) the amount of LC Obligations at such time, less (y) the amount on deposit in the Facility LC Collateral Account at such time which is free and clear of all rights and claims of third parties and has not been applied against the Obligations (such difference, the

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"Collateral Shortfall Amount"). If any other Default or Event of Default occurs, the Required Lenders (or the Administrative Agent with the consent of the Required Lenders) may (a) terminate or suspend the obligations of the Lenders (including the Swing Line Lender) to make Loans hereunder and the obligation of the LC Issuer to issue Facility LCs, or declare the Obligations to be due and payable, or both, whereupon the Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives, and (b) upon notice to the Borrower and in addition to the continuing right to demand payment of all amounts payable under this Agreement, make demand on the Borrower to pay, and the Borrower will, forthwith upon such demand and without any further notice or act, pay to the Administrative Agent the Collateral Shortfall Amount, which funds shall be deposited in the Facility LC Collateral Account.

(b) If at any time while any Default or Event of Default is continuing, the Administrative Agent determines that the Collateral Shortfall Amount at such time is greater than zero, the Administrative Agent may (and at the direction of the Required Lenders shall) make demand on the Borrower to pay, and the Borrower will, forthwith upon such demand and without any further notice or act, pay to the Administrative Agent the Collateral Shortfall Amount, which funds shall be deposited in the Facility LC Collateral Account.

(c) The Administrative Agent may (and at the direction of the Required Lenders shall) at any time or from time to time after funds are deposited in the Facility LC Collateral Account, apply such funds to the payment of the Obligations and any other amounts as shall from time to time have become due and payable by the Borrower to the Lenders (including the Swing Line Lender) or the LC Issuer under the Loan Documents.

(d) At any time while any Default or Event of Default is continuing, neither the Borrower nor any Person claiming on behalf of or through the Borrower shall have any right to withdraw any of the funds held in the Facility LC Collateral Account. After all of the Obligations have been indefeasibly paid in full and the Aggregate Commitment (including the Swing Line Commitment) has been terminated, any fund remaining in the Facility LC Collateral Account shall be returned by the Administrative Agent to the Borrower or paid to whomever may be legally entitled thereto at such time.

ARTICLE 8

THE ADMINISTRATIVE AGENT

SECTION 8.1. Appointment; Powers and Immunities. Each Lender and the LC

Issuer hereby irrevocably appoints and authorizes the Administrative Agent to act as its Administrative Agent hereunder and under the other Loan Documents with such powers as are specifically delegated to the Administrative Agent by the terms hereof and thereof, together with such other powers as are reasonably incidental thereto. The Administrative Agent: (a) shall have no duties or responsibilities except as expressly set forth in this Agreement and the other Loan Documents, and shall not by reason of this Agreement or any other Loan Document be a trustee for any Lender; (b) shall not be responsible to the Lenders for any recitals, statements, representations or warranties contained in this Agreement or any other Loan Document, or in any

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certificate or other document referred to or provided for in, or received by any Lender under, this Agreement or any other Loan Document, or for the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or any other document referred to or provided for herein or therein or for any failure by the Borrower to perform any of its obligations hereunder or thereunder; (c) shall not be required to initiate or conduct any litigation or collection proceedings hereunder or under any other Loan Document except to the extent requested by the Required Lenders, and then only on terms and conditions satisfactory to the Administrative Agent, and (d) shall not be responsible for any action taken or omitted to be taken by it hereunder or under any other Loan Document or any other document or instrument referred to or provided for herein or therein or in connection herewith or therewith, except for its own gross negligence or willful misconduct. The Administrative Agent may employ Administrative Agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such Administrative Agents or attorneys-in-fact selected by it with reasonable care. The provisions of this Article 8 are solely for the benefit of the Administrative Agent and the Lenders, and the

Borrower shall not have any rights as a third party beneficiary of any of the provisions hereof, other than the right of the Borrower to consent to the appointment of a successor Administrative Agent as set forth in the second sentence of Section 8.9. In performing its functions and duties under this Agreement and under the other Loan Documents, the Administrative Agent shall act solely as Administrative Agent of the Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for the Borrower. The duties of the Administrative Agent shall be ministerial and administrative in nature, and the Administrative Agent shall not have by reason of this Agreement or any other Loan Document a fiduciary relationship in respect of any Lender.

SECTION 8.2. Reliance by Administrative Agent. The Administrative Agent

shall be entitled to rely upon any certification, notice or other communication (including any thereof by telephone, telefax, telegram or cable) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants or other experts selected by the Administrative Agent. As to any matters not expressly provided for by this Agreement or any other Loan Document, the Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and thereunder in accordance with instructions signed by the Required Lenders, and such instructions of the Required Lenders in any action taken or failure to act pursuant thereto shall be binding on all of the Lenders.

SECTION 8.3. Defaults. The Administrative Agent shall not be deemed to

have knowledge of the occurrence of a Default or an Event of Default (other than the nonpayment of principal of or interest on the Loans) unless the Administrative Agent has received notice from a Lender or the Borrower specifying such Default or Event of Default and stating that such notice is a "Notice of Default." In the event that the Administrative Agent receives such a notice of the occurrence of a Default or an Event of Default, the Administrative Agent shall give prompt notice thereof to the Lenders. The Administrative Agent shall give each Lender prompt notice of each nonpayment of principal of or interest on the Loans whether or not it has received any notice of the occurrence of such nonpayment. The Administrative Agent shall (subject to Section 8.8 and Section 9.6) take such action hereunder with respect to such Default or Event of

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Default as shall be directed by the Required Lenders, provided that, unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

SECTION 8.4. Rights of Administrative Agent as a Lender. With respect

to the Loans made by it, Bank One in its capacity as a Lender hereunder shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as the Administrative Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include Bank One in its individual capacity. The Administrative Agent may (without having to account therefor to any Lender) accept deposits from, lend money to and generally engage in any kind of banking, trust or other business with the Borrower and any of its Affiliates) as if it were not acting as the Administrative Agent, and the Administrative Agent may accept fees and other consideration from the Borrower (in addition to any agency fees and arrangement fees heretofore agreed to between the Borrower and the Administrative Agent) for services in connection with this Agreement or any other Loan Document or otherwise without having to account for the same to the Lenders.

SECTION 8.5. Indemnification. Each Lender severally agrees to indemnify

the Administrative Agent, to the extent the Administrative Agent shall not have been reimbursed by the Borrower, ratably in accordance with its Pro Rata Share, for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including, without limitation, counsel fees and disbursements) or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any other Loan Document or any other documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby (excluding, unless an Event of Default has occurred and is continuing, the normal administrative costs and expenses incident to the performance of its agency duties hereunder) or the enforcement of any of the terms hereof or thereof or any such other documents; provided, however that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Administrative Agent. If any indemnity furnished to the Administrative Agent for any purpose shall, in the opinion of the Administrative Agent, be insufficient or become impaired, the Administrative Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified

against until such additional indemnity is furnished.

SECTION 8.6. Payee of Note Treated as Owner. The Administrative Agent

may deem and treat the payee of any Note as the owner thereof for all purposes hereof unless and until a written notice of the assignment or transfer thereof shall have been filed with the Administrative Agent and the provisions of Section 9.8(c) have been satisfied. Any requests, authority or consent of any Person who at the time of making such request or giving such authority or consent is the holder of any Note shall be conclusive and binding on any subsequent holder, transferee or assignee of that Note or of any Note or Notes issued in exchange therefor or replacement thereof.

SECTION 8.7. Nonreliance on Administrative Agent and Other Lenders.

Each Lender agrees that it has, independently and without reliance on the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Borrower and decision to enter into this Agreement and that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement or any of the other Loan Documents. The Administrative Agent shall not be required to keep itself informed as to the performance or observance by the Borrower of this Agreement or any of the other Loan Documents or any other document referred to or provided for herein or therein or to inspect the properties or books of the Borrower or any other Person. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Administrative Agent hereunder or under the other Loan Documents, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition or business of the Borrower or any other Person (or any of their Affiliates) which may come into the possession of the Administrative Agent.

SECTION 8.8. Failure to Act. Except for action expressly required of

the Administrative Agent hereunder or under the other Loan Documents, the Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder and thereunder unless it shall receive further assurances to its satisfaction by the Lenders of their indemnification obligations under Section 8.5 against any and all liability and expense which may be incurred by the Administrative Agent by reason of taking, continuing to take, or failing to take any such action.

SECTION 8.9. Resignation or Removal of Administrative Agent. Subject to

the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by giving notice thereof to the Lenders and the Borrower and the Administrative Agent may be removed at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Administrative Agent, provided that so long as no Event of Default

shall have occurred and be continuing, such appointment shall be subject to the prior written consent of the Borrower, which consent shall not be unreasonably withheld or delayed. If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent's notice of resignation or the Required Lenders' removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent. Any successor Administrative Agent shall be a bank which has a combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article

8 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder.

ARTICLE 9

MISCELLANEOUS

SECTION 9.1. Notices. All notices, requests and other communications to

any party hereunder shall be in writing (including bank wire, telex, telecopier or similar writing) and shall be given to such party at its address or telecopier or telex number set forth on the signature pages hereof or such other address or telecopier or telex number as such party may hereafter specify for the purpose by notice to each other party. Each such notice, request or other communication shall be effective (i) if given by telecopier or telex, when such telecopier or telex is transmitted to the telecopier or telex number specified in this Section and the appropriate confirmation or answerback is received, (ii) if given by certified mail return-receipt requested, on the date set forth on the receipt (provided, that any refusal to accept any such notice shall be deemed to be notice thereof as of the time of any such refusal), addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section; provided that notices to the Administrative Agent

under Article 2 shall not be effective until received.

SECTION 9.2. No Waivers. No failure or delay by any party to this

Agreement in exercising any right, power or privilege hereunder or under any Note, Subsidiary Guarantee, Pledge Agreement or other Loan Document shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.3. Expenses; Documentary Taxes. The Borrower shall pay (i)

all reasonable out-of-pocket costs and expenses of the Administrative Agent, including the fees and disbursements of Administrative Agent's counsel (including King & Spalding), in connection with the preparation of this Agreement and the other Loan Documents, any waiver or consent hereunder or thereunder or any amendment hereto or thereto, and (ii) if a Default or Event of Default occurs, all reasonable out-of-pocket expenses incurred by the Administrative Agent, or any Lender, Swing Line Lender or LC Issuer, including reasonable fees and disbursements of counsel, in connection with such Default and collection and other enforcement proceedings resulting therefrom, including reasonable out-of-pocket expenses incurred in enforcing this Agreement and the other Loan Documents. The Borrower shall indemnify the Administrative Agent and each Lender against any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or any other Loan Documents.

SECTION 9.4. Indemnification.

(a) The Borrower shall indemnify the Administrative Agent, the Lenders, the Swing Line Lender, the LC Issuer, and each affiliate thereof and their respective directors, officers, and

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employees (each an "Indemnified Party") from, and hold each of them harmless against, any and all losses, liabilities, claims or damages to which any of them may become subject, insofar as such losses, liabilities, claims or damages arise out of or result from any actual or proposed use by the Borrower of the proceeds of any Credit Extension or any Facility LC hereunder or breach by the Borrower of this Agreement or any other Loan Document or from any investigation, litigation or other proceeding (including any threatened investigation or proceeding) relating to the foregoing (an "Indemnity Proceeding"), and the Borrower shall reimburse each Indemnified Party, upon demand (but no more frequently than every Fiscal Quarter) for any reasonable expenses (including, without limitation, reasonable legal fees) incurred in connection with any such investigation or proceeding ("Claims and Expenses"); but excluding any such losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or willful misconduct of the Indemnified Party; provided, that should the Borrower pay any amounts to the Administrative Agent, the Lenders, Swing Line Lender, or LC Issuer due to this Section, and it shall be determined that the harm being indemnified against resulted from the Administrative Agent's or any Lender's, Swing Line Lender's, or LC Issuer's gross negligence or willful misconduct, then such party receiving such payment shall rebate such payment to the Borrower, together with interest thereon accruing at the Federal Funds Rate from the date such payment was made until the date such rebate is received by the Borrower (calculated for the actual number of days elapsed on the basis of a 365 day year).

(b) If the Borrower is required to indemnify an Indemnified Party pursuant hereto and have provided evidence reasonably satisfactory to such Indemnified Party that the Borrower has the financial wherewithal to reimburse such Indemnified Party for any amount paid by such Indemnified Party with respect to such Indemnity Proceeding, such Indemnified Party shall not settle or compromise any such Indemnity Proceeding without the prior written consent of the Borrower (which consent shall not be unreasonably withheld or delayed).

(c) If a claim is to be made by an Indemnified Party under this Section,

the Indemnified Party shall give written notice to the Borrower promptly after the Indemnified Party receives actual notice of any Claims and Expenses incurred or instituted for which the indemnification is sought; provided, that, the

failure to give such prompt notice shall not decrease the Claims and Expenses payable by the Borrower, except to the extent that such failure has caused the Borrower to forfeit any substantive right of a material nature. If requested by the Borrower in writing, and so long as (i) no Event of Default shall have occurred and be continuing and (ii) the Borrower has acknowledged in writing to the Indemnified Party that the Borrower shall be obligated under the terms of its indemnity hereunder in connection with such Indemnity Proceeding (subject to the exclusion of any losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or willful misconduct of the Indemnified Party), the Borrower may, at its election, conduct the defense of any such Indemnified Proceeding to the extent such contest may be conducted in good faith on legally supported grounds. If any lawsuit or enforcement action is filed against any Indemnified Party entitled to the benefit of indemnity under this Section, written notice thereof shall be given to the Borrower as soon as practicable (and in any event within 15 days after the service of the citation or summons). Notwithstanding the foregoing, the failure so to notify the Borrower as provided in this Section will not relieve the Borrower from liability hereunder. After such notice, the Borrower shall be entitled, if they so elect, to take control of the defense and investigation of such lawsuit or action and to employ and

engage counsel of their own choice reasonably acceptable to the Indemnified Party to handle and defend the same, at the Borrower's cost, risk and expense; provided however, that the Borrower and its counsel shall proceed with diligence

and in good faith with respect thereto. If (i) the engagement of such counsel by the Borrower would present a conflict of interest which would prevent such counsel from effectively defending such action on behalf of the Indemnified Party, (ii) the defendants in, or targets of, any such lawsuit or action include both the Indemnified Party and Borrower, and the Indemnified Party reasonably concludes that there may be legal defenses available to it that are different from or in addition to those available to the Borrower, (iii) the Borrower fails to assume the defense of the lawsuit or action or to employ counsel reasonably satisfactory to such Indemnified Party, in either case in a timely manner, or (iv) an Event of Default shall occur and be continuing, then such Indemnified Party may employ separate counsel to represent or defend it in any such action or proceeding and the Borrower will pay the fees and disbursements of such counsel; provided, however that each Indemnified Party shall, in connection with any matter covered by this Section which also involves other Indemnified Parties, use reasonable efforts to avoid unnecessary duplication of efforts by counsel for all indemnities. Should the Borrower be entitled to conduct the defense of any Indemnity Proceeding pursuant to the terms of this Section, the Indemnified Party shall cooperate (with all Claims and Expenses associated therewith to be paid by the Borrower) in all reasonable respects with the Borrower and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however that the

Indemnified Party may, at its own cost (except as set forth in, and in accordance with, the foregoing sentence), participate in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom.

(d) The Administrative Agent, LC Issuer, Swing Line Lender and each Lender agree that in the event that any Indemnity Proceeding is asserted or threatened in writing or instituted against it or any other party entitled to indemnification hereunder, the Administrative Agent, LC Issuer, Swing Line Lender or such Lender shall promptly notify the Borrower thereof in writing and agree, to the extent appropriate, to consult with the Borrower with a view to minimizing the cost to the Borrower of its obligations under this Section; provided that the failure to so notify the Borrower will not relieve the Borrower from liability hereunder except to the extent such failure has caused the Borrower to forfeit any substantive right of a material nature.

SECTION 9.5. Sharing of Setoffs. Each of the Lender (including the

Swing Line Lender) agrees that if it shall, by exercising any right of setoff or counterclaim or otherwise, receive payment of a proportion of the aggregate amount of principal and interest owing with respect to the Loans held by it which is greater than the proportion received by any other Lender in respect of the aggregate amount of all principal and interest owing with respect to the Loan held by such other Lender, the Lender receiving such proportionately greater payment shall purchase such participations in the Loans held by the other Lenders owing to such other Lenders, and such other adjustments shall be made, as may be required so that all such payments of principal and interest with respect to the Loans held by the Lenders owing to such other Lenders shall be shared by the Lenders pro rata; provided that (i) nothing in this Section

shall impair the right of any Lender to exercise any right of setoff or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of the Borrower other than its indebtedness under the

Loans, and (ii) if all or any portion of such payment received by the purchasing Lender is thereafter recovered from such purchasing Lender, such purchase from

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each other Lender shall be rescinded and such other Lender shall repay to the purchasing Lender the purchase price of such participation to the extent of such recovery together with an amount equal to such other Lender's ratable share (according to the proportion of (x) the amount of such other Lender's required repayment to (y) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees, to the fullest extent it may effectively do so under applicable law, that any holder of a participation in a Loan, whether or not acquired pursuant to the foregoing arrangements, may exercise rights of setoff or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of the Borrower in the amount of such participation.

SECTION 9.6. Amendments and Waivers.

(a) Except as otherwise specifically provided herein, any provision of this Agreement or any other Loan Documents may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Required Lenders (and, if the rights, commitments, or duties of the Administrative Agent, Swing Line Lender or LC Issuer are affected thereby, by the Administrative Agent, Swing Line Lender, or LC Issuer, as the case may be); provided that, no such amendment or waiver shall, unless signed by all Lenders, (i) change the Commitment or Swing Line Commitment of any Lender or Swing Line Lender or subject any Lender or Swing Line Lender to any additional obligation, (ii) reduce the principal of or rate of interest on any Loan, Reimbursement Obligation, or any fees hereunder (other than fees payable under the Administrative Agent/Arranger Letter Agreement), (iii) extend the date fixed for any payment of principal of or interest on any Loan, Reimbursement Obligation, or any fees (other than fees payable under the Administrative Agent/Arranger Letter Agreement) hereunder, (iv) reduce the amount of principal, interest, Reimbursement Obligation, or fees due on any date fixed for the payment thereof, (v) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Obligations, or the number of Lenders, which shall be required for the Lenders or any of them to take any action under this Section or any other provision of this Agreement, (vi) change the manner of application of any payments made under this Agreement, (vii) reduce any obligation owed under or release any Subsidiary Guarantee (except as permitted under Section 5.4 or 6.9 in connection with the dissolution, sale or other disposition of a Subsidiary Guarantor) given to support payment of the Obligations, (viii) release all or any material portion of the collateral under any Pledge Agreement (except as permitted under Section 5.4 or 6.9 in connection with the dissolution, sale or other disposition of a First Tier Non-U.S. Operating Subsidiary), (ix) extend the Facility Termination Date or the expiry date of any Facility LC to a date after the Facility Termination Date, or (x) amend this Section 9.6(a).

(b) The Borrower will not solicit, request or negotiate for or with respect to any proposed waiver or amendment of any of the provisions of this Agreement unless each Lender shall be informed thereof by the Borrower and shall be afforded an opportunity of considering the same and shall be supplied by the Borrower with both (i) reasonably sufficient information to enable it to make an informed decision with respect thereto, and (ii) substantially the same information as supplied by the Borrower to any other Lender. Executed or true and correct copies of any waiver or consent effected pursuant to the provisions of this Agreement shall be delivered by the Borrower to each Lender within two Business Days following the date on which

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the same shall have been executed and delivered by the requisite percentage of Lenders. The Borrower will not, directly or indirectly, pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, to any Lender (in its capacity as such) as consideration for or as an inducement to the entering into by such Lender of any waiver or amendment of any of the terms and provisions of this Agreement unless such remuneration is concurrently paid, on the same terms, ratably to all such Lenders.

SECTION 9.7. No Margin Stock Collateral. Each of the Lenders represents

to the Administrative Agent, each of the other Lenders and the Borrower that it in good faith is not, directly or indirectly (by negative pledge or otherwise), relying upon any Margin Stock as collateral in the extension or maintenance of the credit provided for in this Agreement.

SECTION 9.8. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns;

provided that the Borrower may not assign or otherwise transfer any of its rights under this Agreement without the prior written consent of the Administrative Agent, the Lenders and the LC Issuer.

(b) Any Lender may at any time sell to one or more Persons (each a "Participant") participating interests in any Loan owing to such Lender, any Note held by such Lender, any Commitment hereunder or any other interest of such Lender hereunder, provided that such participations shall be in minimum amounts of \$5,000,000. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan and Note for all purposes under this Agreement, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. In no event shall a Lender that sells a participation be obligated to the Participant to take or refrain from taking any action hereunder except that such Lender may agree that it will not (except as provided below), without the consent of the Participant, agree to (i) the extension of any date fixed for the payment of principal or interest on the related Loan or Loans, (ii) the reduction of the amount of any principal, interest or fees due on any date fixed for the payment thereof with respect to the related Loan or Loans, (iii) the reduction in the rate at which either interest is payable thereon or (if the Participant is entitled to any part thereof) facility fee is payable hereunder from the rate at which the Participant is entitled to receive interest or facility fee (as the case may be) in respect of such participation, or (iv) the reduction of any obligation owing under or the release of the Subsidiary Guarantee (except as permitted under Section 5.4 or 6.9(a) in connection with the dissolution, sale or other disposition of a Subsidiary Guarantor) given to support payment of the Loans. Each Lender selling a participating interest in any Loan, Note, Commitment or other interest under this Agreement, shall, within 10 Business Days of such sale, provide the Borrower and the Administrative Agent with written notification stating that such sale has occurred and identifying the Participant and the interest purchased by such Participant. The Borrower acknowledges and agrees that the benefits of Sections 2.19 through 2.22 shall continue in effect with respect to the full amount of

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each Lender's Loans and Commitment, notwithstanding its sale of participating interests therein as contemplated hereby.

(c) Any Lender may at any time transfer and assign to one or more banks or financial institutions (each an "Assignee") all, or a proportionate part of all, of its Outstanding Credit Exposure or other rights and obligations under this Agreement, the Notes, and any other Loan Documents, and such Assignee shall assume all such Outstanding Credit Exposure or other rights and obligations, pursuant to an Assignment Agreement in the form attached hereto as Exhibit E,

executed by such Assignee, such transferor Lender and the Administrative Agent (and, in the case of an Assignee that is not then a Lender, by the Borrower); provided that (i) no interest may be sold pursuant to this paragraph (c) unless the Assignee shall agree to assume ratably equivalent portions of the transferor Lender's Commitment and obligations in respect of Facility LCs and Swing Line Loans, (ii) the amount of the Commitment of the transferor Lender subject to such assignment (determined as of the effective date of the assignment) shall be equal to \$15,000,000 (or any larger multiple of \$1,000,000) or, if less, the remaining amount of the transferor Lender's Commitment as of the date of such assignment, and (iii) so long as no Event of Default has occurred and is continuing, no interest may be sold by a Lender pursuant to this paragraph (c) to any Assignee that is not then a Lender, or an Affiliate of a Lender, without the prior written consent of the Borrower and the Administrative Agent (which consent of the Borrower and the Administrative Agent shall not be unreasonably withheld or delayed). Upon (A) execution of the Assignment Agreement by such transferor Lender, such Assignee, the Administrative Agent and (if applicable) the Borrower, (B) delivery of a Notice of Assignment and an executed copy of the Assignment Agreement to the Borrower and the Administrative Agent, (C) payment by such Assignee to such transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Assignee, and (D) payment of a processing and recordation fee of \$3,500 to the Administrative Agent, such Assignee shall, on the "Effective Date" as provided in the Assignment Agreement, for all purposes be a Lender party to this Agreement and shall have all the rights and obligations of a Lender under this Agreement to the same extent as if it were an original party hereto with a Commitment as set forth in such instrument of assumption, and the transferor Lender shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by the Borrower, the Lenders, the LC Issuer or the Administrative Agent shall be required. Upon the consummation of any transfer to an Assignee pursuant to this paragraph (c), the transferor Lender, the Administrative Agent and the Borrower shall make appropriate arrangements so that, if required, a new Note is issued to such Assignee and, if necessary, a new Note shall be issued to the transferor Lender.

(d) Subject to the provisions of Section 9.9, the Borrower authorizes each Lender to disclose to any Participant, Assignee or other transferee (each a

"Transferee") and any prospective Transferee any and all financial information in such Lender's possession concerning the Borrower which has been delivered to such Lender by the Borrower pursuant to this Agreement or which has been delivered to such Lender by the Borrower in connection with such Lender's credit evaluation prior to entering into this Agreement.

(e) Transferees shall be entitled to receive a greater payment under Section 2.19 or 2.20 than the transferor Lender would have been entitled to receive with respect to the rights

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transferred, only if such transfer is made with the Borrower's prior written consent or by reason of the provisions of Section 2.23 requiring such Lender to designate a different Lending Installation under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist.

(f) Anything in this Section 9.8 to the contrary notwithstanding, any Lender may assign and pledge all or any portion of the Loans and/or other Obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, provided that any payment in respect of such assigned Loans and/or other Obligations made by the Borrower to the assigning and/or pledging Lender in accordance with the terms of this Agreement shall satisfy the Borrower's obligations hereunder in respect of such assigned Loans and/or other Obligations to the extent of such payment. No such assignment shall release the assigning and/or pledging Lender from its obligations hereunder.

SECTION 9.9. Confidentiality. Each Lender agrees to exercise its

reasonable efforts and in any event not less than the same degree of care as it uses to maintain its own confidential information in maintaining the confidentiality of any information delivered or made available by the Borrower to it which is clearly indicated to be confidential information from any one other than persons employed or retained by such Lender who are or are expected to become engaged in evaluating, approving, structuring or administering the Loans; provided, however that nothing herein shall prevent any Lender from disclosing such information (i) to any other Lender or an affiliate of any Lender, (ii) upon the order of any court or administrative agency, (iii) upon the request or demand of any regulatory agency or authority having jurisdiction over such Lender, (iv) which has been publicly disclosed by means which are not violative of this Section 9.9, (v) to the extent reasonably required in connection with any litigation to which the Administrative Agent, any Lender or their respective Affiliates may be a party, (vi) to the extent reasonably required in connection with the exercise of any right, power of remedy hereunder or under any of the other Loan Documents, (vii) to such Lender's legal counsel and independent auditors and (viii) to any actual or proposed Participant, Assignee or other Transferee of all or part of its rights hereunder which has agreed in writing (x) to be bound by the provisions of this Section 9.9 and (y) that the Borrower is a third party beneficiary of such agreement, and (z) to return all copies of the confidential information to the Administrative Agent if the proposed assignment or participation is not consummated.

SECTION 9.10. Representation by Lenders. Each Lender hereby represents

that it is a commercial lender or financial institution which makes Loans and other Credit Extensions in the ordinary course of its business and that it will make its Loans and other Credit Extensions hereunder for its own account in the ordinary course of such business; provided, however that, subject to Section 9.8, the disposition of the Loan or Loans held by that Lender shall at all times be within its exclusive control.

SECTION 9.11. Obligations Several. The obligations of each Lender, Swing

Line Lender and LC Issuer hereunder are several, and none of them shall be responsible for the obligations or commitment of any other party hereunder. Nothing contained in this Agreement

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and no action taken by the Lenders, Swing Line Lender and LC Issuer pursuant hereto shall be deemed to constitute any of them to be a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender, Swing Line Lender and LC Issuer shall be a separate and independent debt, and each Lender, Swing Line Lender and LC Issuer shall be entitled to protect and enforce its rights arising out of this Agreement or any other Loan Document and it shall not be necessary for any other of them to be joined as an additional party in any proceeding for such purpose.

SECTION 9.12. Georgia Law. This Agreement and each Note shall be

construed in accordance with and governed by the law of the State of Georgia without regard to the effect of conflicts of laws.

SECTION 9.13. Interpretation. No provision of this Agreement or any of

the other Loan Documents shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or dictated such provision.

SECTION 9.14. WAIVER OF JURY TRIAL; CONSENT TO JURISDICTION. THE BORROWER

(A) AND EACH OF THE LENDERS, SWING LINE LENDER, LC ISSUER, AND THE ADMINISTRATIVE AGENT IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, (B) SUBMITS TO THE NONEXCLUSIVE PERSONAL JURISDICTION IN THE STATE OF GEORGIA, THE COURTS THEREOF AND THE UNITED STATES DISTRICT COURTS SITTING THEREIN, FOR THE ENFORCEMENT OF THIS AGREEMENT, THE NOTES AND THE OTHER LOAN DOCUMENTS, AND (C) WAIVES ANY AND ALL PERSONAL RIGHTS UNDER THE LAW OF ANY JURISDICTION TO OBJECT ON ANY BASIS (INCLUDING, WITHOUT LIMITATION, INCONVENIENCE OF FORUM) TO JURISDICTION OR VENUE WITHIN THE STATE OF GEORGIA FOR THE PURPOSE OF LITIGATION TO ENFORCE THIS AGREEMENT, THE NOTES OR THE OTHER LOAN DOCUMENTS. NOTHING HEREIN CONTAINED, HOWEVER, SHALL PREVENT THE ADMINISTRATIVE AGENT, THE LENDERS, THE SWING LINE LENDER OR LC ISSUER FROM BRINGING ANY ACTION OR EXERCISING ANY RIGHTS AGAINST THE BORROWER PERSONALLY, AND AGAINST ANY ASSETS OF THE BORROWER, WITHIN ANY OTHER STATE OR JURISDICTION.

SECTION 9.15. Counterparts. This Agreement may be signed in any number of

counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 9.16. Severability. In case any one or more of the provisions

contained in this Agreement, the Notes, Subsidiary Guarantee, Pledge Agreement(s), or any of the other Loan Documents should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby and shall be enforced to the greatest extent permitted by law.

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SECTION 9.17. Interest. In no event shall the amount of interest, and all

charges, amounts or fees contracted for, charged or collected pursuant to this Agreement, the Notes or the other Loan Documents and deemed to be interest under applicable law (collectively, "Interest") exceed the highest rate of interest allowed by applicable law (the "Maximum Rate"), and in the event any such payment is inadvertently received by any Lender, then the excess sum (the "Excess") shall be credited as a payment of principal, unless the Borrower shall notify such Lender in writing that it elects to have the Excess returned forthwith. It is the express intent hereof that the Borrower not pay and the Lenders not receive, directly or indirectly in any manner whatsoever, interest in excess of that which may legally be paid by the Borrower under applicable law. The right to accelerate maturity of any of the Loans and other Obligations does not include the right to accelerate any interest that has not otherwise accrued on the date of such acceleration, and the Administrative Agent and the Lenders do not intend to collect any unearned interest in the event of any such acceleration. All monies paid to the Administrative Agent or the Lenders hereunder or under any of the Notes or the other Loan Documents, whether at maturity or by prepayment, shall be subject to rebate of unearned interest as and to the extent required by applicable law. By the execution of this Agreement, the Borrower covenants, to the fullest extent permitted by law, that (i) the credit or return of any Excess shall constitute the acceptance by the Borrower of such Excess, and (ii) the Borrower shall not seek or pursue any other remedy, legal or equitable, against the Administrative Agent or any Lender, based in whole or in part upon contracting for charging or receiving any Interest in excess of the Maximum Rate. For the purpose of determining whether or not any Excess has been contracted for, charged or received by the Administrative Agent or any Lender, all interest at any time contracted for, charged or received from the Borrower in connection with this Agreement, the Notes or any of the other Loan Documents shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread in equal parts throughout the full term of the Commitments. The Borrower, the Administrative Agent and each Lender shall, to the maximum extent permitted under applicable law, (i) characterize any non-principal payment as an expense, fee or premium rather than as Interest and (ii) exclude voluntary prepayments and the effects thereof. The provisions of this Section shall be deemed to be incorporated into each Note and each of the other Loan Documents (whether or not any provision of this Section is referred to therein). All such Loan Documents and communications relating to any Interest owed by the Borrower and all figures set forth therein shall, for the sole purpose of computing the extent of obligations hereunder and under the Notes and the other Loan Documents be automatically recomputed by the Borrower, and by any court considering the same, to give effect to the adjustments or credits required by this Section.

SECTION 9.18. Replacement of Lenders. If (i) any Lender demands payment

of amounts pursuant to Sections 2.19, 2.20 or 2.24 that exceed comparable amounts being demanded by the other Lenders in respect of the circumstances described in either such Section, or (ii) any Lender sends the Borrower a notice of violation of applicable law, rule, regulation, or directive pursuant to Section 2.21 and such notice is not sent by the other Lenders, then in any such case the Borrower may, in its sole discretion and at its sole expense, on 10 Business Days' prior notice to the Administrative Agent and the affected Lender, cause such Lender to (and such Lender shall) assign, pursuant to Section 9.8(c), all of its rights and obligations under this Agreement to a financial institution designated by the Borrower that is willing to become a

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Lender, such assignment to be made upon payment to the assigning Lender of an amount equal to the outstanding principal amount of the Loans payable to such Lender plus all accrued but unpaid interest on such Loans, all accrued but unpaid fees with respect to such Lender's Commitment, the assumption of such Lender's obligations in respect of all LC Obligations and Swing Line Loans, and all other amounts payable to such Lender under this Agreement. Without limiting the foregoing, the Borrower may in lieu of finding a replacement Lender for the affected Lender, elect to reduce the Aggregate Commitment by the amount of the Commitment of such affected Lender.

SECTION 9.19. LIMITATION OF DAMAGES. NEITHER THE ADMINISTRATIVE AGENT NOR

ANY OF THE LENDERS SHALL BE RESPONSIBLE OR LIABLE TO ANY PERSON OR ENTITY FOR ANY PUNITIVE OR EXEMPLARY DAMAGES WHICH MAY BE ALLEGED AGAINST THE ADMINISTRATIVE AGENT IN ITS AGENCY CAPACITY OR AGAINST ANY OF THE LENDERS AS A RESULT OF THIS AGREEMENT, THE OTHER LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

GLOBAL PAYMENTS INC.

Address for Notices:

- -----

Four Corporate Square
Atlanta, Georgia 30329-2009
Attention: Suelllyn P. Tornay, Esq.
Telecopier No.: 404/728-2990

By: _____
Name:
Title:

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BANK ONE, NA,
as Administrative Agent, Lender, LC Issuer
and Swing Line Lender

Address for Notices

- -----

Bank One Plaza
Mail Suite 0324, Tenth Floor
Chicago, Illinois 60670
Attention: David McNeela
Telecopier No.: 312/732-2991

By: _____
Name:
Title:

Lending Installation:

Bank One Plaza
Chicago, Illinois 60670

SYNDICATED LOAN COMMITMENT:

\$40,000,000

SWING LINE COMMITMENT:

\$15,000,000

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SUNTRUST BANK,
as Documentation Agent and Lender

Address for Notices
- -----

SunTrust Plaza
303 Peachtree Street, NE
2nd Floor, MC-1921
Atlanta, GA 30308
Attention: Brian Peters
Telecopier No.: 404/588-8833

By: _____
Name:
Title:

Lending Installation:

SunTrust Plaza
303 Peachtree Street, N.E.
Atlanta, GA 30308

SYNDICATED LOAN COMMITMENT:

\$30,000,000

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WACHOVIA BANK, N.A.,
as Syndication Agent and Lender

Address for Notices
- -----

191 Peachtree Street
29th Floor
Atlanta, GA 30303
Attention: Karen McClain
Telecopier No.: 404/332-4048

By: _____
Name:
Title:

Lending Installation:

Wachovia Bank, N.A.
191 Peachtree Street
Atlanta, GA 30303

SYNDICATED LOAN COMMITMENT:

\$30,000,000

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COMERICA BANK, as Lender

Address for Notices
- -----

US Banking - Southeast
One Detroit Center
500 Woodward Avenue
Mail Code 3280
Detroit, MI 48226
Attention: Kristine L. Vigliotti
Telecopier No.: 313/222-3330

By: _____
Name:
Title:

Lending Installation:

US Banking - Southeast
One Detroit Center
500 Woodward Avenue
Mail Code 3280
Detroit, MI 48226

SYNDICATED LOAN COMMITMENT:

\$10,000,000

AMENDMENT NO. 1 TO CREDIT AGREEMENT

THIS AMENDMENT NO. 1 TO CREDIT AGREEMENT (this "Amendment") effective as of March 20, 2001, by and among GLOBAL PAYMENTS INC., a Georgia corporation, as Borrower, the banks and other financial institutions listed on the signature pages hereof, as Lenders, BANK ONE, NA, a national banking association having its principal office in Chicago, Illinois, as Administrative Agent, Swing Line Lender and LC Issuer, SUNTRUST BANK, a Georgia banking corporation, as Documentation Agent, and WACHOVIA BANK, N.A., a national banking association, as Syndication Agent.

W I T N E S S E T H:

WHEREAS, Borrower, the Lenders, and the Agents are parties to a certain Credit Agreement dated as of January 31, 2001 (the "Credit Agreement"; capitalized terms used in this Amendment without definition that are defined in the Credit Agreement shall have the meanings in this Amendment as specified for such capitalized terms in the Credit Agreement);

WHEREAS, Borrower and Lenders constituting the "required lenders" under the Credit Agreement have agreed to amend the Credit Agreement in certain respects as set forth in this Amendment;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1. Amendments to Credit Agreement. Subject to the satisfaction of the conditions precedent set forth in Section 2 hereof, and effective as of the Effective Date (as hereinafter defined), the Credit Agreement is hereby amended as follows:

1.1 Section 1.1 of the Credit Agreement is hereby amended by adding the new defined terms "CIBC/NDPS Acquisition Note", "GP Canada", and "NDPS/GP Canada Acquisition Note" and accompanying definitions, in appropriate alphabetical order, as follows:

"CIBC/NDPS Acquisition Note" means the promissory note made by NDPS payable to the Canadian Seller in the approximate principal sum of U.S. \$136,850,000 and given in consideration for the Canadian Acquisition, which promissory note shall be repayable in full not later than the next Business Day immediately following the execution and delivery of such promissory note at the time the Canadian Acquisition is consummated.

"GP Canada" means Global Payments Canada, Inc., an Ontario corporation, and its successors and permitted assigns.

"NDPS/GP Canada Acquisition Note" means the promissory note made by GP Canada payable to NDPS in the approximate principal sum of Can. \$13,026,960 and given in partial consideration of the sale and transfer by NDPS to GP Canada of the merchant credit card terminals and related tangible property of the terminal business acquired by NDPS in the Canadian Acquisition, which promissory note shall be repayable on demand with interest payable monthly.

1.2 Section 6.5 of the Credit Agreement is hereby amended by deleting clause (iii) of said Section 6.5 in its entirety and substituting in lieu thereof the following clause (iii):

(iii) loans or advances by the Borrower to its Operating Subsidiaries (but excluding GPS or any Subsidiary of GPS) or by such Operating Subsidiaries to the Borrower or to any Subsidiary Guarantor,

1.3 Section 6.6(b) of the Credit Agreement is hereby amended by deleting clause (iv) of said Section 6.6(b) in its entirety and substituting in lieu thereof the following clause:

(iv) the total amount of cash consideration paid, and Debt assumed

or otherwise becoming part of Consolidated Total Debt (excluding Debt of NDPS arising pursuant to the Canadian Receivables Credit Facility or the CIBC/NDPS Acquisition Note), in such acquisition, together with the aggregate amount of such cash consideration and Debt in respect of all other acquisitions made during the then-current Fiscal Year (or, in the case, of the Borrower's 2001 Fiscal Year, the period from the Closing Date through the end of such 2001 Fiscal Year) shall not exceed \$50,000,000, and

1.4 Section 6.7 of the Credit Agreement is hereby amended by

deleting clause (c) of said Section 6.7 in its entirety and substituting in lieu thereof the following clause (c):

(c) Debt owing (i) to the Borrower by any of its Operating Subsidiaries (other than Subsidiaries that are members of the GPS Group), (ii) to NDPS by GP Canada pursuant to the NDPS/GP Canada Acquisition Note (so long as such Debt is repaid in accordance with its terms), (iii) to any Operating Subsidiary (which shall not include GPS or Subsidiaries or GPS) by any Subsidiary Guarantor, and (iv) Debt owing to GPS by any other members of the GPS Group, provided, however, that any such Debt pursuant to clauses (i) and (iv) shall be payable on demand on a non-subordinated basis;

Section 6.7 of the Credit Agreement is hereby further amended by deleting clause

(g) of said Section 6.7 in its entirety and substituting in lieu thereof the following clause (g):

(g) Debt owing to the Canadian Seller (i) by NDPS pursuant to the CIBC/NDPS Acquisition Note, and (ii) by NDPS pursuant to the Canadian Receivables Credit Facility in an aggregate amount outstanding at any time not to exceed Can. \$140,000,000 plus such additional amount as is necessary to fund short-term advances during peak generation periods for Canadian Receivables, and the Debt arising from the Guarantee of such Debt of NDPS described in this clause (ii) by the Borrower and the Subsidiary Guarantors, so long as (x) such Debt is secured by no assets of NDPS or any other members of the GPI Group other than Canadian Receivables and the proceeds

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thereof, and (y) the Canadian Receivables Intercreditor Agreement is in full force and effect;

SECTION 2. Conditions to Effectiveness of Amendment. This Amendment

shall become effective as of the date first above written (the "Effective Date")

on the first day when the Administrative Agent shall have received (i) the duly executed counterparts of this Amendment, as executed on behalf of Lenders constituting the Required Lenders, and (ii) the duly executed Subsidiary Guarantee Supplement, Contribution Agreement Supplement, and other documents as specified in Section 5.3(f) of the Credit Agreement in order for GP Finance, Inc. to become an additional Subsidiary Guarantor.

SECTION 3. Status of Obligations. Borrower hereby confirms and

agrees that all Loans and all other Obligations outstanding under the Credit Agreement and the other Loan Documents as of the date hereof were duly and validly created and incurred by Borrower thereunder, that all such outstanding amounts are owed in accordance with the terms of the Credit Agreement and other Loan Documents, and that there are no rights of offset, defense, counterclaim, claim or objection in favor of Borrower arising out of or with respect to any of the Loans or other Obligations of Borrower to the Agents or the Lenders, and any such rights of offset, defense, counterclaim, claims or objections have been and are hereby waived and released by Borrower.

SECTION 4. Representations and Warranties of Borrower. Borrower,

without limiting the representations and warranties provided in the Credit Agreement, represents and warrants to the Lenders and the Agents as follows:

4.1 The execution, delivery and performance by Borrower of this Amendment are within Borrower's corporate powers, have been duly authorized by all necessary corporate action (including any necessary shareholder action) and do not and will not (a) violate any provision of any law, rule or regulation, any judgment, order or ruling of any court or governmental agency, the certificate of incorporation or by-laws of Borrower, or any indenture, agreement or other instrument to which Borrower is a party or by which Borrower or any of its properties is bound or (b) be in conflict with, result in a breach of, or constitute with notice or lapse of time or both a default under any such indenture, agreement or other instrument.

4.2 This Amendment constitutes the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its

terms.

4.3 After giving effect to this Amendment, no Default or Event of Default has occurred and is continuing as of the Effective Date.

SECTION 5. Survival. Each of the foregoing representations and

warranties shall be made at and as of the Effective Date. Each of the foregoing representations and warranties shall constitute a representation and warranty of Borrower under the Credit Agreement, and it shall be an Event of Default if any such representation and warranty shall prove to have been incorrect or false in any material respect at the time when made. Each of the foregoing representations and warranties shall survive and not be waived by the execution and delivery of this Amendment or any investigation by the Lenders or the Agents.

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SECTION 6. Ratification of Credit Agreement and Loan Documents.

Except as expressly amended herein, all terms, covenants and conditions of the Credit Agreement and the other Loan Documents shall remain in full force and effect, and the parties hereto do expressly ratify and confirm the Credit Agreement (as amended herein) and the other Loan Documents. All future references to the Credit Agreement shall be deemed to refer to the Credit Agreement as amended hereby.

SECTION 7. Indemnity. In consideration of the amendments agreed to

by the Lenders pursuant to this Amendment, Borrower hereby indemnifies each Agent, and each Lender, and their respective officers, partners, directors, employees, representatives and agents from, and hold each of them harmless against, any and all costs, losses, liabilities, claims, damages or expenses incurred by any of them (whether or not any of them is designated a party thereto) (an "Indemnitee") arising out of or by reason of any investigation, litigation or other proceeding related to this Amendment, the Credit Agreement or any other Loan Documents or any actual or proposed use of the proceeds of any of the Loans, including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation, litigation or other proceeding; provided, however, Borrower shall not be obligated to indemnify any Indemnitee for any of the foregoing arising out of such Indemnitee's gross negligence or willful misconduct.

SECTION 8. No Waiver, Etc. Borrower hereby agrees that nothing

herein shall constitute a waiver by the Lenders of any Default or Event of Default, whether known or unknown, which may exist under the Credit Agreement. Borrower hereby further agrees that no action, inaction or agreement by the Lenders, including without limitation, any indulgence, waiver, consent or agreement altering the provisions of the Credit Agreement which may have occurred with respect to the non-performance of any obligation under the terms of the Credit Agreement or any portion thereof, or any other matter relating to the Credit Agreement, shall require or imply any future indulgence, waiver, or agreement by the Lenders.

SECTION 9. Binding Nature. This Amendment shall be binding upon and

inure to the benefit of the parties hereto, their respective successors, successors-in-titles, and assigns.

SECTION 10. Costs and Expenses. Borrower shall be responsible for

the costs and expenses of the Agents in connection with the preparation, execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder, including, without limitation, the fees and out-of-pocket expenses of counsel for the Agents with respect thereto.

SECTION 11. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND

CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA.

SECTION 12. Entire Understanding. This Amendment sets forth the

entire understanding of the parties with respect to the matters set forth herein, and shall supersede any prior negotiations or agreements, whether written or oral, with respect thereto.

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SECTION 13. Counterparts. This Amendment may be executed in any

number of counterparts and by the different parties hereto in separate counterparts and may be delivered by telecopier. Each counterpart so executed and delivered shall be deemed an original and all of which taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered in Atlanta, Georgia, by their duly authorized officers as of the day and year first above written.

GLOBAL PAYMENTS INC.

By: _____
James G. Kelly
Chief Financial Officer

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BANK ONE, NA,
as Administrative Agent, Lender, LC Issuer
and Swing Line Lender

By: _____
Name: _____
Title: _____

[Signature page to Amendment No. 1]

SUNTRUST BANK,
as Documentation Agent and Lender

By: _____
Name: _____
Title: _____

[Signature page to Amendment No. 1]

WACHOVIA BANK, N.A.
as Syndication Agent and Lender

By: _____
Name: _____
Title: _____

[Signature page to Amendment No. 1]

COMERICA BANK,
as Lender

By: _____
Name: _____
Title: _____

[Signature page to Amendment No. 1]

ACKNOWLEDGMENT AND AGREEMENT OF SUBSIDIARY GUARANTORS

Reference is hereby made to the within and foregoing Amendment No. 1 to Credit Agreement, dated as of March 20, 2001, by and among GLOBAL PAYMENTS INC., a Georgia corporation ("Borrower"), BANK ONE, NA, a national banking association, as Administrative Agent, Swing Line Lender and LC Issuer, SUNTRUST BANK, a Georgia banking corporation, as Documentation Agent, and WACHOVIA BANK, N.A., a national banking association, as Syndication Agent ("Amendment No. 1"; capitalized terms used herein that are defined in Amendment No. 1 or in the "Credit Agreement" as defined in Amendment No. 1 being used herein with the respective meanings assigned to such capitalized terms in Amendment No. 1 or the Credit Agreement, as the case may be). Each of the undersigned, which is a Subsidiary Guarantor under the terms of the Subsidiary Guarantee as provided in the Credit Agreement, hereby acknowledges and agrees that (i) the undersigned has consented to the foregoing Amendment No. 1, (ii) the Subsidiary Guarantee and the other Loan Documents to which each of the undersigned is a party shall remain in full force and effect on and after the date hereof, and (iii) each of the undersigned hereby reaffirms and restates its obligations and liabilities under the Subsidiary Guarantee and the other Loan Documents to which each of the undersigned is a party after giving effect to Amendment No. 1.

This Acknowledgment and Agreement of Subsidiary Guarantors made and delivered as of March 20, 2001.

GUARANTORS:

NATIONAL DATA PAYMENT SYSTEMS, INC.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Chief Financial Officer

NDC CHECK SERVICES, INC.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

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CHECKRITE RECOVERY SERVICES, INC.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

MERCHANT SERVICES U.S.A., INC.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

NDPS HOLDINGS, INC.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

GLOBAL PAYMENT HOLDING COMPANY,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

NDC HOLDINGS (UK) LTD.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

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GPS HOLDING LIMITED PARTNERSHIP,
as a Subsidiary Guarantor

By: GLOBAL PAYMENTS INC.,
its general partner

By: _____
James G. Kelly
Chief Financial Officer

GP FINANCE, INC.,
as a Subsidiary Guarantor

By: _____
Name:
Title:

AMENDMENT NO. 2 TO CREDIT AGREEMENT

THIS AMENDMENT NO. 2 TO CREDIT AGREEMENT (this "Amendment") dated as of May 14, 2001, by and among GLOBAL PAYMENTS INC., a Georgia corporation, as Borrower, the banks and other financial institutions listed on the signature pages hereof, as Lenders, BANK ONE, NA, a national banking association having its principal office in Chicago, Illinois, as Administrative Agent, Swing Line Lender and LC Issuer, SUNTRUST BANK, a Georgia banking corporation, as Documentation Agent, and WACHOVIA BANK, N.A., a national banking association, as Syndication Agent.

W I T N E S S E T H:

WHEREAS, Borrower, the Lenders, and the Agents are parties to a certain Credit Agreement dated as of January 31, 2001, as amended by Amendment No. 1 to Credit Agreement dated as of March 20, 2001 (as so amended, the "Credit Agreement"; capitalized terms used in this Amendment without definition that are defined in the Credit Agreement shall have the meanings in this Amendment as specified for such capitalized terms in the Credit Agreement);

WHEREAS, Borrower and Lenders have agreed to amend the Credit Agreement in certain respects as set forth in this Amendment;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1. Amendments to Credit Agreement. Subject to the satisfaction of the conditions precedent set forth in Section 2 hereof, and effective as of the Effective Date (as hereinafter defined), the Credit Agreement is hereby amended as follows:

(a) Section 1.1 of the Credit Agreement is hereby amended by adding a new defined term "Amendment No. 2" and accompanying definition, in appropriate alphabetical order, as follows:

"Amendment No. 2" means the Amendment No. 2 to Credit Agreement dated as of May 14, 2001, among Borrower, the Lenders, and the Agents.

(b) Section 1.1 of the Credit Agreement is hereby further amended by deleting the defined terms "Aggregate Commitment" and "Commitment" and accompanying definitions and substituting in lieu thereof the following defined terms and accompanying definitions:

"Aggregate Commitment" means the aggregate of the Commitments of all the Lenders, being \$125,000,000 as of the Amendment No. 2 Effective Date, as the same may be reduced from time to time pursuant to the terms hereof.

"Commitment" means for each Lender, on and after the Amendment No. 2 Effective Date, the obligations of such Lender to make Syndicated Loans, and participate in Facility LCs and Swing Line Loans, in an aggregate amount not exceeding the applicable amount set forth opposite its signature on Amendment No. 2 or as set forth in any Notice of Assignment relating to any assignment thereof that has become effective pursuant to Section 9.8(c), as such amount may be reduced from time to time pursuant to the terms hereof.

SECTION 2. Conditions to Effectiveness of Amendment. This Amendment shall become effective on the later to occur of (x) May 15, 2001, and (y) the first day when the Administrative Agent shall have received all of the following documents: (i) counterparts of this Amendment as executed on behalf of Borrower and the Lenders, together with the Acknowledgment and Agreement of Subsidiary Guarantors as executed on behalf of the Subsidiary Guarantors, (ii) the replacement Syndicated Note in favor of Comerica Bank (the "Comerica Replacement Note") reflecting the increase in its Commitment pursuant to this Amendment, as executed on behalf of Borrower, (iii) a certificate of Borrower signed by the Secretary or an Assistant Secretary of Borrower, certifying as to the names, true signatures and incumbency of the officer or officers authorized to execute

and deliver this Amendment and the Comerica Replacement Note, together with copies of the resolutions adopted by the board of directors of Borrower authorizing the execution, delivery and performance of this Amendment and the Comerica Replacement Note, and any amendments, supplements, or other changes to the certificate of incorporation or by-laws of Borrower since January 31, 2001, and (iv) the favorable opinions of (A) Suellen P. Tornay, general counsel of Borrower, and (B) Alston & Bird, LLP, special counsel for Borrower, covering matters relating to Borrower, this Amendment, the Comerica Replacement Note, and such other matters as the Administrative Agent or any Lender may reasonably request. The later of the dates in the preceding sentence shall be the "Amendment No. 2 Effective Date" for purposes of this Amendment.

SECTION 3. Status of Obligations. Borrower hereby confirms and

agrees that all Loans and all other Obligations outstanding under the Credit Agreement and the other Loan Documents as of the date hereof were duly and validly created and incurred by Borrower thereunder, that all such outstanding amounts are owed in accordance with the terms of the Credit Agreement and other Loan Documents, and that there are no rights of offset, defense, counterclaim, claim or objection in favor of Borrower arising out of or with respect to any of the Loans or other Obligations of Borrower to the Agents or the Lenders, and any such rights of offset, defense, counterclaim, claims or objections have been and are hereby waived and released by Borrower.

SECTION 4. Representations and Warranties of Borrower. Borrower,

without limiting the representations and warranties provided in the Credit Agreement, represents and warrants to the Lenders and the Agents as follows:

4.1 The execution, delivery and performance by Borrower of this Amendment are within Borrower's corporate powers, have been duly authorized by all necessary corporate action (including any necessary shareholder action) and do not and will not (a) violate any provision of any law, rule or regulation, any judgment, order or ruling of any court or governmental agency, the certificate of incorporation or by-laws of Borrower, or any indenture,

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agreement or other instrument to which Borrower is a party or by which Borrower or any of its properties is bound or (b) be in conflict with, result in a breach of, or constitute with notice or lapse of time or both a default under any such indenture, agreement or other instrument.

4.2 This Amendment constitutes the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms.

4.3 After giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

4.4 The representations and warranties of Borrower contained in the Credit Agreement are true and accurate on and as of the date of this Amendment, except for changes expressly permitted under the terms of the Credit Agreement and except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties were true and accurate as of such earlier date).

4.5 Since February 28, 2001, there have been no events, acts, conditions or occurrences of whatever nature, singly or in the aggregate, which have had, or could reasonably be expected to have, a Material Adverse Effect.

SECTION 5. Reallocation of Loans and Commitments. On the Amendment

No. 2 Effective Date (prior to giving effect to the increase in the Commitment of Comerica Bank and the Aggregate Commitment pursuant to this Amendment), Borrower agrees to prepay (and, to the extent indicated by Borrower in a Syndicated Borrowing Notice given in accordance with Section 2.3 of the Credit Agreement, and subject to the requirements of Section 3.2 of the Credit Agreement, will be permitted to re-borrow) all Syndicated Loans then outstanding. Borrower shall pay to the Lenders any amounts due in respect of such prepayment pursuant to Section 2.22 of the Credit Agreement. Any re-borrowing of such Syndicated Loans on the Amendment No. 2 Effective Date and all subsequent Borrowings and repayments shall be made in accordance with the respective Pro Rata Shares of the Lenders (calculated after giving effect to the increase in the Commitment of Comerica Bank and the Aggregate Commitment pursuant to this Amendment) and otherwise in accordance with the applicable terms and conditions of the Credit Agreement.

SECTION 6. Survival. Each of the foregoing representations and

warranties shall be made at and as of the date of this Amendment and shall be deemed to have been made as of the Amendment No. 2 Effective Date. Each of the foregoing representations and warranties shall constitute a representation and warranty of Borrower under the Credit Agreement, and it shall be an Event of

Default if any such representation and warranty shall prove to have been incorrect or false in any material respect at the time when made or deemed to have been made. Each of the foregoing representations and warranties shall survive and not be waived by the execution and delivery of this Amendment or any investigation by the Lenders or the Agents.

SECTION 7. Ratification of Credit Agreement and Loan Documents.

Except as expressly amended herein, all terms, covenants and conditions of the Credit Agreement and the other Loan Documents shall remain in full force and effect, and the parties hereto do expressly ratify and confirm the Credit Agreement (as amended herein) and the other Loan Documents. All future references to the Credit Agreement shall be deemed to refer to the Credit Agreement as amended hereby.

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SECTION 8. Indemnity. In consideration of the amendments agreed to

by the Lenders pursuant to this Amendment, Borrower hereby indemnifies each Agent, and each Lender, and their respective officers, partners, directors, employees, representatives and agents from, and hold each of them harmless against, any and all costs, losses, liabilities, claims, damages or expenses incurred by any of them (whether or not any of them is designated a party thereto) (an "Indemnitee") arising out of or by reason of any investigation, litigation or other proceeding related to this Amendment, the Credit Agreement or any other Loan Documents or any actual or proposed use of the proceeds of any of the Loans, including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation, litigation or other proceeding; provided, however, Borrower shall not be obligated to indemnify any Indemnitee for any of the foregoing arising out of such Indemnitee's gross negligence or willful misconduct.

SECTION 9. No Waiver, Etc. Borrower hereby agrees that nothing

herein shall constitute a waiver by the Lenders of any Default or Event of Default, whether known or unknown, which may exist under the Credit Agreement. Borrower hereby further agrees that no action, inaction or agreement by the Lenders, including without limitation, any indulgence, waiver, consent or agreement altering the provisions of the Credit Agreement which may have occurred with respect to the non-performance of any obligation under the terms of the Credit Agreement or any portion thereof, or any other matter relating to the Credit Agreement, shall require or imply any future indulgence, waiver, or agreement by the Lenders.

SECTION 10. Binding Nature. This Amendment shall be binding upon and

inure to the benefit of the parties hereto, their respective successors, successors-in-titles, and assigns.

SECTION 11. Costs and Expenses. Borrower shall be responsible for

the costs and expenses of the Agents in connection with the preparation, execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder, including, without limitation, the fees and out-of-pocket expenses of counsel for the Agents with respect thereto.

SECTION 12. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND

CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA.

SECTION 13. Entire Understanding. This Amendment sets forth the

entire understanding of the parties with respect to the matters set forth herein, and shall supersede any prior negotiations or agreements, whether written or oral, with respect thereto.

SECTION 14. Counterparts. This Amendment may be executed in any

number of counterparts and by the different parties hereto in separate counterparts and may be delivered by telecopier. Each counterpart so executed and delivered shall be deemed an original and all of which taken together shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered in Atlanta, Georgia, by their duly authorized officers as of the day and year first above written.

GLOBAL PAYMENTS INC.

By: _____
James G. Kelly

BANK ONE, NA,
as Administrative Agent, Lender, LC Issuer
and Swing Line Lender

By: _____
Name:
Title:

SYNDICATED LOAN COMMITMENT:

\$40,000,000

[Signature page to Amendment No. 2]

SUNTRUST BANK,
as Documentation Agent and Lender

By: _____
Name:
Title:

SYNDICATED LOAN COMMITMENT:

\$30,000,000

[Signature page to Amendment No. 2]

WACHOVIA BANK, N.A.
as Syndication Agent and Lender

By: _____
Name:
Title:

SYNDICATED LOAN COMMITMENT:

\$30,000,000

[Signature page to Amendment No. 2]

COMERICA BANK,
as Lender

By: _____
Name:
Title:

SYNDICATED LOAN COMMITMENT:

\$25,000,000

[Signature page to Amendment No. 2]

ACKNOWLEDGMENT AND AGREEMENT OF SUBSIDIARY GUARANTORS

Reference is hereby made to the within and foregoing Amendment No. 2 to Credit Agreement, dated as of May 14, 2001, by and among GLOBAL PAYMENTS INC., a Georgia corporation ("Borrower"), BANK ONE, NA, a national banking association, as Administrative Agent, Swing Line Lender and LC Issuer, SUNTRUST BANK, a Georgia banking corporation, as Documentation Agent, and WACHOVIA BANK, N.A., a national banking association, as Syndication Agent ("Amendment No. 2"; capitalized terms used herein that are defined in Amendment No. 2 or in the

"Credit Agreement" as defined in Amendment No. 2 being used herein with the respective meanings assigned to such capitalized terms in Amendment No. 2 or the Credit Agreement, as the case may be). Each of the undersigned, which is a Subsidiary Guarantor under the terms of the Subsidiary Guarantee as provided in the Credit Agreement, hereby acknowledges and agrees that (i) the undersigned has consented to the foregoing Amendment No. 2, including without limitation, the increase in the Aggregate Commitments from \$110,000,000 to \$125,000,000, (ii) the Subsidiary Guarantee and the other Loan Documents to which each of the undersigned is a party shall remain in full force and effect on and after the date hereof, and (iii) each of the undersigned hereby reaffirms and restates its obligations and liabilities under the Subsidiary Guarantee and the other Loan Documents to which each of the undersigned is a party after giving effect to Amendment No. 2.

This Acknowledgment and Agreement of Subsidiary Guarantors made and delivered as of May 14, 2001.

GUARANTORS:

GLOBAL PAYMENTS DIRECT, INC.
(formerly National Data Payment Systems, Inc.),
as a Subsidiary Guarantor

By: _____
James G. Kelly
Chief Financial Officer

NDC CHECK SERVICES, INC.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

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CHECKRITE RECOVERY SERVICES, INC.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

MERCHANT SERVICES U.S.A., INC.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

NDPS HOLDINGS, INC.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

GLOBAL PAYMENT HOLDING COMPANY,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

NDC HOLDINGS (UK) LTD.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

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GPS HOLDING LIMITED PARTNERSHIP,
as a Subsidiary Guarantor

By: GLOBAL PAYMENTS INC.,
its general partner

By: _____
James G. Kelly
Chief Financial Officer

GP FINANCE, INC.,
as a Subsidiary Guarantor

By: _____
Name:
Title:

AMENDMENT NO. 3 TO CREDIT AGREEMENT

THIS AMENDMENT NO. 3 TO CREDIT AGREEMENT (this "Amendment") dated as of July 25, 2001, by and among GLOBAL PAYMENTS INC., a Georgia corporation, as Borrower, the banks and other financial institutions listed on the signature pages hereof, as Lenders, BANK ONE, NA, a national banking association having its principal office in Chicago, Illinois, as Administrative Agent, Swing Line Lender and LC Issuer, SUNTRUST BANK, a Georgia banking corporation, as Documentation Agent, and WACHOVIA BANK, N.A., a national banking association, as Syndication Agent.

W I T N E S S E T H:

WHEREAS, Borrower, the Lenders, and the Agents are parties to a certain Credit Agreement dated as of January 31, 2001, as amended by Amendment No. 1 to Credit Agreement dated as of March 20, 2001, and as amended by Amendment No. 2 to Credit Agreement dated as of May 14, 2001 (as so amended, the "Credit Agreement"; capitalized terms used in this Amendment without definition that are defined in the Credit Agreement shall have the meanings in this Amendment as specified for such capitalized terms in the Credit Agreement);

WHEREAS, Borrower and Lenders have agreed to amend the Credit Agreement in certain respects as set forth in this Amendment;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1. Current Amendments to Credit Agreement. Subject to the satisfaction of the conditions precedent set forth in Section 2 hereof, and effective as of the Amendment No. 3 Effective Date (as hereinafter defined), the Credit Agreement is hereby amended as follows:

(a) Section 1.1 of the Credit Agreement is hereby amended by adding new defined terms "Amendment No. 3", "Amendment No. 3 Current Effective Date", "Amendment No. 3 Prospective Amendments", "Amendment No. 3 Prospective Effective Date", "GPS Buy-out", "NBC Acquisition", and "NBC Acquisition Notes" and accompanying definitions, in appropriate alphabetical order, as follows:

"Amendment No. 3" means the Amendment No. 3 to Credit Agreement dated as of July 25, 2001, among Borrower, the Lenders, and the Agents.

"Amendment No. 3 Current Effective Date" means the date on which all conditions to the effectiveness of Amendment No. 3 have been satisfied as set forth in Section 2 of Amendment No. 3.

"Amendment No. 3 Prospective Amendments" means those amendments to the Agreement as set forth in Section 3 of Amendment No. 3, which amendments are to take effect on the Amendment No. 3 Prospective Effective Date.

"Amendment No. 3 Prospective Effective Date" means the date on which all conditions to the effectiveness of the Amendment No. 3 Prospective Amendments have been satisfied as provided in Section 4 of Amendment No. 3.

"GPS Buy-out" means the purchase by the Borrower and/or any wholly owned Consolidated Subsidiaries of the Borrower of all outstanding limited liability company interests and other equity and ownership interests in GPS not otherwise owned or held by the Borrower and/or such wholly owned Consolidated Subsidiaries, whether such purchase is effected through payments in cash or equity securities of the Borrower or any combination thereof.

"NBC Acquisition" means the Acquisition by GP Canada of certain net assets owned by National Bank of Canada and used in its Canadian merchant acquiring business and terminal lease and maintenance business, in accordance with the terms of such Acquisition as provided in that certain Asset Purchase Agreement dated as of June 27, 2001, among the Borrower, GP Canada, NDPS and National Bank of Canada.

"NBC Acquisition Notes" means, collectively (i) the promissory note

made by GP Canada payable to NDPS in the approximate principal sum of Can. \$64,200,000 and borrowed by GP Canada from NDPS to effect the NBC Acquisition, which promissory note shall be repaid in full not later than the next Business Day immediately following the execution and delivery of such promissory note at the time the NBC Acquisition is consummated, such repayment to be effected through the transfer by GP Canada to NDPS of the merchant acquiring business purchased by it from National Bank of Canada (excluding the terminal lease and maintenance business acquired by GP Canada in the NBC Acquisition), and (ii) the promissory note made by GP Canada payable to NDPS in the approximate principal sum of Can. \$5,200,000 and borrowed by GP Canada from NDPS to effect the acquisition by GP Canada of the terminal lease and maintenance business in the NBC Acquisition, which promissory note is repayable on demand with interest payable monthly.

(b) Section 1.1 of the Credit Agreement is hereby further amended by

deleting the defined term "NDPS" and accompanying definition and substituting in

lieu thereof the following defined term and accompanying definition:

"NDPS" means Global Payments Direct, Inc. (formerly known as National

Data Payment Systems, Inc.), a New York corporation, and its successors and permitted assigns.

(c) Section 5.3(a) of the Credit Agreement is hereby amended by adding a

new sentence at the end of said Section 5.3(a) as follows:

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Notwithstanding the foregoing, the Borrower shall not be required to cause NDPS Comerica Alliance LLC to become an additional Subsidiary Guarantor as provided in this Section 5.3 until such time, if any, as such Domestic Operating Subsidiary has consolidated revenue in any Fiscal Quarter that exceeds an amount equal to twenty percent (20%) of (i) the total consolidated revenue of the Borrower and its Subsidiaries (which includes the GPS Group), less (ii) the total consolidated revenue of the GPS Group, in each case for the most recent Fiscal Quarter as shown on the Financial Statements (Annual) or Financial Statements (Quarterly), as the case may be, as most recently delivered or required to be delivered pursuant to Section 5.1.

(d) Section 6.5 of the Credit Agreement is hereby amended by (x) adding

the words "and the NBC Acquisition" immediately after the words "the Canadian Acquisition" appearing in the first parenthetical phrase of the first sentence of said Section 6.5, and (y) deleting clause (iii) thereof in its entirety and

substituting in lieu thereof the following clause (iii):

(iii) loans or advances (x) by the Borrower to its Operating Subsidiaries (but excluding GPS or any Subsidiary of GPS), or (y) by such Operating Subsidiaries to the Borrower or any Subsidiary Guarantor, or to GP Canada as evidenced by the NDPS/GP Canada Acquisition Note and the NBC Acquisition Notes,

(e) Section 6.6(b) of the Credit Agreement is hereby amended by deleting

clause (iv) thereof in its entirety and substituting in lieu thereof the following clause (iv):

(iv) the total amount of cash consideration paid (excluding cash consideration paid to National Bank of Canada in the NBC Acquisition), and Debt assumed or otherwise becoming part of Consolidated Total Debt (excluding Debt of NDPS arising pursuant to the Canadian Receivables Credit Facility or the CIBC/NDPS Acquisition Note), in such acquisition, together with the aggregate amount of such cash consideration and Debt in respect of all other acquisitions made during the then-current Fiscal Year (or, in the case of the Borrower's 2001 Fiscal Year, the period from the Closing Date through the end of such 2001 Fiscal Year) shall not exceed \$50,000,000, and

(f) Section 6.7(c) of the Credit Agreement is hereby amended by deleting

clause (ii) thereof and substituting in lieu thereof the following clause (ii):

(ii) to NDPS by GP Canada pursuant to the NDPS/GP Canada Acquisition Notes and the NBC Acquisition Notes (so long as, in each case, such Debt is repaid in accordance with its terms),

(g) Section 6.7(j) of the Credit Agreement is hereby amended by deleting

said Section 6.7(j) in its entirety and substituting the following in lieu

thereof:

(j) Debt of the Borrower (and, if such Debt is Guaranteed by one or more of the Subsidiary Guarantors, the resulting Debt of such Subsidiary Guarantor(s) in respect of such Debt of the Borrower) not described in clauses (a) through (i) above in an aggregate principal amount outstanding at any time not to exceed \$50,000,000.

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SECTION 2. Waiver of Requirement for GPS Audited Financial

Statements. Notwithstanding the provisions of Section 5.1(a)(ii) of the Credit

Agreement, the Lenders hereby agree to waive the requirement that the Financial Statements (Annual) of GPS and its Consolidated Subsidiaries for its Fiscal Year ending May 31, 2001 be audited and accompanied by the certification of GPS's independent public accountants, provided that such Financial Statements (Annual) are certified as to fairness of presentation in all material respects, generally accepted accounting principles and consistency by the chief financial officer or the chief account officer of GPS. The foregoing waiver shall become effective on the date this Amendment shall become effective as provided in Section 3 hereof, and shall not alter or otherwise affect any other information reporting or delivery requirements provided in Section 5.1 of the Credit Agreement.

SECTION 3. Conditions to Effectiveness of Current Amendments and

Waiver. This Amendment shall become effective when the Administrative Agent

shall have received counterparts of this Amendment as executed on behalf of Borrower and the Required Lenders, together with the Acknowledgment and Agreement of Subsidiary Guarantors as executed on behalf of the Subsidiary Guarantors; provided that the amendments to the Credit Agreement set forth in Section 4 of this Amendment shall not become effective until the Amendment No. 3 Prospective Effective Date as provided in Section 5 of this Amendment.

SECTION 4. Prospective Amendments to Credit Agreement. Subject to the

satisfaction of the condition precedent set forth in Section 5 hereof, and effective as of the Amendment No. 3 Prospective Effective Date (as herein defined), the Credit Agreement shall be further amended as follows:

(a) Each of the definitions of "Aggregate Subsidiary Threshold" and

"Single Subsidiary Threshold" in Section 1.1 of the Credit Agreement is hereby

amended by deleting the reference to "(i)" and the words "less (ii) the total consolidated revenue of the GPS Group" from such definition.

(b) Section 1.1 of the Credit Agreement is hereby further amended by

deleting the defined term "Permitted GPS Investment" and accompanying definition

and substituting in lieu thereof the following defined term and accompanying definition:

"Permitted GPS Investment" means loans, advances and other Investments

made by or on behalf of any members of the GPS Group (i) on or after May 31, 2000, and prior to the Amendment No. 3 Prospective Effective Date, to or in any members of the GPS Group in an aggregate amount for all such loans, advances and other Investments not to exceed \$10,000,000, and (ii) on or after the Amendment No. 3 Prospective Effective Date, to or in any members of the GPS Group in any amount.

(c) Each of Section 5.1(a) and Section 5.1(b) is hereby amended by

deleting the reference to "(i)" and further deleting the words "and (ii) GPS and its Consolidated Subsidiaries on a consolidated basis" as set forth in each of said Sections.

(d) Section 5.1(f) of the Credit Agreement is hereby amended by deleting

the words "or the members or shareholders of GPS" immediately following the words "of the Borrower" as set forth in said Section 5.1(f).

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(e) Section 5.3(a) of the Credit Agreement is hereby amended by (x)

deleting the parenthetical phrase "(but excluding any Operating Subsidiary that

is a member of the GPS Group)" and the parenthetical phrase "(other than a member of the GPS Group)", in each case as the same appears in the first sentence of said Section 5.3(a), and (y) deleting the reference to "(i)" and the

words "less (ii) the total consolidated revenue of the GPS Group", in each case as the same appears in the last sentence of said Section 5.3(a).

(f) Section 5.3(e) of the Credit Agreement is hereby amended by deleting

the parenthetical phrase "(excluding Domestic Operating Subsidiaries that are members of the GPS Group)" as the same appears in said Section 5.3(e).

(g) Section 6.5 of the Credit Agreement is hereby amended by deleting

clauses (i), (iii), (iv), and (v) thereof in their entirety and substituting in lieu thereof the following clauses (i), (iii), (iv), and (v):

(i) loans or advances (other than travel advances described in clause (v) below) to employees not exceeding \$1,500,000 in aggregate principal amount outstanding at any time, in each case made in the ordinary course of business and consistent with practices existing on the Closing Date, . . . (iii) loans or advances (x) by the Borrower to its Operating Subsidiaries, or (y) by such Operating Subsidiaries to the Borrower or any Subsidiary Guarantor, or to GP Canada as evidenced by the NDPS/GP Canada Acquisition Note and the NBC Acquisition Notes, (iv) [intentionally omitted], (v) travel advances to employees not exceeding \$1,000,000 in the aggregate principal amount outstanding at any time, in each case made in the ordinary course of business and consistent with practices existing on the Closing Date,

(h) Section 6.6(a) of the Credit Agreement is hereby amended by deleting

the words "other than members of the GPS Group" set forth at the end of clause (ii) of said Section 6.6(a).

(i) Section 6.6(a) of the Credit Agreement is hereby further amended by

deleting clause (vii) thereof in its entirety and substituting in lieu thereof the following clause (vii):

(vii) Investments made pursuant to the GPS Buy-out and any Acquisition otherwise permitted pursuant to Section 6.6(b);

(j) Section 6.7(c) of the Credit Agreement is hereby amended by deleting

said Section 6.7(c) in its entirety and substituting the following in lieu thereof:

(c) Debt owing (i) to the Borrower by any of its Operating Subsidiaries, (ii) to NDPS by GP Canada pursuant to the NDPS/GP Canada Acquisition Note and the NBC Acquisition Notes (so long as such Debt is repaid in accordance with its terms), and (iii) to any Operating Subsidiary by any Subsidiary Guarantor, provided, however, that any such Debt pursuant to clause (i) shall be payable on demand on a non-subordinated basis;

(k) Section 6.7(h) is hereby amended by deleting said Section 6.7(h) in

its entirety and substituting in lieu thereof the following:

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(h) [intentionally omitted];

(l) Section 6.8(f) of the Credit Agreement is hereby amended by deleting

said Section 6.8(f) in its entirety and substituting in lieu thereof the following:

(f) Liens securing Debt owing by any Subsidiary of the Borrower to the Borrower or to any other Subsidiary of the Borrower;

(m) Section 6.9(a) of the Credit Agreement is hereby amended by deleting

clause (B) thereof in its entirety and substituting in lieu thereof the following clause (B):

(B) Subsidiaries may merge with, and sell assets to, one another and the Borrower,

(n) Section 6.14(b) of the Credit Agreement is hereby amended by deleting

clause (i) thereof in its entirety and substituting in lieu thereof the
following clause (i):

(i) [intentionally omitted],

SECTION 5. Conditions to Effectiveness of Prospective Amendments. The

amendments set forth in Section 4 of this Amendment shall not become effective
until such time as each of the following events or conditions shall have
occurred and be continuing: (1) the Amendment No. 3 Current Effective Date shall
have previously occurred, (2) the Borrower shall have consummated, or caused to
be consummated, the GPS Buy-out in accordance with the terms of this Agreement,
(3) after giving effect to the GPS Buy-out, the representations and warranties
set forth in Section 6 of this Amendment shall be true and correct as of such
time, and no Default or Event of Default shall have occurred and be continuing,
(4) the Borrower shall have caused GPS and each Domestic Operating Subsidiary of
GPS to execute and deliver (or cause to be executed and delivered) to the
Administrative Agent all instruments, certificates, and other documents as
contemplated by Section 5.3(f) in order for GPS and each such Domestic Operating

Subsidiary to become an additional Subsidiary Guarantor for all purposes under
this Agreement, and (5) the Administrative Agent shall have given written notice
(not to be unreasonably withheld or delayed) to the Borrower and the Lenders as
to the Administrative Agent's receipt of documents evidencing the satisfaction
of the foregoing and specifying the date of the Amendment No. 3 Prospective
Effective Date.

SECTION 6. Status of Obligations. Borrower hereby confirms and

agrees that all Loans and all other Obligations outstanding under the Credit
Agreement and the other Loan Documents as of the date hereof were duly and
validly created and incurred by Borrower thereunder, that all such outstanding
amounts are owed in accordance with the terms of the Credit Agreement and other
Loan Documents, and that there are no rights of offset, defense, counterclaim,
claim or objection in favor of Borrower arising out of or with respect to any of
the Loans or other Obligations of Borrower to the Agents or the Lenders, and any
such rights of offset, defense, counterclaim, claims or objections have been and
are hereby waived and released by Borrower.

SECTION 7. Representations and Warranties of Borrower. Borrower,

without limiting the representations and warranties provided in the Credit
Agreement, represents

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and warrants to the Lenders and the Agents the following on each of the
Amendment No. 3 Current Effective Date and the Amendment No. 3 Prospective
Amendment Date:

7.1 The execution, delivery and performance by Borrower of this
Amendment are within Borrower's corporate powers, have been duly authorized by
all necessary corporate action (including any necessary shareholder action) and
do not and will not (a) violate any provision of any law, rule or regulation,
any judgment, order or ruling of any court or governmental agency, the
certificate of incorporation or by-laws of Borrower, or any indenture, agreement
or other instrument to which Borrower is a party or by which Borrower or any of
its properties is bound or (b) be in conflict with, result in a breach of, or
constitute with notice or lapse of time or both a default under any such
indenture, agreement or other instrument.

7.2 This Amendment constitutes the legal, valid and binding
obligation of Borrower, enforceable against Borrower in accordance with its
terms.

7.3 After giving effect to this Amendment, no Default or Event of
Default has occurred and is continuing.

7.4 The representations and warranties of Borrower contained in the
Credit Agreement are true and accurate on and as of each such date, except for
changes expressly permitted under the terms of the Credit Agreement and except
to the extent that such representations and warranties relate solely to an
earlier date (in which case such representations and warranties were true and
accurate as of such earlier date).

7.5 Since February 28, 2001, there have been no events, acts,
conditions or occurrences of whatever nature, singly or in the aggregate, which
have had, or could reasonably be expected to have, a Material Adverse Effect.

SECTION 8. Survival. Each of the foregoing representations and

warranties shall be made at and as of the date of this Amendment and shall be
deemed to have been made as of the Amendment No. 3 Current Effective Date and

the Amendment No. 3 Prospective Effective Date. Each of the foregoing representations and warranties shall constitute a representation and warranty of Borrower under the Credit Agreement, and it shall be an Event of Default if any such representation and warranty shall prove to have been incorrect or false in any material respect at the time when made or deemed to have been made. Each of the foregoing representations and warranties shall survive and not be waived by the execution and delivery of this Amendment or any investigation by the Lenders or the Agents.

SECTION 9. Ratification of Credit Agreement and Loan Documents.

Except as expressly amended herein, all terms, covenants and conditions of the Credit Agreement and the other Loan Documents shall remain in full force and effect, and the parties hereto do expressly ratify and confirm the Credit Agreement (as amended herein) and the other Loan Documents. All future references to the Credit Agreement shall be deemed to refer to the Credit Agreement as amended hereby.

SECTION 10. Indemnity. In consideration of the amendments agreed to

by the Lenders pursuant to this Amendment, Borrower hereby indemnifies each Agent, and each Lender, and their respective officers, partners, directors, employees, representatives and agents

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from, and hold each of them harmless against, any and all costs, losses, liabilities, claims, damages or expenses incurred by any of them (whether or not any of them is designated a party thereto) (an "Indemnitee") arising out of or by reason of any investigation, litigation or other proceeding related to this Amendment, the Credit Agreement or any other Loan Documents or any actual or proposed use of the proceeds of any of the Loans, including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation, litigation or other proceeding; provided, however, Borrower shall not be obligated to indemnify any Indemnitee for any of the foregoing arising out of such Indemnitee's gross negligence or willful misconduct.

SECTION 11. No Waiver, Etc. Borrower hereby agrees that, except as

expressly provided in Section 2 hereof, nothing herein shall constitute a waiver by the Lenders of any Default or Event of Default, whether known or unknown, which may exist under the Credit Agreement. Borrower hereby further agrees that no action, inaction or agreement by the Lenders, including without limitation, any indulgence, waiver, consent or agreement altering the provisions of the Credit Agreement which may have occurred with respect to the non-performance of any obligation under the terms of the Credit Agreement or any portion thereof, or any other matter relating to the Credit Agreement, shall require or imply any future indulgence, waiver, or agreement by the Lenders.

SECTION 12. Binding Nature. This Amendment shall be binding upon and

inure to the benefit of the parties hereto, their respective successors, successors-in-titles, and assigns.

SECTION 13. Costs and Expenses. Borrower shall be responsible for the

costs and expenses of the Agents in connection with the preparation, execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder, including, without limitation, the fees and out-of-pocket expenses of counsel for the Agents with respect thereto.

SECTION 14. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND

CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA.

SECTION 15. Entire Understanding. This Amendment sets forth the entire

understanding of the parties with respect to the matters set forth herein, and shall supersede any prior negotiations or agreements, whether written or oral, with respect thereto.

SECTION 16. Counterparts. This Amendment may be executed in any

number of counterparts and by the different parties hereto in separate counterparts and may be delivered by telecopier. Each counterpart so executed and delivered shall be deemed an original and all of which taken together shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered in Atlanta, Georgia, by their duly authorized officers as of the day and year first above written.

By: _____
James G. Kelly
Chief Financial Officer

BANK ONE, NA,
as Administrative Agent, Lender, LC Issuer
and Swing Line Lender

By: _____
Name:
Title:

SUNTRUST BANK,
as Documentation Agent and Lender

By: _____
Name:
Title:

WACHOVIA BANK, N.A.
as Syndication Agent and Lender

By: _____
Name:
Title:

COMERICA BANK,
as Lender

By: _____
Name:
Title:

[Signature page to Amendment No. 3]

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ACKNOWLEDGMENT AND AGREEMENT OF SUBSIDIARY GUARANTORS

Reference is hereby made to the within and foregoing Amendment No. 3 to Credit Agreement, dated as of July __, 2001, by and among GLOBAL PAYMENTS INC., a Georgia corporation ("Borrower"), BANK ONE, NA, a national banking association, as Administrative Agent, Swing Line Lender and LC Issuer, SUNTRUST BANK, a Georgia banking corporation, as Documentation Agent, and WACHOVIA BANK, N.A., a national banking association, as Syndication Agent ("Amendment No. 3"; capitalized terms used herein that are defined in Amendment No. 3 or in the "Credit Agreement" as defined in Amendment No. 3 being used herein with the respective meanings assigned to such capitalized terms in Amendment No. 3 or the Credit Agreement, as the case may be). Each of the undersigned, which is a Subsidiary Guarantor under the terms of the Subsidiary Guarantee as provided in the Credit Agreement, hereby acknowledges and agrees that (i) the undersigned has consented to the foregoing Amendment No. 3, (ii) the Subsidiary Guarantee and the other Loan Documents to which each of the undersigned is a party shall remain in full force and effect on and after the date hereof, and (iii) each of the undersigned hereby reaffirms and restates its obligations and liabilities under the Subsidiary Guarantee and the other Loan Documents to which each of the undersigned is a party after giving effect to Amendment No. 3.

This Acknowledgment and Agreement of Subsidiary Guarantors made and delivered as of July __, 2001.

GUARANTORS:

GLOBAL PAYMENTS DIRECT, INC.
(formerly National Data Payment Systems, Inc.),
as a Subsidiary Guarantor

By: _____
James G. Kelly
Chief Financial Officer

NDC CHECK SERVICES, INC.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

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CHECKRITE RECOVERY SERVICES, INC.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

MERCHANT SERVICES U.S.A., INC.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

NDPS HOLDINGS, INC.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

GLOBAL PAYMENT HOLDING COMPANY,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

NDC HOLDINGS (UK) LTD.,
as a Subsidiary Guarantor

By: _____
James G. Kelly
Treasurer

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GPS HOLDING LIMITED PARTNERSHIP,
as a Subsidiary Guarantor

By: GLOBAL PAYMENTS INC.,
its general partner

By: _____
James G. Kelly
Chief Financial Officer

GP FINANCE, INC.,
as a Subsidiary Guarantor

By: _____
Name:
Title:

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After the distribution, Global Payments has the following Subsidiaries and ownership interests, each of which are wholly owned by the Registrant, except as noted below:

Name - ----	Jurisdiction of Incorporation -----
Global Payments Direct, Inc.	New York
NDC Check Services, Inc.	Illinois
NDPS Comerica Alliance, LLC (Note 1)	Delaware
Global Payment Systems LLC (Note 2)	Georgia
Global Payment Holding Company	Delaware
GPS Holding Limited Partnership	Georgia
Global Payment Systems of Canada, Ltd	Ontario, Canada
Global Payments Canada Inc.	Ontario, Canada
Merchant Services U.S.A., Inc.	North Carolina
NDC Holdings (UK) Ltd.	Georgia
CheckRite Recovery Services, Inc.	Georgia
NDPS Holdings, Inc.	Delaware
NDC Gaming Services, Inc.	Illinois
GP Finance, Inc.	Delaware
Modular Data, Inc.	Delaware

Note 1. NDPS Comerica Alliance, LLC has a minority partner which owns a 49% interest.

Note 2. Global Payment Systems LLC has a minority partner which owns a 7.5% interest.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included in this Form 10-K, into the Company's previously filed Registration Statement File No. 333-53774.

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia
August 27, 2001

The integration of the operations of CIBC's merchant acquiring business and NBC's merchant services 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.

The integration of these businesses with ours presents several challenges, including the fact that they are 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
- . 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.

As a result of the acquisition of 26.25% of our common stock by CIBC, certain banking regulations limit the types of business in which we can engage.

As a result of the acquisition of 26.25% of our common stock by CIBC, technically we are considered as though we are 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 are 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 are 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.

Additionally, CIBC is subject to Canadian banking regulations, specifically the Bank Act (Canada), which among other things limits the types of 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 and NBC's merchant services business, we are exposed to foreign currency risks. We are also subject to risks from our variable rate credit facility with CIBC that could reduce our earnings and significantly increase our cost of capital.

After we acquired the assets of CIBC's merchant acquiring business and NBC's merchant services business, we 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 carries 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 has 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.

We are 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.

CIBC continues to provide some services to the merchants included in the merchant acquiring business we acquired 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 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 increase 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 effect on our revenues. In addition, our competitors may 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 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. 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 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,

- . divide our board of directors into three classes, with members of each class to be elected in staggered three-year terms;
- . 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.

Also, under Section 355(e) of the Internal Revenue Code the spin-off from NDC will 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 spin-off 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 spin-off 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.

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.

</TABLE>

Combined Statement of Income
GLOBAL PAYMENTS INC.

(in thousands)

<TABLE>
<CAPTION>

NORMALIZED	FY 01 ACTUAL					FY 01			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total Year	Qtr 1	Qtr 2	Qtr 3	Qtr
4 Total Year									
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
<C> <C>									
Revenue									
Merchant Services	\$82,076	\$77,752	\$76,745	\$ 98,406	\$334,979	\$80,053	\$76,895	\$76,745	\$
98,406 \$332,099									
Funds Transfer	5,115	4,879	3,929	4,293	18,216	5,115	4,879	3,929	
4,293 18,216									
	87,191	82,631	80,674	102,699	353,195	85,168	81,774	80,674	
102,699 350,315									
Operating expenses:									
Cost of service	45,881	43,250	44,607	58,651	192,389	44,296	42,563	44,607	
55,655 187,121									
Sales, general and administrative	24,729	23,409	24,101	30,639	102,878	24,502	23,238	24,101	
30,639 102,480									
Restructuring and other	-	-	-	4,882	4,882	-	-	-	
- -									
	70,610	66,659	68,708	94,172	300,149	68,798	65,801	68,708	
86,294 289,601									
Operating income	16,581	15,972	11,966	8,527	53,046	16,370	15,973	11,966	
16,405 60,714									
EBITDA	21,497	20,871	16,958	15,476	74,802	21,285	20,872	16,958	
23,354 82,469									
Other income/(expense)									
Interest and other income	700	530	260	549	2,039	700	530	260	
549 2,039									
Non-cash loss on investment	-	-	-	(5,000)	(5,000)	-	-	-	
- -									
Interest and other expense	(1,791)	(1,599)	(1,425)	(1,356)	(6,171)	(2,205)	(2,013)	(1,425)	
(1,356) (6,999)									
Minority interest in earnings	(1,427)	(1,233)	(1,295)	(1,475)	(5,430)	(1,427)	(1,233)	(1,295)	
(1,475) (5,430)									
	(2,518)	(2,302)	(2,460)	(7,282)	(14,562)	(2,932)	(2,716)	(2,460)	
(2,282) (10,390)									
Income before income taxes	14,063	13,670	9,506	1,245	38,484	13,438	13,257	9,506	
14,123 50,324									
Income Taxes	5,414	5,263	3,660	479	14,816	5,174	5,104	3,660	
5,437 19,375									
Net Income	8,649	8,407	5,846	766	23,668	8,264	8,153	5,846	
8,686 30,949									
Basic Shares	26,222	26,311	26,475	34,339	28,616	26,222	26,311	26,475	
34,339 28,616									
Basic Earnings per Share	\$ 0.33	\$ 0.32	\$ 0.22	\$ 0.02	\$ 0.83	\$ 0.32	\$ 0.31	\$ 0.22	\$
0.25 \$ 1.08									
Pro Forma Diluted Shares	26,403	26,716	27,080	35,224	29,134	26,403	26,716	27,080	
35,224 29,134									
Pro Forma Diluted Earnings per Share	\$ 0.33	\$ 0.31	\$ 0.22	\$ 0.02	\$ 0.81	\$ 0.31	\$ 0.31	\$ 0.22	\$

0.25 \$ 1.06

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</TABLE>