

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

AMENDMENT NO. 3  
TO  
FORM S-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

PC CONNECTION, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

NEW HAMPSHIRE 5961 02-0372768  
(PRIOR TO (PRIMARY STANDARD INDUSTRIAL (I.R.S. EMPLOYER  
REINCORPORATION) CLASSIFICATION CODE NUMBER) IDENTIFICATION NUMBER)  
DELAWARE  
(AFTER  
REINCORPORATION)  
(STATE OR OTHER  
JURISDICTION OF  
INCORPORATION OR  
ORGANIZATION)

528 ROUTE 13  
MILFORD, NEW HAMPSHIRE 03055  
(603) 423-2000  
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF  
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

PATRICIA GALLUP  
CHAIRMAN OF THE BOARD  
AND CHIEF EXECUTIVE OFFICER  
PC CONNECTION, INC.  
528 ROUTE 13  
MILFORD, NEW HAMPSHIRE 03055  
(603) 423-2000  
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,  
OF AGENT FOR SERVICE)

COPIES TO:  
PAUL P. BROUNTAS, ESQ. PHILIP E. COVIELLO, JR., ESQ.  
JAY E. BOTHWICK, ESQ. LATHAM & WATKINS  
HALE AND DORR LLP 885 THIRD AVENUE  
60 STATE STREET SUITE 1000  
BOSTON, MASSACHUSETTS 02109 NEW YORK, NEW YORK 10022-4802  
(617) 526-6000 (212) 906-1200

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

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

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

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

for the same offering. [ ]

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

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

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

This Amendment No. 3 to Registration Statement on Form S-1 (File No. 333-41171) of PC Connection, Inc. is filed solely for the purpose of filing with the Commission copies of the exhibits listed in Item 16 of Part II hereto and to make corresponding changes to Item 16.

#### PART II

##### INFORMATION NOT REQUIRED IN PROSPECTUS

##### ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

###### (a) Exhibits

###### \*1.1

Form of Underwriting Agreement.

###### \*2.1

Form of Agreement and Plan of Merger between PC Connection, Inc., a New Hampshire corporation, and the Registrant.

###### \*2.2

Form of Certificate of Merger of PC Connection, Inc., a New Hampshire corporation, and the Registrant to be filed with the Secretary of State of the State of Delaware.

###### \*2.3

Form of Articles of Merger of Domestic and Foreign Corporation between PC Connection, Inc., a New Hampshire corporation, and the Registrant to be filed with the Secretary of State of the State of New Hampshire.

###### \*3.1

Restated Articles of Incorporation of Registrant as currently in effect.

###### 3.2

Amended and Restated Certificate of Incorporation of Registrant to be effective on or prior to the date of the consummation of the Offering contemplated by this Registration Statement.

###### \*3.3

Bylaws of Registrant, as amended to date.

###### 3.4

Bylaws of Registrant to be effective on or prior to the date of the consummation of the Offering contemplated by this Registration Statement.

###### 4.1

Form of Specimen certificate for shares of Common Stock, \$0.01 par

value per share, of the Registrant.

5.1

Opinion of Hale and Dorr LLP

9.1

Form of 1998 PC Connection Voting Trust Agreement among the Registrant, Patricia Gallup individually and as trustee, and David Hall individually and as trustee, to be entered into on or prior to the date of the consummation of the Offering contemplated by this Registration Statement.

\*10.1

1993 Incentive and Non-Statutory Stock Option Plan, as amended.

10.2

1997 Stock Incentive Plan.

\*10.3

Lease between the Registrant and Miller-Valentine Partners, dated September 24, 1990, as amended, for property located at 2870 Old State Route 73, Wilmington, Ohio.

\*10.4

Lease between the Registrant and Lower Bellbrook Company, dated September 26, 1997, for property located at 643-651 Lower Bellbrook Avenue, Xenia, Ohio.

\*10.5

Lease between the Registrant and Gallup & Hall partnership, dated May 1, 1997, for property located at 442 Marlboro Street, Keene, New Hampshire.

\*10.6

Lease between the Registrant and Gallup & Hall partnership, dated June 1, 1987, as amended, for property located in Marlow, New Hampshire.

\*10.7

Lease between the Registrant and Gallup & Hall partnership, dated July 22, 1988, for property located at 450 Marlboro Street, Keene, New Hampshire.

\*10.8

Lease between the Registrant and Dataproducts Corporation, dated June 22, 1993, as amended, for property located at 582 Route 13 South, Milford, New Hampshire.

\*10.9

Lease between the Registrant and Century Park, LLC, dated October 1, 1997 for property located at Route 111, Hudson, New Hampshire.

\*10.10

Amended and Restated Lease between the Registrant and G&H Post, LLC, dated December 29, 1997 for property located at Route 101A, Merrimack, New Hampshire.

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\*10.11 Sublease between the Registrant and ABX Air Inc., dated June 7, 1995, for property located at 2870 Old State Route 73, Wilmington, Ohio.

\*10.12 Employment Agreement between the Registrant and Wayne L. Wilson, dated August 16, 1995.

\*10.13 Employment Agreement between the Registrant and Robert F. Wilkins, dated December 23, 1995.

\*10.14 Letter Agreement between the Registrant and R. Wayne Roland, dated March 4, 1997.

+10.15 Letter Agreement between the Registrant and Airborne Freight

Corporation D/B/A "Airborne Express," dated April 30, 1990, as amended.

- +10.16 Agreement between the Registrant and Ingram Micro, Inc., dated October 30, 1997, as amended.
- \*10.17 State Street Bank and Trust Company Revolving Line of Credit and Term Loan, dated March 31, 1997, as amended.
- \*10.18 Employment Agreement, dated as of January 1, 1998, between the Registrant and Patricia Gallup.
- \*10.19 Employment Agreement, dated as of January 1, 1998, between the Registrant and David Hall.
- 10.20 Form of Registration Rights Agreement among the Registrant, Patricia Gallup, David Hall and the 1998 PC Connection Voting Trust, to be entered into on or prior to the date of the consummation of the offering contemplated by this Registration Statement.
- \*23.1 Consent of Deloitte & Touche LLP.
- 23.2 Consent of Hale and Dorr LLP (included in Exhibit 5.1).
- \*23.3 Consent of PC World Communications, Inc.
- \*23.4 Consent of PC Magazine.
- \*23.5 Consent of Merrin Information Services, Inc.
- \*24.1 Power of Attorney.
- \*27.1 Financial Data Schedule.

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\* Previously filed.

+ Confidential materials omitted and filed separately with the Securities and Exchange Commission.

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#### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant, PC Connection, Inc., a corporation organized and existing under the laws of the State of New Hampshire, has duly caused this Amendment to Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Milford, State of New Hampshire, on this 20th day of February, 1998.

PC Connection, Inc.

/s/ Patricia Gallup

By \_\_\_\_\_

Patricia Gallup  
Chairman of the Board and  
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Patricia Gallup* ----- Patricia Gallup	Chairman of the Board and Chief Executive Officer (principal executive officer)	February 20, 1998
/s/ Wayne L. Wilson* ----- Wayne L. Wilson	President, Chief Operating Officer and Chief Financial Officer (principal financial and	February 20, 1998

accounting officer)

/s/ David Hall*	Vice Chairman of the Board	February 20, 1998
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David Hall		
/s/ David Beffa-Negrini*	Director	February 20, 1998
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David Beffa-Negrini		
/s/ Martin C. Murrer*	Director	February 20, 1998
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Martin C. Murrer		
/s/ Peter J. Baxter*	Director	February 20, 1998
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Peter J. Baxter		
/s/ Wayne L. Wilson		
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Wayne L. Wilson		
Attorney-in-fact		

\*By

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EXHIBIT INDEX

EXHIBITS

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- 3.2 Amended and Restated Certificate of Incorporation of Registrant to be effective on or prior to the date of the consummation of the Offering contemplated by this Registration Statement.
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AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
PC CONNECTION, INC. I

PC Connection, Inc. I, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify as follows:

1. The Corporation filed its original Certificate of Incorporation with the Secretary of State of the State of Delaware on November 21, 1997 under the name PC Connection, Inc. I.

2. At a meeting of the Board of Directors of the Corporation, a resolution was duly adopted, pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware, setting forth an Amended and Restated Certificate of Incorporation of the Corporation and declaring the Amended and Restated Certificate of Incorporation advisable. The stockholders of the Corporation duly approved the proposed Amended and Restated Certificate of Incorporation by written consent in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware. The resolution setting forth the Amended and Restated Certificate of Incorporation is as follows:

RESOLVED: The Certificate of Incorporation of the Corporation be and hereby is amended and restated in its entirety so that the same shall read as follows:

FIRST. The name of the Corporation is: PC Connection, Inc.

SECOND. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The nature of the business or purposes to be conducted or promoted by the Corporation is as follows:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 37,500,000 shares, consisting of (i) 30,000,000 shares of Common Stock, \$.01 par value per share ("Common Stock"), and (ii) 7,500,000 shares of Preferred Stock, \$.01 par value per share ("Preferred Stock"), which may be issued from time to time in one or more series as set forth in Part B of this Article FOURTH.

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK.

1. General. The voting, dividend and liquidation rights of the holders

of the Common Stock are subject to and qualified by the rights of the holders of the Preferred Stock of any series as may be designated by the Board of Directors upon any issuance of the Preferred Stock of any series.

2. Voting. The holders of the Common Stock are entitled to one vote for

each share held at all meetings of stockholders (and written actions in lieu of meetings). There shall be no cumulative voting.



The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of Delaware.

3. Dividends. Dividends may be declared and paid on the Common Stock

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from funds lawfully available therefor as and when determined by the Board of Directors and subject to any preferential dividend rights of any then outstanding Preferred Stock.

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4. Liquidation. Upon the dissolution or liquidation of the Corporation,

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whether voluntary or involuntary, holders of Common Stock will be entitled to receive all assets of the Corporation available for distribution to its stockholders, subject to any preferential rights of any then outstanding Preferred Stock.

B. PREFERRED STOCK.

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Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors of the Corporation as hereinafter provided by the affirmative vote of all of the directors then in office. Any shares of Preferred Stock which may be redeemed, purchased or acquired by the Corporation may be reissued except as otherwise provided by law. Different series of Preferred Stock shall not be construed to constitute different classes of shares for the purposes of voting by classes unless expressly provided.

Authority is hereby expressly granted to the Board of Directors from time to time to, by the affirmative vote of all of the directors then in office, to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by resolution or resolutions providing for the issue of the shares thereof, to determine and fix such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated and expressed in such resolutions, all to the full extent now or hereafter permitted by the General Corporation Law of Delaware. Without limiting the generality of the foregoing, the resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to the Preferred Stock of any other series to the extent permitted by law. Except as otherwise provided in this Certificate of Incorporation, no vote of the holders of the Preferred Stock or Common Stock shall be a prerequisite to the designation or issuance of any shares of any series of the Preferred Stock authorized by and complying with the conditions of this Certificate of Incorporation, the right to have such vote being expressly waived by all present and future holders of the capital stock of the Corporation.

FIFTH. The Corporation shall have a perpetual existence.

SIXTH. In furtherance of and not in limitation of powers conferred by statute, it is further provided:

1. Election of directors need not be by written ballot.

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2. The Board of Directors is expressly authorized to alter, amend or repeal the Bylaws of the Corporation or adopt new bylaws by the affirmative vote of all of the directors then in office.

SEVENTH. Except to the extent that the General Corporation Law of Delaware prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of

fiduciary duty as a director, notwithstanding any provision of law imposing such liability. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

EIGHTH.

1. Actions, Suits and Proceedings Other than by or in the Right of the

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Corporation. The Corporation shall indemnify each person who was or is a party  
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or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) (all such persons being referred to hereafter as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a

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presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. Notwithstanding anything to the contrary in this Article, except as set forth in Section 7 below, the Corporation shall not indemnify an Indemnitee seeking indemnification in connection with a proceeding (or part thereof) initiated by the Indemnitee unless the initiation thereof was approved by the Board of Directors of the Corporation. Notwithstanding anything to the contrary in this Article, the Corporation shall not indemnify an Indemnitee to the extent such Indemnitee is reimbursed from the proceeds of insurance, and in the event the Corporation makes any indemnification payments to an Indemnitee and such Indemnitee is subsequently reimbursed from the proceeds of

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insurance, such Indemnitee shall promptly refund such indemnification payments to the Corporation to the extent of such insurance reimbursement.

2. Actions or Suits by or in the Right of the Corporation. The

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Corporation shall indemnify any Indemnitee who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of Delaware shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses (including attorneys' fees) which the Court of Chancery of Delaware shall deem proper.

3. Indemnification for Expenses of Successful Party. Notwithstanding the

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other provisions of this Article, to the extent that an Indemnitee has been successful, on the merits or otherwise, in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue or matter therein, or on appeal from any such action, suit or proceeding, he shall be indemnified against all expenses (including attorneys' fees) actually and reasonably incurred by him or on his behalf in connection therewith. Without limiting the foregoing, if any action, suit or proceeding is disposed of, on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to the Indemnitee, (ii) an adjudication that the Indemnitee was liable to the Corporation, (iii) a plea of guilty or nolo contendere by the Indemnitee, (iv) an adjudication that the

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Indemnitee did not act in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and (v) with respect to any criminal proceeding, an adjudication that the Indemnitee had reasonable cause to believe his conduct was unlawful, the Indemnitee shall be considered for the purposes hereof to have been wholly successful with respect thereto.

4. Notification and Defense of Claim. As a condition precedent to his

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right to be indemnified, the Indemnitee must notify the Corporation in writing as soon as practicable of any action, suit, proceeding or investigation involving him for which

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indemnity will or could be sought. With respect to any action, suit, proceeding or investigation of which the Corporation is so notified, the Corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to the Indemnitee. After notice from the Corporation to the Indemnitee of its election so to assume such defense, the Corporation shall not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with such claim, other than as provided below in this Section 4. The Indemnitee shall have the right to employ his own counsel in connection with such claim, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of the Indemnitee unless (i) the employment of counsel by the Indemnitee has been authorized by the Corporation, (ii) counsel to the Indemnitee shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and the Indemnitee in the conduct of the defense of such action or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel for the Indemnitee shall be at the expense of the Corporation, except as otherwise expressly provided by this Article. The Corporation shall not be entitled, without the consent of the Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for the Indemnitee shall have reasonably made the conclusion provided for in clause (ii) above.

5. Advance of Expenses. Subject to the provisions of Section 6 below, in

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the event that the Corporation does not assume the defense pursuant to Section 4 of this Article of any action, suit, proceeding or investigation of which the Corporation receives notice under this Article, any expenses (including attorneys' fees) incurred by an Indemnitee in defending a civil or criminal action, suit, proceeding or investigation or any appeal therefrom shall be paid by the Corporation in advance of the final disposition of such matter; provided,

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however, that the payment of such expenses incurred by an Indemnitee in advance

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of the final disposition of such matter shall be made only upon receipt of an undertaking by or on behalf of the Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Article. Such undertaking shall be accepted without reference to the financial ability of the Indemnitee to make such repayment.

6. Procedure for Indemnification. In order to obtain indemnification or

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advancement of expenses pursuant to Section 1, 2, 3 or 5 of this Article, the

Indemnitee shall submit to the Corporation a written request, including in such request such documentation and information as is reasonably available to the Indemnitee and is reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification or advancement of expenses. Any such indemnification or advancement of expenses shall be made promptly, and in any event within 60 days after receipt by the Corporation of the written request of the Indemnitee, unless with respect

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to requests under Section 1, 2 or 5 the Corporation determines within such 60-day period that the Indemnitee did not meet the applicable standard of conduct set forth in Section 1 or 2, as the case may be. Such determination shall be made in each instance by (a) a majority vote of the directors of the Corporation consisting of persons who are not at that time parties to the action, suit or proceeding in question ("disinterested directors"), whether or not a quorum, (b) a majority vote of a quorum of the outstanding shares of stock of all classes entitled to vote for directors, voting as a single class, which quorum shall consist of stockholders who are not at that time parties to the action, suit or proceeding in question, (c) independent legal counsel (who may, to the extent permitted by law, be regular legal counsel to the Corporation), or (d) a court of competent jurisdiction.

7. Remedies. The right to indemnification or advances as granted by this

Article shall be enforceable by the Indemnitee in any court of competent jurisdiction if the Corporation denies such request, in whole or in part, or if no disposition thereof is made within the 60-day period referred to above in Section 6. Unless otherwise required by law, the burden of proving that the Indemnitee is not entitled to indemnification or advancement of expenses under this Article shall be on the Corporation. Neither the failure of the Corporation to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because the Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation pursuant to Section 6 that the Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the Indemnitee has not met the applicable standard of conduct. The Indemnitee's expenses (including attorneys' fees) incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such proceeding shall also be indemnified by the Corporation.

8. Subsequent Amendment. No amendment, termination or repeal of this

Article or of the relevant provisions of the General Corporation Law of Delaware or any other applicable laws shall affect or diminish in any way the rights of any Indemnitee to indemnification under the provisions hereof with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

9. Other Rights. The indemnification and advancement of expenses

provided by this Article shall not be deemed exclusive of any other rights to which an Indemnitee seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), agreement or vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in any other capacity while holding office for the Corporation, and shall continue as to an Indemnitee who has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of the Indemnitee. Nothing contained in this Article shall be deemed to prohibit, and the Corporation is specifically authorized to enter into,

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agreements with officers and directors providing indemnification rights and procedures different from those set forth in this Article. In addition, the Corporation may, to the extent authorized from time to time by its Board of Directors, grant indemnification rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article.

10. Partial Indemnification. If an Indemnitee is entitled under any

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provision of this Article to indemnification by the Corporation for some or a portion of the expenses (including attorneys' fees), judgments, fines or amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with any action, suit, proceeding or investigation and any appeal therefrom but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify the Indemnitee for the portion of such expenses (including attorneys' fees), judgments, fines or amounts paid in settlement to which the Indemnitee is entitled.

11. Insurance. The Corporation may purchase and maintain insurance, at -----  
its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) against any expense, liability or loss incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of Delaware.

12. Merger or Consolidation. If the Corporation is merged into or -----  
consolidated with another corporation and the Corporation is not the surviving corporation, the surviving corporation shall assume the obligations of the Corporation under this Article with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the date of such merger or consolidation.

13. Savings Clause. If this Article or any portion hereof shall be -----  
invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Indemnitee as to any expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with any action, suit, proceeding or investigation, whether civil, criminal or administrative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

14. Definitions. Terms used herein and defined in Section 145(h) and -----  
Section 145(i) of the General Corporation Law of Delaware shall have the respective meanings assigned to such terms in such Section 145(h) and Section 145(i).

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15. Subsequent Legislation. If the General Corporation Law of Delaware is -----  
amended after adoption of this Article to expand further the indemnification permitted to Indemnitees, then the Corporation shall indemnify such persons to the fullest extent permitted by the General Corporation Law of Delaware, as so amended.

NINTH. This Article is inserted for the management of the business and for the conduct of the affairs of the Corporation.

1. Number of Directors. The number of directors of the Corporation shall -----  
not be less than one. The exact number of directors within the limitations specified in the preceding sentence shall be fixed from time to time by, or in the manner provided in, the Corporation's Bylaws.

2. Election of Directors. Elections of directors need not be by written -----  
ballot except as and to the extent provided in the Bylaws of the Corporation.

3. Quorum; Action at Meeting. A majority of the total number of the -----  
whole Board of Directors shall constitute a quorum for the transaction of business. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each director so disqualified; provided, however, that in no case shall less than one-third (1/3) of the number of directors fixed pursuant to Section 1 above

constitute a quorum. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of those present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of those present shall be sufficient to take any action, unless a different vote is specified by law, by the Bylaws of the Corporation or by this Certificate of Incorporation.

4. Removal. Except as otherwise provided by the General Corporation Law

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of Delaware, any one or more or all of the directors of the Corporation may be removed with or without cause by the holders of a majority of the shares then entitled to vote at an election of directors, except that the directors elected by the holders of a particular class or series of stock may be removed without cause only by vote of the holders of a majority of the outstanding shares of such class or series.

5. Vacancies. Any vacancy in the Board of Directors, however occurring,

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including a vacancy resulting from an enlargement of the board, may be filled by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office, and a director chosen to fill a position resulting from an increase in the number of directors shall hold office until the next annual meeting of stockholders and until his successor is elected and qualified, or until his earlier death, resignation or removal.

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6. Stockholder Nominations and Introduction of Business, Etc. Advance

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notice of stockholder nominations for election of directors and other business to be brought by stockholders before a meeting of stockholders shall be given in the manner provided by the Bylaws of the Corporation.

TENTH. Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of the General Corporation Law of Delaware or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of the General Corporation Law of Delaware order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as such court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any promise or arrangement, such compromise or arrangement and such reorganization shall, if sanctioned by the court to which application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

ELEVENTH. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute and this Certificate of Incorporation, and all rights conferred upon stockholders herein are granted subject to this reservation.

TWELFTH. Section 203 of the General Corporation Law of Delaware, as it may be amended from time to time, shall apply to the Corporation.

\* \* \* \* \*

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IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed hereto and this Amended and Restated Certificate of Incorporation to be signed by its Chairman of the Board and Chief Executive Officer this 20th day of

February, 1998.

PC CONNECTION, INC. I

By: /s/ Patricia Gallup

-----  
Patricia Gallup,  
Chairman of the Board and  
Chief Executive Officer

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BYLAWS  
OF  
PC CONNECTION, INC.

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BYLAWS

OF

PC CONNECTION, INC.

ARTICLE 1 - Stockholders

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1.1 Place of Meetings. All meetings of stockholders shall be held at such  
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place within or without the State of Delaware as may be designated from time to time by the Chairman of the Board (or, if there be no Chairman of the Board, the Vice Chairman of the Board, or if there be no Chairman and no Vice Chairman of the Board, the Board of Directors) or, if not so designated, at the registered office of the corporation.

1.2 Annual Meeting. The annual meeting of stockholders for the election  
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of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on a date to be fixed by the Chairman of the Board (or, if there be no Chairman of the Board, the Vice Chairman of the Board, or if there be no Chairman and no Vice Chairman of the Board, the Board of Directors) (which date shall not be a legal holiday in the place where the meeting is to be held) at the time and place to be fixed by the Chairman of the Board (or, if there be no Chairman of the Board, the Vice Chairman of the Board, or if there be no Chairman and no Vice Chairman of the Board, the Board of Directors) and stated in the notice of the meeting. If no annual meeting is held in accordance with the foregoing provisions, the Chairman of the Board, Vice Chairman of the Board or the Board of Directors shall cause the meeting to be held as soon thereafter as convenient. If no annual meeting is held in accordance with the foregoing provisions, a special meeting may be held in lieu of the annual meeting, and any action taken at that special meeting shall have the same effect as if it had been taken at the annual meeting, and in such case all references in these Bylaws to the annual meeting of the stockholders shall be deemed to refer to such special meeting.

1.3 Special Meetings. Special meetings of stockholders may be called at  
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any time by the Chairman of the Board (or, if there be no Chairman of the Board, the Vice Chairman of the Board), by the Board of Directors or by the holders of forty percent (40%) or more of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at such meeting. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

1.4 Notice of Meetings. Except as otherwise provided by law, written

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notice of each meeting of stockholders, whether annual or special, shall be given not

-1-

less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. The notices of all meetings shall state the place, date and hour of the meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at her/his address as it appears on the records of the corporation.

1.5 Voting List. The officer who has charge of the stock ledger of the

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corporation shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, at a place within the city where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time of the meeting, and may be inspected by any stockholder who is present.

1.6 Quorum. Except as otherwise provided by law, the Certificate of

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Incorporation or these Bylaws, the holders of a majority of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business.

1.7 Adjournments. Any meeting of stockholders may be adjourned to any

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other time and to any other place at which a meeting of stockholders may be held under these Bylaws by the stockholders present or represented at the meeting and entitled to vote, although less than a quorum, or, if no stockholder is present, by any officer entitled to preside at or to act as Secretary of such meeting. It shall not be necessary to notify any stockholder of any adjournment of less than 30 days if the time and place of the adjourned meeting are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each stockholder shall have one vote for each

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share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided in the Certificate of Incorporation. Each stockholder of record entitled to vote at a meeting of stockholders, or to express consent or dissent to corporate action in writing without a meeting, may vote or express such consent or dissent in person or may authorize another person or persons to vote or act for her/him by written proxy executed by the stockholder or her/his authorized agent and delivered to the Secretary of the

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corporation. No such proxy shall be voted or acted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period.

1.9 Action at Meeting. When a quorum is present at any meeting, the

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holders of shares of stock representing a majority of the votes cast on a matter (or if there are two or more classes of stock entitled to vote as separate classes, then in the case of each such class, the holders of shares of stock of that class representing a majority of the votes cast on a matter) shall decide any matter to be voted upon by the stockholders at such meeting, except when a different vote is required by express provision of law, the Certificate of Incorporation or these Bylaws. When a quorum is present at any meeting, any

election by stockholders shall be determined by a plurality of the votes cast on the election.

1.10 Action without Meeting. Any action required or permitted to be taken

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at any annual or special meeting of stockholders of the corporation may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote on such action were present and voted. Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

1.11 Nomination of Directors. Only persons who are nominated in accordance

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with the following procedures shall be eligible for election as directors. Nomination for election to the Board of Directors of the Corporation at a meeting of stockholders may be made by the Board of Directors or by any stockholder of the Corporation entitled to vote for the election of directors at such meeting who complies with the notice procedures set forth in this Section 1.11. Such nominations, other than those made by or on behalf of the Board of Directors or by or on behalf of the holders of forty percent (40%) or more of the shares of the capital stock of the corporation issued and outstanding and entitled to vote with respect to the election of directors, shall be made by notice in writing delivered or mailed by first class United States mail, postage prepaid, to the Secretary of the Corporation, and received not less than 60 days nor more than 90 days prior to such meeting; provided, however, that if less than 70 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, such nomination shall have been mailed or delivered to the Secretary not later than the close of business on the 10th day following the date on which the notice of the meeting was mailed or public disclosure was made, whichever occurs first. Such notice shall set forth (a) as to each proposed nominee (i) the name, age, business address and, if known, residence address of each such nominee, (ii) the principal occupation or employment of each such nominee, (iii) the number of shares of stock of the Corporation which are beneficially owned by each such nominee, and (iv) any other information concerning the nominee that must be

disclosed as to nominees in proxy solicitations pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including such person's written consent to be named as a nominee and to serve as a director if elected); (b) as to the stockholder or stockholders giving the notice (i) the name and address, as they appear on the Corporation's books, of such stockholder or stockholders, and (ii) the class and number of shares of the Corporation which are beneficially owned by such stockholder or stockholders; and (c) as to the beneficial owner or owners, if any, on whose behalf the nomination is made, (i) the name and address of such person or persons and (ii) the class and number of shares of the Corporation which are beneficially owned by such person or persons.

The officer presiding at a meeting of stockholders may, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if s/he should so determine, s/he shall so declare to the meeting and the defective nomination shall be disregarded.

Nothing in the foregoing provision shall obligate the Corporation or the Board of Directors to include in any proxy statement or other stockholder communication distributed on behalf of the Corporation or the Board of Directors information with respect to any nominee for directors submitted by a stockholder.

1.12 Notice of Business at Meetings. At a meeting of the stockholders,

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only such business shall be conducted as shall have been (a) specified in the notice of meeting (or any supplement thereto), (b) brought before the meeting by or at the direction of the Board of Directors or the holders of forty percent (40%) or more of the shares of the capital stock of the corporation issued and outstanding and entitled to vote with respect to such matter, or (c) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder who holds or

stockholders who hold less than forty percent (40%) of the shares of capital stock of the corporation issued and outstanding and entitled to vote with respect to such matter, if such business relates to the election of directors of the Corporation, the procedures in Section 1.11 must be complied with. For business to be properly brought before a special meeting by a stockholder who holds or stockholders who hold less than forty percent (40%) of the shares of capital stock of the corporation issued and outstanding and entitled to vote with respect to such matter, and for business other than the election of directors to be properly brought before an annual meeting by a stockholder who holds or stockholders who hold less than forty percent (40%) of the shares of capital stock of the corporation issued and outstanding and entitled to vote with respect to such matter, such stockholder or stockholders must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 60 days nor more than 90 days prior to the meeting; provided, however, that if less than 70 days' notice or prior public disclosure of the date of the meeting is given

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or made to stockholders, notice by the stockholder or stockholders to be timely must be delivered or mailed to the Secretary not later than the close of business on the 10th day following the date on which the notice of the meeting was mailed or public disclosure was made, whichever occurs first. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the meeting (a) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder or stockholders proposing such business, and the name and address of the beneficial owner or owners, if any, on whose behalf the proposal is made, (c) the class and number of shares of the Corporation which are beneficially owned by such stockholder or stockholders and such person or persons, if any, and (d) any material interest of the stockholder or stockholders, and such person or persons, if any, in such business. Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at any meeting of stockholders except in accordance with the procedures set forth in this Section 1.12 and except that any stockholder proposal which complies with Rule 14a-8 of the proxy rules (or any successor provision) promulgated under the Securities Exchange Act of 1934, as amended, and is to be included in the Corporation's proxy statement for an annual meeting of stockholders shall be deemed to comply with the requirements of this Section 1.12.

The officer presiding at a meeting of stockholders shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 10, and if s/he should so determine, s/he shall do declare to the meeting that any such business not properly brought before the meeting shall not be transacted.

## ARTICLE 2 - Directors

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2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law or the Certificate of Incorporation. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

2.2 Number; Election and Qualification. The number of directors which shall constitute the whole Board of Directors shall be determined by resolution of the stockholders or the Board of Directors, but in no event shall be less than one nor more than seven. The number of directors may be decreased at any time and from time to time either by the stockholders or by a majority of the directors then in office, but only to eliminate vacancies existing by reason of the death, resignation, removal or expiration of the term of one or more directors. The directors shall be elected at

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the annual meeting of stockholders by such stockholders as have the right to

vote on such election. Directors need not be stockholders of the corporation.

2.3 Enlargement of the Board. Subject to Section 2.2, the number of  
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directors may be increased at any time and from time to time by the stockholders or by a majority of the directors then in office.

2.4 Tenure. Each director shall hold office until the next annual meeting  
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and until her/his successor is elected and qualified, or until her/his earlier death, resignation or removal.

2.5 Vacancies. Unless and until filled by the stockholders, any vacancy  
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in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board, may be filled by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of her/his predecessor in office, and a director chosen to fill a position resulting from an increase in the number of directors shall hold office until the next annual meeting of stockholders and until her/his successor is elected and qualified, or until her/his earlier death, resignation or removal.

2.6 Resignation. Any director may resign by delivering her/his written  
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resignation to the corporation at its principal office or to the Chief Executive Officer or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

2.7 Regular Meetings. Regular meetings of the Board of Directors may be  
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held without notice at such time and place, either within or without the State of Delaware, as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.8 Special Meetings. Special meetings of the Board of Directors may be  
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held at any time and place, within or without the State of Delaware, designated in a call by the Chairman of the Board, Vice Chairman of the Board, Chief Executive Officer, two or more directors, or by one director in the event that there is only a single director in office.

2.9 Notice of Special Meetings. Notice of any special meeting of  
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directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (i) by giving notice to such director in person, by e-mail or by telephone at least 48 hours in

advance of the meeting, (ii) by sending a telegram or telex, or delivering written notice by hand, to her/his last known business or home address at least 48 hours in advance of the meeting, or (iii) by mailing written notice to her/his last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

2.10 Meetings by Telephone Conference Calls. Directors or any members of  
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any committee designated by the directors may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.11 Quorum. A majority of the total number of the whole Board of  
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Directors shall constitute a quorum at all meetings of the Board of Directors. In the event one or more of the directors shall be disqualified to vote at any

meeting, then the required quorum shall be reduced by one for each such director so disqualified; provided, however, that in no case shall less than one-third (1/3) of the number so fixed constitute a quorum. In the absence of a quorum at any such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

2.12 Action at Meeting. At any meeting of the Board of Directors at which  
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a quorum is present, the vote of a majority of those present shall be sufficient to take any action, unless a different vote is specified by law, the Certificate of Incorporation or these Bylaws.

2.13 Action by Consent. Any action required or permitted to be taken at  
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any meeting of the Board of Directors or of any committee of the Board of Directors may be taken without a meeting, if all members of the Board or committee, as the case may be, consent to the action in writing, and the written consents are filed with the minutes of proceedings of the Board or committee.

2.14 Removal. Except as otherwise provided by the General Corporation Law  
-----  
of Delaware, any one or more or all of the directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except that the directors elected by the holders of a particular class or series of stock may be removed without cause only by vote of the holders of a majority of the outstanding shares of such class or series.

2.15 Committees. The Board of Directors may designate one or more  
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committees, each committee to consist of one or more of the directors of the

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corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not s/he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of the General Corporation Law of the State of Delaware, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation (with regard to the business of such committee) and may authorize the seal of the corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-laws for the Board of Directors.

2.16 Compensation of Directors. Directors may be paid such compensation  
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for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the corporation or any of its parent or subsidiary corporations in any other capacity and receiving compensation for such service.

ARTICLE 3 - Officers  
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3.1 Enumeration. The officers of the corporation shall consist of a Chief  
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Executive Officer, President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including a Chairman of the Board, a Vice-Chairman of the Board, and one or more Vice Presidents, Assistant Treasurers, and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.

3.2 Election. The Chief Executive Officer, President, Treasurer and

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Secretary shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board of Directors at such meeting or at any other meeting.

3.3 Qualification. No officer need be a stockholder. Any two or more  
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offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, by the Certificate of  
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Incorporation or by these Bylaws, each officer shall hold office until her/his successor

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is elected and qualified, unless a different term is specified in the vote choosing or appointing her/him, or until her/his earlier death, resignation or removal.

3.5 Resignation and Removal. Any officer may resign by delivering her/his  
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written resignation to the corporation at its principal office or to the Chief Executive Officer or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

Any officer may be removed at any time, with or without cause, by vote of a majority of the entire number of directors then in office.

Except as the Board of Directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following her/his resignation or removal, or any right to damages on account of such removal, whether her/his compensation be by the month or by the year or otherwise, unless such compensation is expressly provided in a duly authorized written agreement with the corporation.

3.6 Vacancies. The Board of Directors may fill any vacancy occurring in  
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any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of Chief Executive Officer, President, Treasurer and Secretary. Each such successor shall hold office for the unexpired term of her/his predecessor and until her/his successor is elected and qualified, or until her/his earlier death, resignation or removal.

3.7 Chairman of the Board and Vice-Chairman of the Board. The Board of  
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Directors may appoint a Chairman of the Board and may designate the Chairman of the Board as Chief Executive Officer. If the Board of Directors appoints a Chairman of the Board, s/he shall perform such duties and possess such powers as are assigned to her/him by these Bylaws or by the Board of Directors. If the Board of Directors appoints a Vice-Chairman of the Board, s/he shall, in the absence or disability of the Chairman of the Board, perform the duties and exercise the powers of the Chairman of the Board and shall perform such other duties and possess such other powers as are assigned to her/him by these Bylaws or as may from time to time be vested in her/him by the Board of Directors.

3.8 Chief Executive Officer. The Chief Executive Officer shall, subject  
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to the direction of the Board of Directors, have general charge and supervision of the business of the corporation. Unless there shall be a Chairman or Vice Chairman of the Board or unless otherwise provided by the Board of Directors, (i) s/he shall preside at all meetings of the stockholders and, (ii) if s/he is a director, at all meetings of the Board of Directors. The Chief Executive Officer shall perform such

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other duties and shall have such other powers as are assigned to her/him by these Bylaws or as the Board of Directors may from time to time prescribe.

3.9 President. The President shall perform such duties and possess such

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powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. In the event of the inability or refusal to act of the Chief Executive Officer, the President shall perform the duties of the Chief Executive Officer (subject to the direction of the Board of Directors) and when so performing shall have all of the powers of and be subject to all of the restrictions upon the Chief Executive Officer.

3.10 Vice Presidents. Any Vice President shall perform such duties and -----  
possess such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

3.11 Secretary and Assistant Secretaries. The Secretary shall perform such -----  
duties and shall have such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary, (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the person presiding at the meeting shall designate a temporary secretary to keep a record of the meeting.

3.12 Treasurer and Assistant Treasurers. The Treasurer shall perform such -----  
duties and shall have such powers as may from time to time be assigned to her/him by the Board of Directors or the Chief Executive Officer. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be

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responsible for all funds and securities of the corporation, to deposit funds of the corporation in depositories selected in accordance with these By-laws, to disburse such funds as ordered by the Board of Directors, to make proper accounts of such funds, and to render as required by the Board of Directors statements of all such transactions and of the financial condition of the corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer, (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

3.13 Salaries. Officers of the corporation shall be entitled to such -----  
salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

#### ARTICLE 4 - Capital Stock -----

4.1 Issuance of Stock. Unless otherwise voted by the stockholders and -----  
subject to the provisions of the Certificate of Incorporation (including without limitation ARTICLE FOURTH, Section B), the whole or any part of any unissued



balance of the authorized capital stock of the corporation or the whole or any part of any unissued balance of the authorized capital stock of the corporation held in its treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such consideration and on such terms as the Board of Directors may determine.

4.2 Certificates of Stock. Every holder of stock of the corporation shall

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be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, certifying the number and class of shares owned by her/him in the corporation. Each such certificate shall be signed by, or in the name of the corporation by, the Chairman or Vice-Chairman, if any, of the Board of Directors, or the Chief Executive Officer, and the Treasurer or the Secretary of the corporation. Any or all of the signatures on the certificate may be a facsimile.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, the Bylaws, applicable securities laws or any agreement among any number of shareholders or among such holders and the corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

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If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of each certificate representing shares of such class or series of stock, provided that in lieu of the foregoing requirements there may be set forth on the face or back of each certificate representing shares of such class or series of stock a statement that the corporation will furnish without charge to each stockholder who so requests a copy of the full text of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

4.3 Transfers. Except as otherwise established by rules and regulations

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adopted by the Board of Directors, and subject to applicable law, shares of stock may be transferred on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these By-laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the corporation in accordance with the requirements of these Bylaws.

4.4 Lost, Stolen or Destroyed Certificates. The corporation may issue a

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new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen, or destroyed, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity as the Board of Directors may require for the protection of the corporation or any transfer agent or registrar.

4.5 Record Date. The Board of Directors may fix in advance a date as a

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record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders or to express consent (or dissent) to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 10 days after the date of adoption of a

record date for a written consent without a meeting, nor more than 60 days prior to any other action to which such record date relates.

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If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is properly delivered to the corporation. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE 5 - General Provisions  
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5.1 Fiscal Year. Except as from time to time otherwise designated by the  
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Board of Directors, the fiscal year of the corporation shall begin on the first day of January in each year and end on the last day of December in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be  
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approved by the Board of Directors.

5.3 Waiver of Notice. Whenever any notice whatsoever is required to be  
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given by law, by the Certificate of Incorporation or by these Bylaws, a waiver of such notice either in writing signed by the person entitled to such notice or such person's duly authorized attorney, or by telegraph, cable or any other available method, whether before, at or after the time stated in such waiver, or the appearance of such person or persons at such meeting in person or by proxy, shall be deemed equivalent to such notice.

5.4 Voting of Securities. Except as the directors may otherwise  
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designate, the Chief Executive Officer or Treasurer may waive notice of, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this corporation (with or without power of substitution) at, any meeting of stockholders or shareholders of any other corporation or organization, the securities of which may be held by this corporation.

5.5 Evidence of Authority. A certificate by the Secretary, or an  
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Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the corporation shall as to

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all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.6 Certificate of Incorporation. All references in these By-laws to the  
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Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the corporation, as amended and in effect from time to time.

5.7 Transactions with Interested Parties. No contract or transaction  
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between the corporation and one or more of the directors or officers, or between the corporation and any other corporation, partnership, association, or other

organization in which one or more of the directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or a committee of the Board of Directors which authorizes the contract or transaction or solely because her/his or their votes are counted for such purpose, if:

(1) The material facts as to her/his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum;

(2) The material facts as to her/his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(3) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee of the Board of Directors, or the stockholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

5.8 Severability. Any determination that any provision of these Bylaws  
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is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these Bylaws.

5.9 Pronouns. All pronouns used in these Bylaws shall be deemed to refer  
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to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

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ARTICLE 6 - Amendments  
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6.1 By the Board of Directors. These Bylaws may be altered, amended or  
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repealed or new bylaws may be adopted by the affirmative vote of all of the directors then in office at any regular or special meeting of the Board of Directors.

6.2 By the Stockholders. These Bylaws may be altered, amended or  
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repealed or new bylaws may be adopted by the affirmative vote of the holders of a majority of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at any regular meeting of stockholders, or at any special meeting of stockholders, provided notice of such alteration, amendment, repeal or adoption of new bylaws shall have been stated in the notice of such special meeting.

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PC CONNECTION, INC.

Number -----

Shares -----

[GRAPHIC APPEARS HERE]

COMMON STOCK  
CUSIP 69318J 10 0

See reverse for certain definitions

COMMON STOCK  
PAR VALUE \$0.01

This Certifies that -----

is the owner of -----

fully paid and non-assessable shares of common stock the par value of one cent (\$0.01) each, of PC CONNECTION, INC. (herein called the "Company") transferable, to the extent permitted by the Amended and Restated Certificate of Incorporation and the Bylaws of the Company, upon the books of the Company by the holder hereof in person or by a duly authorized attorney upon surrender of this certificate properly endorsed. This certificate and the shares represented hereby are issued and shall be subject to all the provisions of the Amended and Restated Certificate of Incorporation and the Bylaws of the Company as from time to time amended (copies of which are on file with the Company) to all the terms and conditions of which the holder, by acceptance hereof, assents. This certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.

IN WITNESS WHEREOF, the Company has caused this certificate to be signed by the facsimile signatures of the duly authorized officers and its facsimile corporate seal to be hereunto affixed.

Dated: -----

/s/ Wayne L. Wilson  
President and Chief  
Operating Officer

[SEAL]

/s/ Patricia Gallup  
Chairman of the Board and  
Chief Executive Officer

Countersigned and Registered:  
American Stock Transfer & Trust Company  
Transfer Agent and Registrar

By:  
Authorized Signature

PC CONNECTION, INC.

The Corporation will furnish to the holder upon request without charge a copy of the, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof authorized to be issued and the qualifications, limitations or restrictions of such preferences and/or rights.

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

TEN COM --as tenants in common UNIF GIFT MIN ACT -- Custodian  
TEN ENT --as tenants by the (Cust) (Minor)  
entireties under Uniform Gifts to  
JT TEN --as joint tenants with Minors Act  
right of survivorship and -----  
not as tenants in common (State)

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

For value received, \_\_\_\_\_ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

-----  
-----

-----  
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

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----- Shares  
of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint \_\_\_\_\_ Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated \_\_\_\_\_

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

Signature(s) Guaranteed:

By: \_\_\_\_\_

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

[Letterhead of Hale and Dorr LLP]

February 20, 1998

PC Connection, Inc.  
528 Route 13  
Milford, NH 03055

Re: Registration Statement on Form S-1  
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Ladies and Gentlemen:

This opinion is furnished to you in connection with a Registration Statement on Form S-1 (File No. 333-41171) (the "Registration Statement") filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), for the registration of 3,593,750 shares of Common Stock, \$.01 par value per share (the "Shares"), of PC Connection, a Delaware corporation (the "Company"), including 468,750 Shares issuable upon exercise of an over-allotment option granted by the Company.

The Shares are to be sold by the Company pursuant to an underwriting agreement (the "Underwriting Agreement") to be entered into by and among the Company and Donaldson, Lufkin & Jenrette Securities Corporation, NationsBanc Montgomery Securities LLC and William Blair & Company, L.L.C., as representatives of the several underwriters named in the Underwriting Agreement, the form of which has been filed as Exhibit 1.1 to the Registration Statement.

We are acting as counsel for the Company in connection with the issue and sale by the Company of the Shares. We have examined signed copies of the Registration Statement as filed with the Commission. We have also examined and relied upon the Underwriting Agreement, minutes of meetings of the stockholders and the Board of Directors of the Company as provided to us by the Company, stock record books of the Company as provided to us by the Company, the Certificate of Incorporation and By-Laws of the Company, each as restated and/or amended to date, and such other documents as we have deemed necessary for purposes of rendering the opinions hereinafter set forth.

PC Connection, Inc.  
February 20, 1998  
Page 2

In our examination of the foregoing documents, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, the authenticity of the originals of such latter documents and the legal competence of all signatories to such documents.

We assume that the appropriate action will be taken, prior to the offer and sale of the Shares in accordance with the Underwriting Agreement, to register and qualify the Shares for sale under all applicable state securities or "blue sky" laws.

We express no opinion herein as to the laws of any state or jurisdiction other than the state laws of the Commonwealth of Massachusetts, the Delaware General Corporation Law statute and the federal laws of the United States of America.

Based upon and subject to the foregoing, we are of the opinion that the Shares have been duly authorized for issuance and, when the Shares are issued and paid for in accordance with the terms and conditions of the Underwriting Agreement, the Shares will be validly issued, fully paid and nonassessable.

It is understood that this opinion is to be used only in connection with the offer and sale of the Shares while the Registration Statement is in effect.

Please note that we are opining only as to the matters expressly set forth

herein, and no opinion should be inferred as to any other matters.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act and to the use of our name therein and in the related Prospectus under the caption "Legal Matters." In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission.

Very truly yours,

/s/ HALE AND DORR LLP

HALE AND DORR LLP

FORM OF  
1998 PC CONNECTION VOTING TRUST AGREEMENT  
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THIS AGREEMENT, made as of the \_\_\_ day of February, 1998, by and among Patricia Gallup ("Gallup"), David Hall ("Hall") (Gallup and Hall being hereinafter referred to from time to time collectively as the "Founders"), Gallup and Hall, as trustees of the voting trust created by this voting trust agreement (the "Trustees") and PC Connection, Inc., a Delaware corporation (the "Corporation"),

W I T N E S S E T H      T H A T

WHEREAS, Gallup and Hall own beneficially certain shares of the Corporation's common stock, \$.01 par value ("Common Stock"), and have deposited with the Trustee to be held in trust under this Agreement [        ] shares (the "Gallup Shares") and [        ] shares (the "Hall Shares") of such Common Stock, respectively;

WHEREAS, the Founders believe that it is in the best interest of the stockholders of the Corporation to provide for continuity in the management and stock ownership of the Corporation;

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

1. Name. The trust created by this Agreement shall be known as the 1998 PC  
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Connection Voting Trust.

2.                    Transfer of Stock to the Trustees.  
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(a)                    Each Founder agrees to deliver to the Trustees, to be held pursuant to this Agreement, all but 20,000 shares of Common Stock or other securities of the Corporation now owned by such Founder.

(b)                    The Gallup Shares and Hall Shares initially deposited in trust with the Trustees under this Agreement, together with all other shares of capital stock of the Corporation deposited from and after the date hereof with the Trustees under this Agreement, whether pursuant to Subsection 2(a) above, or by reason of the payment of dividends by the Corporation in capital stock of the Corporation, a reorganization or recapitalization of the Corporation or otherwise, are hereinafter referred to as the "Restricted Securities." The Trustees shall hold the Restricted Securities subject to the terms of this Agreement and of that certain lock-up agreement entered into by each of Hall and Gallup with Donaldson, Lufkin & Jenrette Securities Corporation, NationsBanc Montgomery Securities, Inc. and William Blair & Company (the "Underwriters") in connection with the Corporation's initial public offering (the "Lock-Up Agreement").

(c)                    All certificates for Restricted Securities transferred and delivered to the Trustees pursuant to this Agreement shall be surrendered by the Trustees to the Corporation and shall be

cancelled on the books of the Corporation, and new certificates therefor shall be issued by the Corporation to the Trustees in the name of "Patricia Gallup and David Hall, as Trustees under the 1998 PC Connection Voting Trust." All certificates representing Restricted Securities issued to the Trustee under this Agreement shall have endorsed thereon, in addition to any other legends thereon, a legend in substantially the following form:

The securities represented by this certificate are subject to restrictions on voting and transfer set forth in a 1998 PC Connection Voting Trust Agreement dated as of February \_\_, 1998 between Patricia Gallup and David Hall, individually and as Trustees, and the



Corporation, a copy of which will be provided by the Corporation to any holder of this certificate upon request and without charge.

3. Voting Trust Certificates.  
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(a) Notwithstanding the delivery to the Trustees by a Founder of the certificate or certificates for their respective Restricted Securities, such Founder shall (subject to any transfer otherwise permitted hereunder) continue to be the beneficial owner of the Restricted Securities so deposited by such Founder with the Trustee. (The beneficial interest of a Founder, or of a Permitted Transferee of such Founder, in a share of any Restricted Security delivered to the Trustees hereunder may hereinafter be referred to as a "Beneficial Share.") Each Beneficial Share shall be evidenced by a voting trust certificate or certificates (the "Voting Trust Certificates"), and the Trustees shall issue and deliver or cause to be delivered to such Founder a Voting Trust Certificate evidencing his or her beneficial ownership of such Beneficial Shares. All such Voting Trust Certificates shall be in substantially the form of Exhibit A hereto.  
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(b) Each registered holder of a Voting Trust Certificate shall be entitled to receive copies of all notices of meetings, annual or periodic reports to the Corporation's stockholders or other materials distributed by the Corporation generally to the holders of any class of securities of which any outstanding shares constitute Restricted Securities ("Stockholder Information"), and the Trustees shall, upon their receipt from the Corporation of any Stockholder Information in respect of Restricted Securities held subject to this Agreement, promptly mail copies of such Stockholder Information to each such holder of a Voting Trust Certificate at his or her address as shown on the books of the Trustees. Each Founder acknowledges and agrees that the rights and powers of the Trustees hereunder, including, without limitation, those rights and powers set forth in Sections 10 and 11 below, shall not be affected by any failure of the Trustee to comply with the provisions of this Subsection 3(b).

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4. Provisions Regarding Transfer of Restricted Securities and  
Beneficial Shares.  
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(a) During the term of this Agreement, neither Founder shall, except as otherwise permitted by Subsection 4(b) below, sell, assign, convey, pledge, encumber, hypothecate, subject to any call, option or agreement to purchase or otherwise transfer any of the Restricted Securities or Beneficial Shares, whether or not standing in his or her name, or any interest therein, or agree or purport to do any of the foregoing.

(b) Notwithstanding the foregoing, the following transactions shall not be deemed to be prohibited by this Section 4 (each a "Permitted Transfer"):

(i) A transfer of Beneficial Shares by either Founder made (A) as a charitable donation, gift or otherwise without separate consideration, or for estate planning purposes, to any member of his or her family or any other person or entity, or to a trust for the benefit of such Founder or such family member, person or entity (any transferee of a Founder described in this clause (A) being hereinafter referred to as a "Permitted Transferee") or (B) to the other Founder; provided, however, that any Beneficial  
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Shares so transferred shall remain subject to the Lock-Up Agreement to the extent applicable during its term and to this Voting Trust Agreement for as long as such Agreement remains in force.

(ii) Subject to Subsection 4(d) below, a transfer of Restricted Securities by either Founder or by a Permitted Transferee of such Founder in a bona fide transfer for value to a  
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third party unaffiliated with the transferor (a "Sale"), which Sale is not prohibited by the Lock-Up Agreement or is made with the consent of the Underwriters pursuant to the Lock-Up Agreement, in which event the third party shall hold the Restricted

Securities so transferred free of the Lock-Up Agreement and of the Voting Trust created hereby and shall be entitled to receive from the Corporation a certificate registered in such name as the third party shall designate. The Trustees hereby agree to issue and deliver to the Corporation or its transfer agent such certificates and instructions and to take such other actions as may be necessary on their part to effect the Sale and registration in the name of a third party pursuant to this Subsection 4(b)(ii).

(iii) A pledge of Restricted Securities to a bank or other financial institution as collateral security for the obligations of either Founder under an arrangement with such bank or financial institution in which the Founder simultaneously establishes both put and call positions with respect to the Common Stock of the Corporation (a "Collateralized Collar") shall be deemed to constitute a Sale pursuant to Subsection 4(b)(ii) above. Upon receipt by the Trustees of (A) written notice from a Founder that he or she intends to enter into a Collateralized Collar, setting forth the terms of such Collateralized Collar and (B) if such notice is given during

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the term of the Lock-Up Agreement, the written consent of the Underwriters to the pledge, to the extent required, such Founder shall be entitled to receive a certificate representing the pledged shares registered in such name as he or she shall designate and free of any restrictive legend (except as otherwise required by law). The bank or other financial institution, and any of its transferees, shall hold the pledged shares free of the Lock-Up Agreement, the Voting Trust and any other restrictions on transfer or voting of the pledged shares created by this Agreement.

(c) It shall be a further condition to any transfer made pursuant to Subsection 4(b)(i)(A) above that the transferee, if not already a party to this Agreement, shall execute and deliver to the Trustees an instrument in form and substance satisfactory to the Trustees evidencing the agreement of such transferee to become a party to and be bound by this Agreement and the Lock-Up Agreement during its term. Each Founder agrees, as a further condition to any transfer made by him or her pursuant to Subsection 4(b)(iii) above, that to the extent that he or she has the power to direct the voting of any shares of Common Stock held by any bank or other financial institution pursuant to a Collateralized Collar he or she will direct that such shares be voted in accordance with the written instructions of the Trustees; provided, that such bank or financial institution shall not have any obligation to determine independently whether such any direction given by such Founder is in conformity with any instructions of the Trustees.

(d) Notwithstanding the foregoing, if a Sale by either Founder (which term shall be deemed to include, solely for purposes of this Subsection 4(d), any Permitted Transferee of such Founder) pursuant to Subsection 4(b)(ii) above would (A) when aggregated with all other Sales effected by such Founder during the 90-day period preceding such Sale involve the transfer of an aggregate of 50,000 or more Restricted Securities, or (B) result in the Trustees holding in the aggregate less than a majority of the then issued and outstanding Common Stock of the Corporation (including, as issued and outstanding, for purposes of this Subsection 4(d) any shares of Common Stock issuable upon conversion of any then issued and outstanding security of the Corporation that is convertible into Common Stock) (in each case, a "Restricted Sale"), such Restricted Sale may be effected only in compliance with this Subsection 4(d). A Founder proposing to effect a Restricted Sale (an "Offering Founder") shall first notify the other Founder (the "Offeree Founder") in writing of the number of Restricted Securities proposed to be transferred, the proposed manner of sale and, if such transfer is to be made other than in a "broker's transaction" or "transaction directly with a market maker" (as each such term is defined in Rule 144 ("Rule 144") promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act")), the identity of the proposed transferee and the proposed price at which the Restricted Sale is to be effected (an "Offer Notice"). Such Offer Notice shall constitute a binding offer to sell to the Offeree Founder, for cash, the Restricted Securities described in the Offer Notice at the price specified therein, or, if no such price is specified, at a price per share equal to the last sale price of the Common Stock as reported by the Nasdaq National Market on the date on which the Offer Notice

is given. If the Offeree Founder shall not, within ten business days of the giving of the Offer Notice (the "First Refusal Period"), notify the Offering Founder in writing that the Offer Notice is accepted (which notice shall be accompanied by the tender of payment in full of the purchase price of the offered Restricted Securities), then the Offering Founder shall be free (subject however to any restrictions

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on trading in Common Stock arising by law, regulation or policy of the Corporation), during the Corporation's fiscal quarter in which the First Refusal Period expires, to effect the Restricted Sale, upon the terms set forth in the Offer Notice.

(e) The Founders acknowledge that they have been advised that their sales of Common Stock may be required to be aggregated for purposes of the volume limitations of Rule 144. Each Founder agrees that he or she (i) will make a good faith effort to notify the other prior to any Sale of Common Stock (including any transfer of Restricted Securities pursuant to Subsection 4(b)(ii) or (iii) above, and whether or not such Sale is subject to Rule 144), and (ii) will not, without the prior written consent of the other, effect any such Sale of Common Stock that would cause the aggregate number of shares of Common Stock so transferred by such Founder during any three-month period to exceed one-half of the aggregate number that would be permitted to be sold by both Founders during such three-month period under Rule 144(e). The Founders further acknowledge that they have been advised that each collateralized option written by them in connection with the establishment of a Collateralized Collar pursuant to Subsection 4(b)(iii) above may be deemed to constitute a separate sale of the underlying shares for purposes of the volume limitations of Rule 144.

(f) The Trustees shall keep a record of Voting Trust Certificates and shall be entitled to rely conclusively upon said record as to the identity and address of the holders of Voting Trust Certificates. The Trustees may treat the registered holder of each Voting Trust Certificate as the owner thereof and of the Beneficial Shares evidenced thereby for all purposes whatsoever, but the Trustee shall not be required to deliver certificates for Restricted Securities as required hereunder without the surrender of the corresponding Voting Trust Certificates. In addition, the Trustees shall not be required to recognize any transfer of any Voting Trust Certificate or Beneficial Share not made in accordance with the provisions hereof unless the person claiming such ownership shall produce indicia of title satisfactory to the Trustees and shall deposit with the Trustees an indemnity satisfactory to the Trustees.

(g) If any Voting Trust Certificate is lost, stolen, mutilated, damaged or destroyed, the Trustees shall issue a duplicate of such certificate upon receipt of: (i) evidence of such fact satisfactory to them; (ii) an indemnity satisfactory to them; (iii) the existing certificate, if mutilated or damaged; and (iv) the Trustees' reasonable fees and expenses in connection with the issuance of a replacement Voting Trust Certificate.

5. Assent to Agreement. Every person from time to time holding a Voting  
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Trust Certificate or Certificates, whether a Founder or one claiming through or under a Founder, by the fact of such person's acceptance of such Voting Trust Certificate or Certificates, shall be deemed to have assented and agreed to all of the provisions of this Agreement.

6. Dividends.  
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(a) Prior to the expiration or earlier termination of this Agreement, the holders of Voting Trust Certificates shall be entitled to receive payments equal to the cash dividends, if any, received by the Trustee from the Corporation, ratably in proportion to their respective number of Beneficial Shares. In lieu of receiving such cash dividends and paying the same to the holders of

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Voting Trust Certificates, the Trustees may instruct the Corporation in writing to pay such cash dividends directly to the holders of Voting Trust Certificates. Upon such instructions being given by the Trustees to the Corporation, and unless explicitly limited or until revoked by the Trustees, all liability of the Trustees with respect to such cash dividends shall terminate. The Trustees may

at any time revoke such instructions and by written notice to the Corporation direct it to make dividend payments to the Trustees. The Corporation shall not be liable to any holder of Voting Trust Certificates or to any person claiming to be entitled to any such cash dividends by reason of following any written instructions of the Trustees.

(b) If any dividend in respect of Restricted Securities owned of record by the Trustees is paid, in whole or in part, in capital stock of the Corporation, then (i) the Trustees shall hold, subject to the terms of this Agreement, the certificate or certificates for shares of such stock which are received by them on account of such dividend which shall become Restricted Securities for purposes of this Agreement; and (ii) the holder of each Voting Trust Certificate shall be entitled to receive a Voting Trust Certificate issued under this Agreement for the corresponding number of Beneficial Shares.

(c) Holders entitled to receive the dividends described above shall be those registered as holders of Voting Trust Certificates on the books of the Trustees at the close of business on the record date fixed by the Corporation for determining those holders of its capital stock entitled to receive such dividends or, if the Corporation has fixed no such record date, then on the close of business on the date fixed by the Trustees for the purpose of determining the holders of Voting Trust Certificates entitled to receive such payment or distribution.

7. Dissolution of the Corporation. In the event of the dissolution or  
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liquidation of the Corporation, whether voluntary or involuntary, or any other return of capital to the holders of securities of the Corporation, the Trustees shall receive the moneys, securities, rights or property to which the holders of the Restricted Securities held hereunder are entitled, and shall distribute the same among the registered holders of the Voting Trust Certificates ratably in accordance with their Beneficial Shares then outstanding, or the Trustees may in their discretion deposit such moneys, securities, rights or property with any bank or trust company doing business in the United States, with authority and instructions to distribute the same as above provided, and upon such deposit all further obligations or liabilities of the Trustees in respect of such moneys, securities, rights or property so deposited shall terminate.

8. Reorganization or Recapitalization of the Corporation.  
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(a) In case the Corporation is merged into or consolidated with another corporation or entity, or all or substantially all of the assets of the Corporation are transferred to another corporation or entity, then in connection with such merger, consolidation or transfer (i) the term "Corporation" for all purposes of this Agreement shall be taken to include such successor corporation or entity; (ii) the Trustees shall receive and hold under this Agreement any stock of such successor corporation or entity which is received on account of their ownership as Trustees hereunder of the Restricted Securities held hereunder prior to such merger, consolidation or transfer; and (iii) the Trustees may, in their discretion, substitute for Voting Trust Certificates, new voting trust certificates in appropriate form, and the terms "Common Stock" and "Restricted

Securities" as used herein shall be taken to include any shares of stock which may be received by the Trustees in lieu of all or part of the shares of Common Stock or the Restricted Securities, respectively.

(b) In the event that the Corporation shall effect a stock split, reverse stock split, consolidation, reclassification or other similar transaction in respect of any class of its capital stock constituting Restricted Securities held by the Trustees hereunder, the Trustees shall issue to the holders of Voting Trust Certificates additional or substitute Voting Trust Certificates representing such number and class of Beneficial Shares as are issuable in respect of such Restricted Securities by reason of such transaction; provided,  
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in the case of substitute Voting Trust Certificates, that there shall have been surrendered to the Corporation for cancellation the original Voting Trust Certificate or Certificates in respect of which such substitute Voting Trust Certificates are to be issued. In the event that the Restricted Securities include securities of more than one class or series, the Trustees may cause Voting Trust Certificates designated as belonging to more than one class or

series to be issued to the holder of Beneficial Shares so that each such Voting Trust Certificate corresponds to Restricted Securities of a particular class or series.

9. Additions to Trust Property. From time to time the Trustees may, in  
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their discretion, receive additional certificates for Restricted Securities from either a Founder or a Permitted Transferee of a Founder and all such certificates shall be treated as if originally transferred and deposited hereunder. Upon any such receipt of additional certificates for Restricted Securities, the Trustees shall cause additional Voting Trust Certificates representing Beneficial Shares corresponding to such Restricted Securities to be issued to the beneficial owners of such Restricted Securities to reflect the transfer and deposit of such Restricted Securities in trust hereunder.

10. Rights and Powers of the Trustee; Death or Disability.  
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(a) The Trustees shall have full legal title to, and be the record owner of, the Restricted Securities held hereunder. The Trustees may, but shall not be obliged to, deposit any stock certificate representing Restricted Securities with a bank, securities firm or other financial institution for safekeeping in the name of the Trustees as record owner.

(b) Until the actual delivery to the holders of Voting Trust Certificates of stock certificates representing Restricted Securities issued in exchange therefor, and until the surrender of the Voting Trust Certificates for cancellation upon such delivery, the Trustees shall have the right, subject to the provisions of this Subsection 10(b), (i) to exercise, in person or by their nominees or proxies, all voting rights and powers in respect of all Restricted Securities held hereunder, (ii) to take part in or consent to any corporate or Stockholders' action of any kind whatsoever, and (iii) to file applications with, and otherwise deal with, any Federal or state regulatory agencies with respect to all matters arising out of or relating to the Restricted Securities. The right to vote shall include the right to vote in favor of, or against, or to withhold any vote in respect of, any resolution or proposed action of any character whatsoever which may be presented at any meeting or which may require the consent of Founders of the Corporation, as the Trustees, in their sole discretion, shall deem appropriate.

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(c) Subject to Subsections 10(d) , (e) and (f) and Section 11 below, no action shall be taken by the Trustees hereunder, including, without limitation, any action relating to the voting or transfer of any Restricted Securities, except with the written consent of both Trustees.

(d) Notwithstanding the foregoing, if either Trustee shall determine that action hereunder is necessary or advisable with respect to any material transaction, proposal or other matter with respect to which the vote, consent or other action by stockholders of the Corporation may be sought (a "Stockholder Matter") at a time when the other Trustee is unavailable (whether as a result of extended travel or for any other reason), and if, despite reasonable efforts in good faith to do so, the first Trustee shall be unable to locate the absent Trustee in order to decide whether and how the Trustees should vote with respect to such Stockholder Matter, the first Trustee (the "Notifying Trustee") may give written notice to the other, describing generally the Stockholder Matter as to which action is proposed to be taken and referring to this Subsection 10(d) (a "Trustee Action Notice"). At any time on or after the thirtieth (30th) day following the giving of such Trustee Action Notice, the Notifying Trustee shall be authorized to act with respect to the Stockholder Matter described in the Trustee Action Notice, and any other matter with respect to which action may be taken by the Trustees hereunder, in such manner as the Notifying Trustee shall deem to be appropriate in his or her sole discretion, without the consent of the other Trustee. The authority of the Notifying Trustee to act hereunder without the consent of the other Trustee shall terminate immediately upon receipt by the Notifying Trustee of written notice from the other Trustee that he or she objects to the Notifying Trustee's so acting (an "Objection Notice"); provided, however, that any action taken by the Notifying Trustee prior to his or her receipt of any such Objection Notice shall be binding upon both Trustees and shall not be affected by such Objection Notice.

(e) The Trustees may at any time by mutual written consent request registration of any or all of the Restricted Securities under the terms of a

certain Registration Rights Agreement among the Founders, individually and as Trustees hereunder, and the Company dated as of \_\_\_\_\_. In addition, at the written request of either Founder the Trustees will request registration of Restricted Securities (i) beneficially owned by the requesting Founder, or such Founder's Permitted Transferees, and (ii) with respect to which at the time such request is made such Founder or permitted Transferee has the right to effect a Sale under Subsection 4(b) of this Agreement.

(f) In the event that either Trustee should die, suffer a Disability or become Disqualified during the term of this Agreement, the other Trustee shall serve as sole Trustee hereunder.

(i) The term "Disability" shall mean, for purposes of this Agreement, (A) the adjudication of the Trustee by a court of competent jurisdiction as an incompetent, or (B) the imposition by a court of competent jurisdiction of a conservatorship over the affairs of the Trustee.

(ii) A Trustee shall be deemed to be "Disqualified" for purposes of this Agreement (A) if such Trustee is convicted of a crime of dishonesty involving the Corporation, (B) if such Trustee, in his or her capacity as a director or officer of the Corporation, is determined by a court of competent jurisdiction to have violated his or her duty of loyalty to the

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Corporation, or (C) if such Trustee owns Beneficial Shares that are fewer than one-half the number of Beneficial Shares owned by the other Trustee; provided, that for purposes of this clause (C),

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Beneficial Shares owned by a Permitted Transferee of a Trustee as a result of a transaction described in Subsection 4(b) (i) (A) above shall be deemed to be owned by such Trustee.

11. Election of Directors; Deadlock. In the event that the

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Corporation shall solicit proxies for use at any annual meeting of stockholders, or special meeting of stockholders in lieu of an annual meeting, at which directors of the Corporation are to be elected (each an "Annual Meeting"), and in the event that the Trustees shall be unable to agree upon the manner in which the Restricted Securities should be voted in the election of directors at such Annual Meeting, either Trustee may, after five days' prior written notice to the other Trustee, notify the Board of Directors of the Corporation in writing that the Trustees are deadlocked with respect to the election of directors (a "Deadlock Notice"). Following receipt by the Board of Directors of a Deadlock Notice, the Board of Directors of the Corporation may, by the affirmative vote of a majority of the directors then in office and upon written notice given to both Trustees within ten days of the giving of the Deadlock Notice (an "Election Notice"), require the Trustees to execute and deliver to the Secretary of the Corporation for use at the Annual Meeting a proxy representing all the Restricted Securities issued and outstanding and entitled to vote in the election of directors at the Annual Meeting (a "Proxy"). Such Proxy shall confer upon the person or persons specified in the Corporation's definitive proxy statement for the Annual Meeting authority to attend the Annual Meeting for purposes of establishing a quorum and to vote for the slate of directors nominated by the Board of Directors; provided, however, that the Trustees shall

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in such Proxy withhold authority to elect any nominee who is not (i) an incumbent director of the Corporation (ii) elected by the shareholders and (iii) for whose election the Trustees had voted in such election. The Trustees hereby agree that they will promptly comply with any Election Notice duly given hereunder, and will not, without the written consent of a majority of the directors of the Corporation then in office, revoke or withdraw any Proxy delivered pursuant thereto or vote or purport to vote any Restricted Securities at an Annual Meeting in a manner inconsistent with such Proxy.

12. Compensation of the Trustees.

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(a) The Trustees shall serve without compensation. The Trustees and each of their agents shall be reimbursed by the owners of the Beneficial Shares ratably according to the respective number of Beneficial Shares then outstanding for all out-of-pocket expenses reasonably incurred by them in the performance of their

respective duties under this Agreement.

(b) Nothing contained herein shall disqualify or incapacitate either Trustee from serving the Corporation or any of its subsidiaries as an officer, director or agent acting in any other capacity becoming a creditor of the Corporation or any such subsidiary, or in any other way dealing with or receiving compensation from the Corporation or any such subsidiary.

13. Standard of Liability.  
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(a) Neither Trustee hereunder shall under any circumstances or in any event be held liable (as a Stockholder, Trustee or otherwise) or accountable out of his or her personal assets by reason of any error of judgment or mistake of fact or law or other mistake, if such Trustee was acting in good faith, or in reliance on the opinion of qualified legal counsel (who may be counsel for the Corporation) selected in good faith, nor shall either Trustee be held liable by reason of the act or omission of any agent, proxy, attorney, co-trustee, or person to whom he or she may reasonably delegate his powers hereunder.

(b) Without limiting the generality of the foregoing, each Founder acknowledges that he or she has been advised that he or she individually will be responsible for filing any reports required pursuant to Section 16 of the Securities Exchange Act of 1934 ("Section 16") in respect of his or her beneficial ownership of Restricted Securities and acknowledges and agrees that the Trustees in their capacity as such shall have no duty or responsibility with respect to compliance by either Founder with Section 16 or with any other requirements of federal or state securities law relating to beneficial ownership or transfer of any Restricted Securities or Beneficial Shares.

(c) In no event shall either Trustee have any liability whatsoever, whether arising in contract, in tort or otherwise, to any Founder, holder of a Voting Trust Certificate or other person arising out of any vote or consent lawfully cast or given or withheld by him or her, in respect of any Voting Stock held subject to this Agreement.

14. Certificate of Trustees. Any certificate in writing executed  
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by the Trustees (or the remaining Trustee, if only one Trustee remains in office or if only one Trustee may act with respect to the matter to which the certificate pertains) setting forth the existence of any fact the existence of which is necessary to authorize the execution of any instrument or the taking of any action by the Trustees, or setting forth any other facts in relation to the trust created hereby, shall, as to all persons acting in good faith in reliance thereon, be conclusive evidence of the truth of the statements made in such certificate and of the existence of the facts therein stated to exist.

15. Amendments. This Agreement may be amended only by a written  
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instrument signed by (i) a majority of the registered holders of Voting Trust Certificates then outstanding, (ii) the Trustees, and (iii) a duly authorized officer of the Corporation. Any amendment shall be filed in the principal office of the Corporation, and notice thereof shall be sent to all holders of Voting Trust Certificates by the Trustee.

16. Sale and Transfer of Restricted Securities. Except in  
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connection with a Permitted Transfer of Restricted Securities and in accordance with the written instructions of the holder of the Voting Trust Certificate relating to such Restricted Securities, or in connection with an expiration of this Agreement and the trust created hereby with respect to certain Restricted Securities pursuant to Section 17 below, the Trustees shall not sell, hypothecate, pledge, assign or otherwise transfer legal title to any Restricted Securities held hereunder.

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17. Term and Termination; Distribution of Trust Property  
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(a) Upon the expiration of this Agreement and the trust created hereby

pursuant to Subsection 17(b), (c) or (d) below, the Restricted Securities to which such expiration or termination relates shall be distributed to the registered holders of the Voting Trust Certificates representing such Restricted Securities, and each such holder shall be entitled to receive from the Corporation a certificate representing such Restricted Securities registered in the name of such holder.

(b) This Agreement and the trust created hereby shall expire with respect to all Restricted Securities:

- (i) Upon the written agreement of the Founders;
- (ii) The death, Disability or Disqualification of both Trustees; or
- (iii) When the Restricted Securities held subject to this Agreement constitute less than ten percent (10%) of the issued and outstanding Common Stock of the Corporation.

(c) Either Founder may cause this Agreement and the trust created hereby to terminate with respect to a number of Restricted Securities not to exceed the Permitted Bequest (as defined in this Subsection 17(c)) by bequeathing such number of Restricted Securities to one or more persons or trusts other than the other Founder. In such event, this Agreement and the trust created hereby shall terminate with respect to the bequeathed Restricted Securities one year following the giving of notice to the remaining Trustee of the distribution of the Restricted Securities by the estate of the decedent Trustee. For each Founder, the Permitted Bequest shall equal the lesser of (i) one-half of the number of Restricted Securities which, if subtracted from the total number of Restricted Securities, would cause this Agreement to terminate under Subsection 17(b) (iii) above or (ii) five percent (5%) of the number of Restricted Securities with respect to which the decedent Founder holds Beneficial Shares as of such Founder's date of death.

(d) This Agreement and the trust created hereby shall terminate with respect to any Restricted Securities that are sold by either Founder pursuant to Subsection 4(b) (ii) or Subsection 4(d) above, regardless of whether the other Founder purchases such shares pursuant to Subsection 4(d). In addition, in the event that this Agreement and the trust created hereby terminates pursuant to the preceding sentence with respect to Restricted Securities with respect to which one Founder holds Beneficial Shares, this Agreement and the trust created hereby shall terminate with respect to an equal number of shares of Restricted Securities of the other Founder immediately upon such termination with respect to the first Founder.

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18. Notices and Distributions.

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(a) Unless otherwise specifically provided in this Agreement, any notice to or communication with the holders of Voting Trust Certificates shall be deemed to be sufficiently given or made if in writing and given by prepaid, registered or certified mail, return receipt requested or by a nationally recognized overnight delivery service requiring a signature as a condition to delivery, or by personal delivery, to such holders at their addresses appearing on the books of the Trustees. Any notice to the Trustees hereunder shall be sufficient if in writing and given by prepaid, registered or certified mail, return receipt requested or by a nationally recognized overnight delivery service requiring a signature as a condition to delivery, or by personal delivery, as follows:

If to Hall:  
Mr. David Hall  
Post Office Box 2821  
Gilsum, NH 03448

If to Gallup:  
Ms. Patricia Gallup  
52 Beacon Street  
Concord, NH 03301

If to the Corporation:  
PC Connection, Inc.



Legal Counsel  
528 Route 13 South  
Milford, NH 03055

In each case, with a copy to:  
Thomas M.S. Hemnes  
Foley, Hoag & Eliot LLP  
One Post Office Square  
Boston, MA 02109

Every notice so given shall in the case of personal delivery, when actually delivered, and in the case of registered or certified mail, return receipt requested or an overnight delivery service requiring a signature, on the business day following its dispatch by means of such service.

(b) All distributions of cash, securities or other property hereunder by the Trustees to the holders of Voting Trust Certificates may be made, in the discretion of the Trustees, in person, by

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mail, or where appropriate, by wire transfer to any bank or fund account of which the receiving holder has notified the Trustees in the manner provided for herein.

19. Miscellaneous.  
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(a) A copy of this Agreement, as amended from time to time, shall at all times prior to the expiration or termination of this Agreement be kept as part of the corporate records of the Corporation at its principal office, and shall be available for inspection by any party hereto during regular business hours.

(b) This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of Delaware, without reference to its principles of conflict of law.

(c) If any provision of this Agreement shall be determined to be invalid, illegal or otherwise unenforceable by any court of competent jurisdiction, the validity, legality and enforceability of the other provisions of this Agreement shall not be affected thereby. Any invalid, illegal or unenforceable provision of this Agreement shall be severable, and after any such severance, all other provisions hereof shall remain in full force and effect.

(d) This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their heirs, legal representatives, successors and permitted assigns. This Agreement may not be assigned by any party without the written consent of each other party.

(e) This Agreement and the documents referred to in it and to be delivered pursuant to it constitute the entire agreement of the parties pertaining to its subject matter and supersede all prior agreements, understandings negotiations and discussions of the parties, whether written or oral, with respect to the subject matter hereof.

(f) The headings contained in this Agreement are for reference only and shall not affect the meaning or interpretation of this Agreement.

(g) This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

(h) The rights and remedies of the parties hereto shall be cumulative and in addition to all other rights and remedies such parties may have, at law, in equity, by contract or otherwise.

(i) The parties hereto agree to execute such further instruments and to take such further actions as may reasonably be necessary to carry out the intent of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as an

instrument under seal as of the date first above written.

-----  
Patricia Gallup, individually

-----  
David Hall, individually

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Patricia Gallup, as Trustee

-----  
David Hall, as Trustee

PC CONNECTION, INC.

By: \_\_\_\_\_

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EXHIBIT A  
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VOTING TRUST CERTIFICATE  
THE 1998 PC CONNECTION VOTING TRUST

No. \_\_\_\_\_ Shares

THIS IS TO CERTIFY THAT \_\_\_\_\_  
is the beneficial owner of \_\_\_\_\_ (\_\_\_\_\_) Restricted  
Securities in The 1998 PC Connection Voting Trust under that certain Voting  
Trust Agreement dated as of February \_\_, 1998 executed by and among Patricia  
Gallup and David Hall (individually and as Trustees) and PC Connection, Inc., a  
Delaware corporation (the "Company"), and relating to the Common Stock, \$.01 par  
value per share of the Company, which stock is held by the undersigned subject  
to the provisions of said Agreement.

Said Restricted Securities are transferable only in accordance with and  
subject to the provisions of said Voting Trust Agreement and then only on the  
books of the Trustees under said Voting Trust Agreement by the record holder  
either in person or by his duly authorized attorney upon surrender of this  
Certificate duly endorsed or assigned, subject to such transfer rules as such  
Trustees may from time to time establish. The securities represented by this  
certificate have been acquired for investment and have not been registered under  
the Securities Act of 1933, as amended. Such securities may not be sold,  
transferred, pledged or hypothecated unless the registration provisions of said  
Act have been complied with or unless the Corporation has received an opinion of  
its counsel that such registration is not required.

The rights, privileges and interests of the holders of Restricted Securities  
in said Trust are set forth in said Voting Trust Agreement and acceptance of  
this Certificate constitutes assent and agreement to all of the provisions of  
said Voting Trust Agreement.

IN WITNESS WHEREOF this Certificate has been executed by the undersigned this  
day of \_\_\_\_\_, 1998.

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Patricia Gallup, as Trustee

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David Hall, as Trustee

PC CONNECTION, INC.

1997 STOCK INCENTIVE PLAN

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1. Purpose

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The purpose of this 1997 Stock Incentive Plan (the "Plan") of PC Connection, Inc., a Delaware corporation (the "Company"), is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company by providing such persons with equity ownership opportunities and performance-based incentives and thereby better aligning the interests of such persons with those of the Company's stockholders. Except where the context otherwise requires, the term "Company" shall include any present or future subsidiary corporations of PC Connection, Inc. shall include any present or future subsidiary corporations of PC Connection, Inc. as defined in Section 424(f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code").

2. Eligibility

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All of the Company's employees, officers, directors, consultants and advisors are eligible to be granted options, restricted stock, or other stock-based awards (each, an "Award") under the Plan. Any person who has been granted an Award under the Plan shall be deemed a "Participant".

3. Administration, Delegation

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(a) Administration by Board of Directors. The Plan will be administered by the Board of Directors of the Company (the "Board"). The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award. No director or person acting pursuant to the authority delegated by the Board shall be liable for any action or determination relating to or under the Plan made in good faith.

(b) Delegation to Executive Officers. To the extent permitted by applicable law, the Board may delegate to one or more executive officers of the Company the

power to make Awards and exercise such other powers under the Plan as the Board may determine, provided that the Board shall fix the maximum number of shares subject to Awards and the maximum number of shares for any one Participant to be made by such executive officers.

(c) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a "Committee"). If and when the common

stock, \$0.01 par value per share, of the Company (the "Common Stock") is registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Board shall appoint one such Committee of not less than two members, each member of which shall be an "outside director" within the meaning of Section 162(m) of the Code and a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act. All references in the Plan to the "Board" shall mean the Board or a Committee of the Board or the executive officer referred to in Section 3(b) to the extent that the Board's powers or authority under the Plan have been delegated to such Committee or executive officer.

#### 4. Stock Available for Awards

(a) Number of Shares. Subject to adjustment under Section 4(c), Awards may

be made under the Plan for up to 800,000 shares of Common Stock. If any Award expires or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part or results in any Common Stock not being issued, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan, subject, however, in the case of Incentive Stock Options (as hereinafter defined), to any limitation required under the Code. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(b) Per-Participant Limit. Subject to adjustment under Section 4(c), for

Awards granted after the Common Stock is registered under the Exchange Act, the maximum number of shares with respect to which an Award may be granted to any Participant under the Plan shall be 250,000 per calendar year. The per-participant limit described in this Section 4(b) shall be construed and applied consistently with Section 162(m) of the Code.

(c) Adjustment to Common Stock. In the event of any stock split, stock

dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any distribution to holders of Common Stock other than a normal cash dividend, (i) the number and class of securities available under this Plan, (ii) the number and class of security and exercise price per share subject to each outstanding Option, (iii) the repurchase price per security subject to each outstanding Restricted

-2-

Stock Award, and (iv) the terms of each other outstanding stock-based Award shall be appropriately adjusted by the Company (or substituted Awards may be made, if applicable) to the extent the Board shall determine, in good faith, that such an adjustment (or substitution) is necessary and appropriate. If this Section 4(c) applies and Section 8(e)(1) also applies to any event, Section 8(e)(1) shall be applicable to such event, and this Section 4(c) shall not be applicable.

#### 5. Stock Options

(a) General. The Board may grant options to purchase Common Stock (each,

an "Option") and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable. An Option which is not intended to be an Incentive Stock Option (as hereinafter defined) shall be designated a "Nonstatutory Stock Option".

(b) Incentive Stock Options. An Option that the Board intends to be an

"incentive stock option" as defined in Section 422 of the Code (an "Incentive Stock Option") shall only be granted to employees of the Company and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) which is intended to be an

Incentive Stock Option is not an Incentive Stock Option.

(c) Exercise Price. The Board shall establish the exercise price at the time each Option is granted and specify it in the applicable option agreement.

(d) Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement. No Option will be granted for a term in excess of 10 years.

(e) Exercise of Option. Options may be exercised only by delivery to the Company of a written notice of exercise signed by the proper person together with payment in full as specified in Section 5(f) for the number of shares for which the Option is exercised.

(f) Payment Upon Exercise. Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

(1) in cash or by check, payable to the order of the Company;

(2) except as the Board may otherwise provide in an Option Agreement, delivery of an irrevocable and unconditional undertaking by a

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creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price, or delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price;

(3) to the extent permitted by the Board and explicitly provided in an Option Agreement (i) delivery of shares of Common Stock owned by the Participant valued at their fair market value as determined by the Board in good faith ("Fair Market Value"), which Common Stock was owned by the Participant at least six months prior to such delivery, (ii) by delivery of a promissory note of the Participant to the Company on terms determined by the Board, or (iii) by payment of such other lawful consideration as the Board may determine; or

(4) any combination of the above permitted forms of payment.

## 6. Restricted Stock

(a) Grants. The Board may grant Awards entitling recipients to acquire shares of Common Stock, subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award (each, "Restricted Stock Award").

(b) Terms and Conditions. The Board shall determine the terms and conditions of any such Restricted Stock Award, including the conditions for repurchase (or forfeiture) and the issue price, if any. Any stock certificates issued in respect of a Restricted Stock Award shall be registered in the name of the Participant and, unless otherwise determined by the Board, deposited by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death (the "Designated Beneficiary"). In the absence of an effective designation by a Participant, Designated Beneficiary shall mean the Participant's estate.

## 7. Other Stock-Based Awards

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The Board shall have the right to grant other Awards based upon the Common Stock having such terms and conditions as the Board may determine, including the grant of shares based upon certain conditions, the grant of securities convertible into

-4-

Common Stock and the grant of stock appreciation rights.

8. General Provisions Applicable to Awards  
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(a) Transferability of Awards. Except as the Board may otherwise

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determine or provide in an Award shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the life of the Participant, shall be exercisable only by the Participant. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

(b) Documentation. Each Award under the Plan shall be evidenced by a

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written instrument in such form as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) Board Discretion. Except as otherwise provided by the Plan, each

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type of Award may be made alone or in addition or in relation to any other type of Award. The terms of each type of Award need not be identical, and the Board need not treat Participants uniformly.

(d) Termination of Status. The Board shall determine the effect on an

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Award of the disability, death, retirement, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, guardian or Designated Beneficiary may exercise rights under the Award.

(e) Acquisition Events  
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(1) Consequences of Acquisition Events. Upon the occurrence of an

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Acquisition Event (as defined below), or the execution by the Company of any agreement with respect to an Acquisition Event, the Board shall take any one or more of the following actions with respect to then outstanding Awards: (i) provide that outstanding Options shall be assumed, or equivalent Options shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), provided that any such Options substituted for Incentive Stock Options shall satisfy, in the determination of the Board, the requirements of Section 424(a) of the Code; (ii) upon written notice to the Participants, provide that all then unexercised Options will become exercisable in full as of a specified time (the "Acceleration Time") prior to the Acquisition Event and will terminate immediately prior to the consummation of such

-5-

Acquisition Event, except to the extent exercised by the Participants between the Acceleration Time and the consummation of such Acquisition Event; (iii) in the event of an Acquisition Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share of Common Stock surrendered pursuant to such Acquisition Event (the "Acquisition Price"), provide that all outstanding Options shall terminate upon consummation of such Acquisition Event and each Participant shall receive, in exchange therefor, a cash payment equal to the amount (if any) by which (A) the Acquisition Price multiplied by the number of shares of Common Stock subject to such outstanding Options (whether or not then exercisable), exceeds (B) the

aggregate exercise price of such Options; (iv) provide that all Restricted Stock Awards then outstanding shall become free of all restrictions prior to the consummation of the Acquisition Event; and (v) provide that any other stock-based Awards outstanding (A) shall become exercisable, realizable or vested in full, or shall be free of all conditions or restrictions, as applicable to each such Award, prior to the consummation of the Acquisition Event, or (B), if applicable, shall be assumed, or equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof).

An "Acquisition Event" shall mean: (a) any merger or consolidation which results in the voting securities of the Company outstanding immediately prior thereto representing immediately thereafter (either by remaining outstanding or by being converted into voting securities of the surviving or acquiring entity) less than 50% of the combined voting power of the voting securities of the Company or such surviving or acquiring entity outstanding immediately after such merger or consolidation; (b) any sale of all or substantially all of the assets of the Company; or (c) the complete liquidation of the Company.

(2) Assumption of Options Upon Certain Events. The Board may grant Awards

under the Plan in substitution for stock and stock-based awards held by employees of another corporation who become employees of the Company as a result of a merger or consolidation of the employing corporation with the Company or the acquisition by the Company of property or stock of the employing corporation. The substitute Awards shall be granted on such terms and conditions as the Board considers appropriate in the circumstances.

(f) Withholding. Each Participant shall pay to the Company, or make

provision satisfactory to the Board for payment of, any taxes required by law to be withheld in connection with Awards to such Participant no later than the date of the event creating the tax liability. The Board may allow Participants to satisfy such tax obligations in whole or in part in shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value. The Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to a Participant.

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(g) Amendment of Award. The Board may amend, modify or terminate any

outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an Incentive Stock Option to a Nonstatutory Stock Option, provided that the Participant's consent to such action shall be required unless the Board determines that the action, taking into account any related action, would not materially and adversely affect the Participant.

(h) Conditions on Delivery of Stock. The Company will not be obligated to

deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(i) Acceleration. The Board may at any time provide that any Options shall

become immediately exercisable in full or in part, that any Restricted Stock Awards shall be free of all restrictions or that any other stock-based Awards may become exercisable in full or in part or free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

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(a) No Right To Employment or Other Status. No person shall have any

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claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights As Stockholder. Subject to the provisions of the applicable

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Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares.

(c) Effective Date and Term of Plan. The Plan shall become effective on

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the date on which it is adopted by the Board, but no Award granted to a Participant designated as subject to Section 162(m) by the Board shall become exercisable, vested or realizable, as applicable to such Award, unless and until the Plan has been

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approved by the Company's stockholders. No Awards shall be granted under the Plan after the completion of ten years from the earlier of (i) the date on which the Plan was adopted by the Board or (ii) the date the Plan was approved by the Company's stockholders, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. The Board may amend, suspend or terminate the Plan

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or any portion thereof at any time, provided that no Award granted to a Participant designated as subject to Section 162(m) by the Board after the date of such amendment shall become exercisable, realizable or vested, as applicable to such Award (to the extent that such amendment to the Plan was required to grant such Award to a particular Participant), unless and until such amendment shall have been approved by the Company's stockholders.

(e) Stockholder Approval. For purposes of this Plan, stockholder approval

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shall mean approval by a vote of the stockholders in accordance with the requirements of Section 162(m) of the Code.

(f) Governing Law. The provisions of the Plan and all Awards made

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hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without regard to any applicable conflicts of law.

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AIRBORNE  
EXPRESS

April 30, 1990

Mr. David Hall  
Chief Executive Officer  
PC Connection  
6 Mill Street  
Marlow, New Hampshire 03456

Dear Dave;

This is to document what we talked about on Friday, April 27th.

- 1. Airborne will offer the following rate structure for shipments tendered to us in Wilmington, Ohio:

Letter - 5 lbs	\$ *****
6 - 20 lbs	\$ *****
21 - 99 lbs	\$ *****
	*****
100+ lbs	\$ *****

- 2. Airborne will guarantee the above rates for \*\* years unless one or both of the following occur:
  - a. If the Consumer Price Index increases by more than \*\*% annually. Airborne may increase by no more than \*\*% of the increase. (A \*\*% increase in the CPI would allow us to increase by a maximum \*\*%).
  - b. If the \*\*month average Producers Price Index for jet fuel was to increase by \*\*% or more over the average for the second quarter of of 1990, Airborne would be allowed an increase of up to \*\*% of the increase. (A \*\*% increase would allow a maximum increase of \*\*%).
- 3. Airborne will agree to 3 three year renewals under the same conditions as above. Airborne may adjust rates at the beginning of

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each 3 year period without regard to the CPI or Producers Price Index for jet fuel. This increase will naturally be limited by market conditions, but in no case will it exceed an overall \*\*\*% (over the 3 year life of the renewal period this is only \*\*% per year).

- 4. Airborne will reduce our C.O.D. fee to \*\*\*\*\*.
- 5. Rates in Paragraph 1 will apply both outbound and inbound Wilmington.
- 6. Multi-piece shipments will be rated as a single shipment if the aggregate weight of the pieces is a minimum of \*\*\* lbs.
- 7. Overnight express rates in Paragraph 1 apply to the 48 contiguous states and Puerto Rico. I will advise within a couple of weeks how much we will have to add for shipments to Alaska and Hawaii. Rates will not apply to Guam.
- 8. Airborne will offer a deferred rate of \$\*\*\*\*/cwt, minimum weight \*\*\*lbs, for 2-3 day service from Keene to Wilmington. This rate may also be made available for inbound shipments from major vendors based on specifics

involved.

9. Airborne cannot offer any exceptions to our terms of liability.
10. This proposal is based on Airborne's expectations of a minimum of \*\*\*\*\* shipments per month. If actual volume is significantly less, Airborne will have the right to renegotiate rates and terms.

Dave, please give me a call if you'd like to discuss or if I missed any points. I truly believe a Wilmington location and our proposed rate structure will give you a crucial edge in your very competitive industry.

Sincerely,

/s/ Jerry Cameron

Gerald L. Cameron, Jr.  
Vice President  
Corporate Accounts and Pricing  
GLC/rz

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AIRBORNE  
EXPRESS

June 25, 1990

Mr. David Hall  
Chief Executive Officer  
PC CONNECTION  
6 Mill Street  
Marlow, New Hampshire 03456

Dear Dave:

This is to confirm our conversation of Friday, June 22nd.

1. Add-ons for service to Alaska and Hawaii will be:

Letter	\$ *****
1-99 lbs	*****
100+ lbs	*****

2. Airborne will guarantee the rate structure presented in my April 30, 1990 letter for \*\*\*\*\* regardless of volume.

- a. If volume after \*\*\* months is less than \*\*\*\*\* shipments/month, but more than \*\*\*\*\*, we will adjust rates as follows:

\*Letter - 20 lbs will increase to the level of your existing Keene rates;  
\*Over 20 lbs will increase by \*\*%.

- b. If volume is less than \*\*\*\*\* shipments/month, but more than \*\*\*\*\*, we would increase rates by a further \*\*% over the \*\*\*\*\* shipment/month rate level.
- c. To determine volume for rates from Wilmington, Airborne will combine shipment activity of Keene and Wilmington. (Keene will maintain its present rate structure).

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3. Airborne will offer the following alternative to the \*\* year guarantee  
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exceptions in paragraph 2 of my April 30th letter:

- a. If the Consumer Price Index increases by \*\*% or more annually, Airborne may increase by no more than \*\*% of the increase. (A \*\*% increase in the CPI would allow us to increase by \*\*%). If CPI increases by less than \*\*%, there would be no increase under this provision.
- b. If the \*\* month average Producers Price Index for jet fuel was to increase by \*\*% or more over the average for the second quarter of 1990, Airborne would be allowed an increase of up to \*\*% of the increase. (A \*\*% increase would allow a maximum increase of \*\*%). If the jet fuel index increases by less than \*\*%, there would be no increase under this provision.

4. Any significant improvement in package densities will be taken into consideration in future rate negotiations.

Dave, I believe that covers all the points we discussed. I look forward to your decision to locate in Wilmington. Airborne takes pride in the part we play of maintaining PC Connection's position of leadership in your industry.

Sincerely,

/s/ Gerald L. Cameron, Jr.

Gerald L. Cameron, Jr.  
Vice President  
Corporate Accounts and Pricing

GLC/rz

cc/Ken McCumber

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AIRBORNE  
EXPRESS

June 29, 1990

Mr. David Hall  
Chief Executive Officer  
P.C. Connection  
6 Mill Street  
Marlow, New Hampshire 03456

Dear David,

This letter responds to your request for a written recap of issues agreed to by Airborne. Please contact me to any items that may require additional explanation.

DROP OFF CUT TIMES

We will accept up to \*\*\* shipments per night by \*\*\*\*\* Eastern time, and up to \*\*\* Shipments per night by \*\*\*\*\* Eastern time, the latter, with drops at \*\*\*\*\*. When shipment volume reaches an average of \*\*\*\* per night, we will expand the volume allowed by \*\*\*\*\* to \*\*% of your total, and by \*\*\*\*\* to \*\*% of your total. However, the total number of shipments that can be dropped using these percentages is capped at a maximum of \*\*\* shipments at \*\*\* and \*\*\*shipments by \*\*\*\*. Expansion beyond the maximum must be agreed to by our airline subsidiary chairman.

It is expected that shipments will be dropped at our sort building as early as possible and that each will bear an address label and sort code. The more automated we can make the transfer of shipping information, the better, as we have no margin for errors or omissions.

INTERIM WAREHOUSE SPACE

To maintain confidentiality, we can secure on your behalf, up to 20,000 square feet of warehouse space on a temporary basis. We will do so at the best rate

possible, passing on to you the same rate we pay the primary tenant. We would need a no-break lease with you for the length of time you commit to take the space and an escrow deposit of some amount may be required.

Prior to signing a lease with us, the primary lease holder wants to know the approximate length of time we would sublet from them on your behalf. They are concerned that their business needs may require expansion into the area you occupy if the length of the lease is much longer than six months.

If your intentions are to pursue permanent rental space from Miller Valentine/Airborne in the building scheduled for completion in January 1991, discussions leading to a lease agreement should proceed immediately as demand for space in this building is running high.

#### LIST RENTAL

We do not rent to, or provide to anyone, customer lists or lists of shipment recipients. Should we do so in the future ( we have no plans to do so), your customer's names would be eliminated from the lists.

#### AIRPORT USAGE FOR YOUR COMPANY TRANSPORTATION

There is no problem with your use of our runway for daytime landings and takeoffs. However, no arrivals or departures are allowed between 12:00 midnight and 7:00 AM. We will waive landing fees.

#### CONCLUSION

Please call me to discuss any items requiring clarification. We are most pleased that we have reached tentative agreement with you to locate in Wilmington and believe that both our companies will achieve significant benefits from this decision.

Very truly yours,

/s/Ken McCumber

Ken McCumber  
Vice President  
Corporate Marketing

KM:rjb

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INGRAM  
MICRO

RESALE AGREEMENT

This Agreement ("Agreement") is by and between PC Connection ("PC Connection"), with its principal place of business at 528 Route 13 South, Milford, New Hampshire 03055 and Ingram Micro Inc. ("Ingram") excluding its subsidiaries, with its principal place of business at 1600 E. St. Andrew Place, Santa Ana, California 92705. This Agreement will include PC Connection's domestic locations only.

1. Purpose

The purpose of this Agreement is to provide the terms and conditions for the purchase and resale by PC Connection and the sale by Ingram to PC Connection of various computer products including both hardware and software ("Product").

2. Terms of Sale

All Product sales will be subject to Ingram's then current standard Sales Terms and Conditions published in its Comprehensive Catalog ("Catalog") at the time of purchase. Should Ingram's Catalog provisions conflict with this Agreement, the provisions of this Agreement will prevail. If authorization for resale is required by the publisher or manufacturer of any Product, then Ingram will not be obligated to sell such Product to PC Connection unless Ingram has received such required authorization.

3. Ordering

A. PC Connection will compile, update, and provide Ingram with Product order information. The Product order information will include the: (i) Product SKU number(s), (ii) unit quantity, (iii) PC Connection price, (iv) the correct shipping address, and (v) the appropriate PC Connection account number (the account number will correspond with PC Connection's choice of credit line options provided in Section 7 of this Agreement). PC Connection personnel will identify, for each Product order, the ship-to destination as either PC Connection, PC Connection's customer, or to some other specified third party. Ingram will, subject to Product availability, use best efforts to fill and ship all Product orders placed by PC Connection within one (1) business day of order receipt.

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B. Ingram will accept orders over telephone, via the Computer Assisted Purchasing System ("CAPS") or Electronic Data Interchange ("EDI"), only from those who identify themselves as PC Connection personnel and provide the Ingram customer number prior to placing the order. Ingram will have no obligation to confirm the validity of any order placed or the authority of the person placing an order in this manner. EDI transactions will be subject to the guidelines set forth in Exhibit B.

C. PC Connection may request, as a special order, Products not included in Ingram's inventory but carried by one of Ingram's vendors. Upon receipt of a request for special order Product ("Special Product"), Ingram will endeavor to include such Product in its inventory. Ingram will determine, at its sole discretion, the inventory stocking levels of Special Product and Whenever possible, Ingram will add additional SKU's to its existing vendor lines. Ingram's price to PC Connection for such Special Product will be in accordance with Section 5.B, unless otherwise specified in this Agreement.

D. In the event Ingram does not carry a vendor line that PC Connection requires, Ingram will make its best efforts to add the vendor to its Product offering. Ingram reserves the right to carry inventory only on those Products or vendor lines where PC Connection is able to provide accurate Product forecasting and has acquired the necessary vendor authorization for resale from the manufacturer. The price for any additional vendor lines will be calculated according to Section 5.B.

E. Ingram will provide an on-site Ingram Purchasing Support Representative at PC Connection's purchasing facility located in New Hampshire, for the purpose of assisting PC Connection with account management including, but not limited to, answering inquiries regarding price protection, Product allocation and other agreed upon inventory management programs.

F. To enable PC Connection to more efficiently allocate Product from Ingram, Ingram and PC Connection will work together to define and develop a Product ordering program, known as the "Scheduled Ship Program". Upon implementation, the Scheduled Ship Program will allow PC Connection to schedule orders with Ingram up to \*\*\*\*\* days in advance of Product shipment and will enable Ingram to allocate Product for PC Connection \*\*\*\*\* days before the expected ship date. To enable Ingram to meet its Scheduled Ship Program obligations, PC Connection will provide Ingram with accurate and timely inventory forecasts of PC Connection's high velocity Products on a weekly basis.

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G. Ingram and PC Connection agree to work together to further improve fill-rates and inventory turns, and will implement mutually beneficial operating efficiencies whenever possible.

#### 4. Electronic Data Interchange ("EDI")

A. Ingram will maintain a telecommunication line between PC Connection and Ingram's distribution center at Ingram's expense. In addition, Ingram will assist PC Connection in establishing an EDI link between PC Connection's New Hampshire location and Ingram's Williamsville, New York location.

B. PC Connection will be eligible for EDI development funds ("EDI Funds") up to \*\*\*\*\* upon Ingram's approval of an EDI implementation plan to be developed by both parties. Ingram will provide EDI Funds for the purpose of assisting PC Connection with the development of EDI between Ingram and PC Connection.

C. PC Connection agrees to provide Ingram with accurate and verifiable documentation of its EDI development costs on a monthly basis. Ingram will reimburse PC Connection by check within the second month following the end of Ingram's fiscal quarter and upon Ingram's verification of PC Connection's reasonable and allowable EDI development costs.

D. Upon EDI implementation, both parties agree to transact business via the following EDI transaction sets:

832 Price Catalog File (receive only)  
846 Inventory Inquiry Advice (receive only)  
850 Purchase Order (active upon implementation of purchasing system)  
855 Purchase Order Acceptance (active upon implementation of purchasing system)  
856 Shipping Advice (receive only)

E. The procedures governing EDI orders placed and accepted are set forth in Exhibit B.

#### 5. Pricing

A. All Product prices will be as shown in Ingram's on-line ordering system as of the date of order. This pricing is offered in expectation that PC Connection's total net sales during each one year term of this Agreement will meet or exceed \*\*\*\*\* and, upon execution of this Agreement, Ingram will be designated the Primary

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Source ("Primary Source") for PC Connection's distribution Products. As Primary Source, Ingram will be the first contact and, subject to Product availability, source for all of PC Connection's distribution needs. Ingram and PC Connection will jointly review the volume commitment level at the end of the first year.

B. Ingram's price for PC Connection's Product purchases, will be Ingram's replacement cost on the date of purchase, divided by the factor applicable to the Product type. The Product type and factors will be as follows:

PRODUCT TYPE	FACTOR
Software	****
Hardware	****
Accessory Product	****
Technical Product	****

C. Ingram's price for specialty Product purchases, including but not limited to memory, license, books, some technical education and exclusives may not be included in the above pricing.

D. In addition to the pricing above, Ingram will provide PC Connection with vendor level pricing on each of the Product lines listed in Exhibit A. All other vendor lines for which PC Connection is authorized will be subject to the pricing referred to in Section 5.B and C of this Agreement. As manufacturer costs change, Ingram cost may be adjusted to reflect such change.

E. PC Connection may seek pricing from sources other than Ingram in unique or large bidding situations provided: (a) PC Connection gives Ingram the opportunity to bid the final pricing obtained through such solicitation; and (b) the business opportunity will be granted Ingram if Ingram meets such pricing requirements.

F. Ingram will notify PC Connection in writing of any increase to Product prices which effect PC Connection's vendor level pricing shown Exhibit A. Increases to vendor level pricing may occur due to changes in the amount of Product discount a vendor provides Ingram.

G. In the event Ingram is notified by a manufacturer of a permanent price reduction on the manufacturer's Product, and PC Connection has a quantity of that Product on-hand and purchased from Ingram as of that date, Ingram will provide pass-through price protection upon request by PC Connection if the manufacturer so

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agrees. Ingram and PC Connection will jointly review PC Connection's top Products in inventory each quarter, and in such cases where Ingram Does not have an established price protection relationship with said Product manufacturers, Ingram and PC Connection will work to develop such a relationship. Except for the manufacturers listed in Exhibit D, Ingram will honor pass-through price protection requests whenever possible.

H. To enable Ingram to meet its price protection obligations, PC Connection will follow the procedures for requesting price protection as shown in Exhibit E and will deliver accurate and current on-hand inventory reports to Ingram within \*\*\*\*\* business days after Ingram notifies PC Connection of a permanent price decrease. Upon receipt of PC Connection's request and confirmation of the eligibility of the Products listed, Ingram will credit PC Connection's account within \*\*\*\*\* business days. Unless notified by Ingram within \*\*\*\*\* days after Ingram receives the request for price protection, PC Connection will assume that price protection is granted and a credit memo will be issued by Ingram.

6. Shipping

A. PC Connection will pay the ground freight charges on any Product orders shipped from Ingram's Chicago, Harrisburg and Memphis distribution centers.

B. If Products requested by PC Connection are unavailable in the local Ingram warehouse at the time of order but available in another Ingram warehouse, then Ingram will ship any lightweight Products (defined as single-box items which are less than twenty-five (25) pounds) from Ingram's other warehouse to PC Connection via second-day air freight carrier of Ingram's choice and at Ingram's expense. Those Products designated as heavyweight Products (defined as single-box items which meet or exceed twenty-five (25) pounds) shipped from any other Ingram warehouse to PC Connection will be shipped through a ground freight carrier of Ingram's choice with the freight charges paid by Ingram.

C. If PC Connection requests Product shipment by expedited carrier from any Ingram warehouse for reasons other than listed in Section 6.B, the expedited freight charges will be paid by PC Connection.

D. The freight and shipping terms offered to PC Connection in Section 6.B will be reviewed by both parties ninety (90) days after the signing of this Agreement. Should either party find the freight terms unsatisfactory, Ingram and PC Connection will work together to determine a mutually acceptable alternative.

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E. Ingram will ship all of PC Connection's Product orders F.O.B. origin whether shipping directly to the address provided by PC Connection or to a PC Connection warehouse. However, Ingram shall bear the risk of loss for all shipments until the Product(s) reach the address listed on PC Connection's purchase order.

7. Payment Terms

At the time of manual or electronic order, PC Connection must designate an account number which corresponds to one of the two methods of payment offered by Ingram to PC Connection, as shown below. PC Connection understands that its choice of account number for an order will determine the payment method and credit line availability for that order.

A. Net \*\*\* Program: Ingram will provide PC Connection with a credit line of \*\*\*\*\* for Product purchases, which is subject to change according to the results of a periodic review. Ingram will conduct a periodic review of the adequacy of PC Connection's credit lines to ensure satisfaction to both parties. All invoices will be due and payable \*\*\*\*\*days from the invoice date.

B. Early Pay Program: In addition to Section 7.A, Ingram will provide PC Connection with a credit line of \*\*\*\*\* million for Product purchases, which is subject to change according to the results of a review one (1) year after the signing of this Agreement. PC Connection will receive a \*\*\*\*\* Early Pay Discount on all Product invoices based on the following: invoices accumulated over \*\*\*\*\* consecutive business days must be paid to Ingram so the average term of payment on all such invoices is no more than \*\*\*\*\* business days. Ingram agrees to invoice PC Connection promptly to permit PC Connection to avail itself of the Early Pay discount.

C. PC Connection's average monthly Days Sales Outstanding ("DSO") on their Net \*\*\* account must be equal to or less than \*\*\*\*\* days and will be calculated as shown in Exhibit F.

D. When calculating PC Connection's monthly DSO, Ingram may reduce PC Connection's accounts receivables balance by a total of \*\*\*\*\* to compensate for misshipments which may have occurred during that month. Misshipments will be defined as veritably lost or short shipments, order entry errors, or wrong Product shipped. PC Connection agrees to report each incident of misshipment to Ingram's Customer Service Department within \*\*\*\*\* business days of: (i) receipt of the misshipment, or, (ii) the estimated time of shipment arrival



("Shipment ETA") requested by PC Connection and provided by Ingram at the time of order.

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Confidential Materials omitted and filed separately with the Securities and Exchange Commission. Asterisks denote omissions.

E. PC Connection will verify Product received against invoices within \*\*\*\* business days from invoice date. Any discrepancies found will be deducted from the invoice (DFI) and a debit memo created. PC Connection will not DFI until \*\*\*\*\* \*\*\*\* days after Product leaves their dock for return to Ingram. Such DFI's will be limited to short shipments, price variances, defectives and other authorized returns. All debit memos submitted to Ingram must contain information, including but not limited to quantity variance, SKU number, quantity ordered, invoice number, Product price quoted and Product price invoiced.

#### 8. Returns

A. Subject to Ingram's approval prior to returning Products, PC Connection may return any Products purchased from Ingram within \*\*\*\*\* days after invoice date for credit at the actual purchase price less any price protection, provided that the total purchase price of all such stock balance returns does not exceed \*\*\*\*\* of all purchases during the preceding fiscal quarter (excludes memory, mass storage Products and certain manufacturers specified in Exhibits C and D). Stock balance returns which exceed \*\*\*\*\* may be subject to a \*\*\*\*\* excess handling fee. All Products returned must be undamaged, in the manufacturer's original packaging, in resalable condition and unused. Ingram reserves the right to not accept Products if the manufacturer has placed restrictions upon the return of Products as stated in Exhibits C and D. Ingram also reserves the right to not accept Products which are no longer in production or which are produced or published by a manufacturer which is insolvent or which has declared bankruptcy. PC Connection will pay the freight charges and bear all risk of loss when returning Products to Ingram.

B. Within \*\*\*\*\* days after the date of purchase from Ingram, PC Connection may return, for its choice of either replacement or credit, those Products found to be defective, provided PC Connection obtains Ingram's RMA approval via telephone or fax prior to return. Ingram reserves the right to require PC Connection to return defective Products directly to the Products' manufacturer for replacement according to the manufacturer's defective Products return policy as stated in Exhibit C. Ingram will use its best efforts to respond to PC Connection's direct RMA requests within \*\*\*\*\* business day dependent upon manufacturer's ability to respond in a timely manner.

C. In the event Ingram ships Product defined as misshipment in Section 7.D to PC Connection, PC Connection will return the Product to Ingram via ground freight F.O.B. destination and Ingram will credit PC Connection's account for the freight costs upon receipt and verification of the returned Products. PC Connection agrees to

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Confidential Materials omitted and filed separately with the Securities and Exchange Commission. Asterisks denote omissions.

adhere to the returns request procedure outlined in Ingram's Catalog and Section 8 of this Agreement and will make requests for return freight credit within \*\*\*\*\* days of invoice.

D. The stock balance terms offered to PC Connection will be reviewed by both parties after ninety (90) days of the signing of this Agreement. Should either party find this returns process unsatisfactory, Ingram and PC Connection will work together to determine a mutually acceptable alternative.

E. Ingram and PC Connection will work together to monitor PC Connection's returns rate and will make adjustments as needed to the satisfaction of both parties. Ingram will provide PC Connection with a monthly report of PC Connection's returns rate performance.

#### 9. Marketing

A. Ingram will provide PC Connection one (1) Marketing Opportunity Forum during the term of this Agreement. PC Connection will have the ability to present, upon Ingram's approval and at Ingram's facility, marketing opportunities to vendors they wish to pursue.

B. Ingram will provide marketing services and pass-through co-op marketing development funds ("MDF") on a case-by-case basis dependent upon each vendors' offering. In addition, Ingram will work with PC Connection and its direct vendors to provide MDF for Products purchased as a second source through distribution.

C. For purposes of Product evaluation and upon request, Ingram will use its best efforts to provide PC Connection free copies of Not For Resale ("NFIU") software and hardware subject to availability and restrictions by the manufacturer for such purpose. Whenever possible, Ingram will meet the quantities of NFR Product requested by PC Connection. This offer will only apply to those NFR Products which Ingram receives free and without charge from the manufacturer. PC Connection will pay for any freight costs incurred for the shipment of NFR Products from Ingram.

D. Ingram will provide PC Connection with a dedicated marketing manager to lend marketing support, assist PC Connection with customized marketing opportunities, and provide notification to PC Connection of marketing and co-op funds made available by Ingram's vendors.

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E. Ingram will provide PC Connection with advance notice of emerging technologies and new Product launches whenever possible and will assist PC Connection with new Product forecasting on an as-needed basis.

#### 10. Technical Services And Support

Ingram will provide, to authorized PC Connection personnel only, free technical support via its telephone support lines for the Products listed in Ingram's Catalog. Under no circumstance will Ingram be obligated to provide any technical support to PC Connection's customers.

#### 11. Reporting

A. PC Connection agrees to provide Ingram with accurate and timely Product inventor forecasts on a weekly basis to enable both parties to maximize their collective operational and forecasting efficiencies. This reporting will be used when PC Connection requests that Ingram add a vendor line as outlined in Section 3.D and for the Scheduled Ship Program as described in Section 3.F.

B. In addition to the EDI reporting provided in Section 4.D, Ingram will work with PC Connection to furnish the customized electronic or printed reports as listed below:

Daily: Backorder Report/File  
Price Change File

Weekly: New Products Summary  
Promo Pak

Monthly: Top 50 Vendors Report  
Sales By Vendor By SKU - MTD & YTD  
Marketing Development Funds Usage Report

C. Ingram and PC Connection will maintain an electronic Parts Cross-Reference File to be transmitted once a week from PC Connection to Ingram for the purpose of ensuring data integrity with Product ordering, P.O. placement and order-related processes between both parties.

D. Ingram will maintain a daily electronic bulletin board Price Change File to ensure pricing data accuracy between Ingram and PC Connection. Ingram may periodically update the file format to maintain transmission and quality standards.

## 12. TERM AND TERMINATION

This Agreement will commence on the date of the last signature set forth below and will continue for two (2) years. Either party may terminate this Agreement without cause by giving one hundred eighty (180) days advance written notice to the other party. Ingram may terminate this Agreement immediately for cause upon written notice, which notice will include a ten (10) day opportunity to cure.

## 13. CONFIDENTIALITY

This Agreement is and contains confidential information, and as such will not be disclosed to any third party without the express written consent of both parties. The parties agree to disclose the terms and conditions of this Agreement only to their respective personnel with a need to know.

## 14. NOTICES

All notices and other communications relating to this Agreement or its terms will be in writing and mailed via first class United States Postal Service, certified or registered with return receipt requested or via facsimile. All notices so mailed will be deemed received two (2) days after postmark date and facsimiles will be deemed received upon notification of successful transmission.

## 15. ENTIRE AGREEMENT

This Agreement (including any Exhibits and Addenda) constitutes the entire Agreement between the parties regarding the resale of Product, and will cancel, terminate, and supersede any and all previous agreements, proposals, representations, or statements, whether oral or written. The terms of this Agreement will supersede the terms of any invoice or purchase order issued by either party. Any modifications of this Agreement must be in writing and signed by an authorized representative of each party.

## 16. GOVERNING LAW

This Agreement will be deemed made in the State of California and will be governed by and construed in accordance with California laws, excluding its conflicts or choice of law rule or principles which might refer to the law of another jurisdiction.

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. Asterisks denote omissions.

## 17. Headings

This Agreement may be executed in any number of original counterparts, each of which when executed and delivered will be deemed to be an original and all of which taken together will constitute but one and the same instrument. Headings in this Agreement are included for convenience of reference only and will not constitute a part of this Agreement for any other purpose.

## 18. Indemnity

Ingram shall indemnify and hold PC Connection harmless from and against any actions, claims, and damages resulting from product liability, breach of warranty, or infringement of an intellectual property right, but only to the extent that Ingram has been granted rights of indemnity from the manufacturer or publisher whose product is the subject of the underlying action, the intent of this provision being to pass through any liability to the manufacturer or publisher.

This Agreement will be effective as of October 30, 1997.

"PC Connection"

"Ingram"

By: /s/Robert F. Wilkins  
(Officer of the Company)

By: /s/ Debbie Tibey  
(Officer of the Company)

Name: Robert F. Wilkins  
(Please print or type)

Name: Debbie Tibey  
(Please print or type)

Title: Vice President, Product Mgmt.

Title: Vice President of NMA

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Confidential Materials omitted and filed separately with the  
Securities and Exchange Commission. Asterisks denote omissions.

EXHIBIT A

VENDOR LEVEL PRICING

VENDOR NUMBER	VENDOR NAME	INGRAM COST COST DIVIDED BY
1153	3COM	*****
1047	ADOBE	*****
7520	ADOBE UNIX	*****
1280	BORLAND	*****
7474	COREL CORPORATION	*****
7497	COREL CORPORATION	*****
7498	COREL CORPORATION	*****
7499	COREL CORPORATION	*****
1397	COREL SYSTEMS	*****
7951	COREL WORDPERFECT	*****
1460	CURTIS MANUFACTURING CO	*****
1138	KINGSTON TECHNOLOGY	*****
1674	KINGSTON TECHNOLOGY	*****
7968	LINOTYPE-HELL	*****
2495	MICROSOFT BACKOFFICE	*****
2786	MICROSOFT CONSUMER PRODUCTS	*****
2500	MICROSOFT CORPORATION	*****
5118	MICROSOFT INPUT	*****
3018	MICROSOFT MOLP	*****
3124	MICROSOFT MOLP ACADEMIC	*****
3379	SONY CORPORATION OF AMERICA	*****
3882	U.S. ROBOTICS	*****
3865	VERBATIM CORPORATION	*****
3662	WESTERN DIGITAL	*****

NOTE:

All prices are subject to change without notice. As manufacturer costs change,  
Ingram's price to PC Connection may be adjusted to reflect such change.

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EXHIBIT B

ELECTRONIC DATA INTERCHANGE

A. Documents/Standards

1. Each party may electronically transmit to or receive from the other party any of the transaction sets listed in the Appendix 1 attached hereto and incorporated by reference and transaction sets which the parties by written agreement add to Appendix 1 (collectively "Documents"). Any transmission of data which is not a Document shall have no force or effect between the parties. All Documents shall be transmitted in accordance with the standards set forth in Appendix 1.
2. Third Party Service Providers
  - a. Documents will be transmitted electronically to each party

either, as specified in Appendix 1 directly or through any third party service provider ("Provider") with which either party may contract. Either party may modify its election to use, not use or change a Provider upon 30 days prior written notice.

- b. Each party shall be responsible for the cost of any Provider with which it contracts, unless otherwise set forth in the Appendix 1.
- c. Each party shall be liable for the acts or omissions of its Provider while transmitting, receiving, storing, or handling Documents, or performing related activities for such party; provided, that if both the parties use the same Provider to effect the transmission and receipt of a Document, the originating party shall be liable for the acts or omissions of such Provider as to such Document.

3. System Operations

Each party, at its own expense, shall provide and maintain the equipment, software, services and testing necessary to effectively and reliably transmit and receive Documents.

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4. Security Procedures

Each party shall properly use those security procedures, including those specified in Appendix 1, if any which are reasonably sufficient to ensure that all transmissions of Documents are authorized and to protect its business records and data from improper access.

5. Signatures

Each party shall adopt as its signature an electronic identification consisting of symbol(s) or code(s) which are to be affixed to or contained in each Document transmitted by such party ("Signatures"). Each party agrees that any Signature of such party affixed to or contained in any transmitted document shall be sufficient to verify such party originated such Document. Such electronic signature can consist of our DUNS number or any other mutually agreed upon ID. Neither party shall disclose to any unauthorized person the Signatures of the other party.

B. Transmissions

1. Proper Receipt

Documents shall not be deemed to have been properly received, and no Document shall give rise to any obligation, until accessible to the receiving party at such party's Receipt Computer designated in Appendix 1.

2. Verification

Upon proper receipt of any Document, the receiving party shall promptly and properly transmit a functional acknowledgment in return, unless otherwise specified in Appendix 1. A functional acknowledgment shall constitute conclusive evidence a Document has been properly received.

3. Acceptance

If acceptance of a Document is required by Appendix 1, any such Document which has been properly received shall not give rise to any obligation unless and until the party initially transmitting such Document has properly received in return an Acceptance Document (as specified in Appendix 1).

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4. Garbled Transmissions

If any transmitted Document is received in an unintelligible or garbled form, the receiving party shall promptly notify the originating party (if identifiable from the received Document) via telephone. In the absence of such a notice, the originating party's records of the contents of such Document shall control.

C. Transaction Terms

1. Transactions (and any related communication) governed by this Agreement also shall be subject to the terms and conditions included on each party's standard printed applicable forms attached to or identified in Appendix 1 as the same may be amended from time to time by either party upon written notice to the other. The parties acknowledge that the terms and conditions set forth on such forms may be inconsistent, or in conflict, but agree that any conflict or dispute that arises between the parties in connection with any such Transaction will be resolved as if such Transaction had been effected through the use of such forms. The terms of this Agreement however shall prevail in the event of any conflict with any other terms and conditions applicable to any Transaction.
2. Validity/Enforceability
  - a. This Agreement has been executed by the parties to evidence their mutual intent to create binding purchase and sale obligations pursuant to the electronic transmission and receipt of Documents specifying certain of the applicable terms.
  - b. Any Document properly transmitted pursuant to this Agreement shall be considered, in connection with any Transaction, any other written agreement described in Appendix 1, or this Agreement, to be a "writing" or "writing"; and any such Document when containing, or to which there is affixed, a Signature ("Signed Documents") shall be deemed for all purposes (a) to have been "signed" and (b) to constitute an "original" when printed from electronic files or records established and maintained in the normal course of business.
  - c. The conduct of the parties pursuant to this Agreement, including the use of Signed Documents properly transmitted pursuant to this Agreement, shall, for all legal purposes, evidence a course of dealing and a course of performance accepted by the parties in

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furtherance of this Agreement, any Transaction and any other written agreement described in Appendix 1.

- d. Without waiving other defenses either party may have, the parties agree not to contest the validity or enforceability of Signed Documents under the provisions of any applicable law relating to requirements for certain agreements to be in writing or signed by the party to be bound thereby in order to be valid or enforceable. Signed Documents, if introduced as evidence on paper in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of Signed Documents under either the business records exception to the hearsay rule or the best evidence rule on the basis that the Signed Documents were not originated or maintained in documentary form.

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APPENDIX 1

STANDARDS

ANSI ASX X.12 (American National Standards Institute, Accredited Standards

Committee X.12)

Selected Standards include, as applicable, all data dictionaries, segment dictionaries and transmission controls referenced in those standards but include only the Transaction Sets listed in the DOCUMENTS Section of this Appendix

below.

DOCUMENTS

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ACCEPTANCE DOCUMENT

Transaction Set #	Document Name or Description	Verification Required (Y/N)	Acceptance Required (Y/N)	Transaction Set #	Document Name or Description
850	Purchase Order	Yes	Yes	855	P/O Acceptance
997	Functional Acknowledgement	No	No	N/A	N/A
855	Purchase Order Acceptance	Yes	No	N/A	N/A
856	Shipping Advice	Yes	No	N/A	N/A
810	Invoice	Yes	No	N/A	N/A
820	Payment	Yes	No	N/A	N/A
832	Price/Sales Catalog	Yes	No	N/A	N/A
852	Product Activity Data	Yes	No	N/A	N/A

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EXHIBIT C

MANUFACTURERS' POLICIES AND WARRANTIES

Certain manufacturers require prior approval for defective returns and may also have policy stipulations that the customer must follow prior to returning defective product. Some manufacturers may also require that the customer obtain a vendor's Return Merchandise Authorization from them prior to returning the defective product. The manufacturers and their policies are listed below for your convenience.

REFER DIRECT TO VENDORS

Y= Yes \* See last column for details YPH = Yes Purchase History UPDATED as of April 10, 1997

IM VENDOR NUMBER	VENDOR NAME	CONTACT VENDOR DIRECT	VENDOR PHONE NUMBER	VENDOR RA REQ'D	IM INVOICE REQ'D	END-USER RECEIPT REQ'D	PROBLEM DESC. REQ'D	SERIAL NUMBER REQ'D	EXCEPTIONS & ADDITIONAL VENDOR REQUIREMENTS
1139	ADIC	Y	800-336-1233						
4739, 2015	ALLIED TELESYSN	Y	800-428-4835						Refer Direct. No open box returns.
7093	APPLE/EXPORT	Y	800-776-2333						No stock balancing on this Vendor ID. No defective returns through IM.
7455	ASCEND COMM	Y	510-747-2760						Refer Direct. No open box returns.
5067	BANYAN	Y	508-898-1798						Refer Direct. No open box returns.
9109, 2417	CALCOMP/DEMOS	Y	800-225-2667						Refer Direct for all reasons.
6253	CISCO	Y	714-838-0434						
3797	COMPAQ	Y	800-345-1518						

IM VENDOR NUMBER	VENDOR NAME	CONTACT VENDOR DIRECT	VENDOR PHONE NUMBER	VENDOR RA REQ'D	IM INVOICE REQ'D	END-USER RECEIPT REQ'D	PROBLEM DESC. REQ'D	SERIAL NUMBER REQ'D	EXCEPTIONS & ADDITIONAL VENDOR REQUIREMENTS
	LATIN AMERICA								
3126	CREATIVE LABS OEM	Y	405-742-6622						Refer Direct. No open box returns.
3368	DATA PRODUCTS	*Y	805-578-4455						*Printers are Refer Direct.
2278	FARGO ELECTRONICS	Y	612-941-9470						Vendor RA required on printers.
2314	GCC TECHNOLOGIES	Y	617-275-1795						
1614, 3696	HEWLETT PACKARD	Y	800-633-3600						30 day stock balance returns.
6045	IBM/AAP	Y	800-772-2227						
3118	IBM MEMORY	Y	800-426-7299						Refer direct for DOA and defective returns.
1889, 2374	IBM SYSTEMS	*Y	800-772-2227						*Defective options may be returned for 90 days.
1634, 2634 9092									
2101	IBM TERMINALS	Y	800-772-2227						
7425	INFOCUS	Y	800-294-6400						
7051	JES HARDWARE SOLUTIONS	Y	800-482-1866						
7090	LUCENT TECHNOLOGY	Y	407-662-7251						Refer Direct. No open box returns.
1252, 9768	MADGE NETWORKS	Y	800-876-2343						

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EXHIBIT C, Continued  
REFER DIRECT TO VENDORS

Y= Yes \* See last column for details YPH = Yes Purchase History UPDATED as of April 10, 1997

IM VENDOR NUMBER	VENDOR NAME	CONTACT VENDOR DIRECT	VENDOR PHONE NUMBER	VENDOR RA REQ'D	IM INVOICE REQ'D	END-USER RECEIPT REQ'D	PROBLEM DESC. REQ'D	SERIAL NUMBER REQ'D	EXCEPTIONS & ADDITIONAL VENDOR REQUIREMENTS
2358-44 7665, 1381 7288	MICRONET TECH.	Y	714-453-6000						Stock balance - 30 days. Vendor RA Required.
7788, 5858	MICROSOFT OEM	Y	800-325-1233 800-227-6197						HARDWARE SOFTWARE
7358	MICROTEST	Y	800-526-9675						
7787	NANAO	Y	310-431-5011						
7688	NETWORK PERIPH.	Y	800-674-8855						Refer Direct. No open box returns.
7542	PLAINTREE	Y	800-831-1095						
7354	QUARK	Y	303-894-8899						Stock balance - 30 days.
7474, 4858 7759	RADIUS	Y	408-541-5700 Ext 3						Refer Direct for Systems.
7217 7239, 2167	SANTA CRUZ	Y	408-425-7222						
7296	SEIKO	Y	800-553-5312						
7327	SHIVA CORP	Y	800-537-4482						Preclearance thru Vendor.
7578	SOFTDESK RETAIL	Y	816-891-2800						Refer Direct. No open box returns.



7915,5926	SUN	Y	800-872-4786
7927			
7755	SYNCRONYS	Y	888-763-8726
7775	TELEBIT	Y	800-835-3248

OTHER VENDOR POLICIES

Y = Yes      \* See last column for details      YPH = Yes Purchase History

IM VENDOR NUMBER	VENDOR NAME	CONTACT VENDOR DIRECT	VENDOR PHONE NUMBER	VENDOR RA REQ'D	IM INVOICE REQ'D	END-USER RECEIPT REQ'D	PROBLEM DESC. REQ'D	SERIAL NUMBER REQ'D	EXCEPTIONS & ADDITIONAL VENDOR REQUIREMENTS
5005	APRICORN	*	800-458-5448						*Certain SKUs may be refer direct.
1374	ACER AMERICA	*	800-873-7255						*Only Altos servers are refer direct.
1054	ADAPTEC		714-455-8100		Y-1 year		Y		--
1976, 7, 81	APPLE		800-776-2333		Y-30 days	Y-30 days	Y	YPH	30 day return on DOA then warranty repair. Provide DV number.
2258, 2381									
1077, 1913	ARTISOFT		602-670-7000				Y		30 day money back guarantee.
1338, 1344	CALCOMP	*	800-225-2667						*Satisfaction guaranteed for 30 days. 30 Days for defective returns. No stock balancing--several SKUs.
1843									
3672	CENTON	*	714-699-2065		Y-30 days				*Cross shipment within 30 days. Over 30 days requires Vendor approval.
1655	CHEYENNE		800-243-9462	Y-60 days					60 day money back guarantee.
2979, 3974	COMPAQ		800-231-9977						30 day DOA only.
1708	CREATIVE LABS	*	405-742-6622		Y-30 days				DOA/NEVER BEEN USED ONLY! 30 DAY ONLY. After 30 days, refer to repair.
1595	DIGI INTERNATIONAL		612-943-0577		Y-30 days				
1226	DRESSELHAUS		800-368-7737		Y-60 days	Y-60 days	Y		60 day return on defective or DOA. No incomplete items accepted.
3861	EXABYTE	*	800-392-2983						*30 day stock balance and defective returns. After 30 days, contact vendor directly.
2657	FUJITSU DISK DR.		800-833-2207		Y-30 days			YPH	30 day return only. Must have SN verified.
2311	FWB INC.		415-325-4392		Y-30 days				30 day defective returns, then refer to vendor.
1978, 1916	GENICOM		800-258-1952						15 day try it program.
ALL	HEWLETT PACKARD	*							*Discontinued Defective & Stock Balance goods will not be accepted.
2061	HITACHI AMERICA		510-661-0777		Y-30 days				
2123, 2125	INTEL		800-538-3373						PRODUCT MUST BE COMPLETE. UNITS WITH BURNT OR BROKEN PARTS ARE NON-RETURNABLE.
2238, 1151									
1589, 2613	KODAK	*	800-344-0006						DOA ONLY (No Power). "No missing product".
1445, 2267	LEXMARK/IBM		800-624-6875			Y-30 days		YPH	EXCEPTION: DOA only (no power). Others are warranty service.
7968	LINOTYPE-HELL	*	800-648-7254						30 day defective returns from invoice, then refer to vendor. No open box returns.
3249	LOTUS PASSPORT	*	800-828-6693						*See Software Licenses below.
2672	MAXTOR CORP.		800-262-9867						30-day return on defective.
2182	MEREDIAN DATA	*	800-755-8324						*Some SKUs may be refer direct.

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## OTHER VENDOR POLICIES

Y = Yes \* See last column for details YPH = Yes Purchase History

IM VENDOR NUMBER	VENDOR NAME	CONTACT VENDOR DIRECT	VENDOR PHONE NUMBER	VENDOR RA REQ'D	IM INVOICE REQ'D	END-USER RECEIPT REQ'D	PROBLEM DESC. REQ'D	SERIAL NUMBER REQ'D	EXCEPTIONS & ADDITIONAL VENDOR REQUIREMENTS
2499	MICROSOFT	*	800-759-3003						*Non Resaleable returns over 1.5% of sales will be subject to fee.
3018	MICROSOFT MOLP	*	800-759-3003						*See Software Licenses below.
2665-66	MITSUBISHI		800-446-6866		Y-30 days	Y-30 days	Y		DOA 30-days to IM, then refer direct. Stock balance for 30 days only.
2668			800-344-6352						
2700	NEC TECHNOLOGIES Printers	*	800-388-8888		Y-30 days	Y-30 days	Y	Y	MUST have receipt. Accessories are returnable to IM for 1-year. PRINTERS & MONITORS after 30 days are VENDOR DIRECT.
2710	Monitors								
2712	Optical								
2705	CPUs								
3569	Laptops								
2860, 1, 2 2090	PANASONIC		800-447-4700		Y-30 days	Y-30 days	Y		Must have original packaging defective only within 30 days.
2919	PINNACLE MICRO		714-727-3300						*Some items might be Refer Direct.
2627	PLEXTOR		800-886-3935						*Some items might be Refer Direct.
7461	PROMISE TECHNOLOGY	*	800-888-0245						*Some items might be Refer Direct.
1638	QMS	*	334-633-4300 x 1352						*Some items might be Refer Direct.
2857, 1865 1349, 2281	QUANTUM	*	800-624-5545		Y-30 days	Y-30 days			*After 30-days MUST RETURN DIRECT. 30 day stock balance returns.
1467, 2086	SAMSUNG		800-446-0262		Y-45 days	Y-45 days	Y		Include 45 day IM or end-user receipt.
1277, 1278	SEAGATE TECHNOLOGY	*	800-468-DISC		Y-30 days			YPH	*Repair only after first 30 days. Must have drive box. *Controllers have 1 yr return. 30 day stock balance return.
1133	STANDARD MICRO SYSTEMS	*	800-SMC-4YOU 800-762-4968						*30 day defective returns.
3265, 1993 3267, 3266	STORAGE DIMENSIONS		408-894-1418		Y-30 days	Y-30 days			30 day returns.
2782	TEAC	*	213-726-0303						HD + CD - 30 Day Return. FD 1 year Return.
1108, 1866 2777	TEXAS INSTRUMENTS	*	800-848-3927	Y*		Y-30 days			*30 days defective return on notebooks and printers with enduser receipt. Charge for toner in printer.
3743	TOSHIBA DISK	*	714-455-0407						*30 day stock balance and defective returns. After 30 days, contact vendor directly.
3166	UMAX		510-651-8883						All software must be incl in scanner returns.

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EXHIBIT C, Continued

OTHER VENDOR POLICIES

MASS STORAGE PRODUCTS

Stock Balance and Defective mass storage products are limited to a 30 day return from date of purchase.

MEMORY PRODUCT

Defective returns for replacement only within 30 days of purchase. Stock balance may be done within the first 30 days of purchase with pricing to be the lowest price between current price and price paid.

CONFIGURATION PRODUCTS

Product configured is subject to Vendor policy. Defective components may be repaired within 30 days contingent upon Vendor policy. No stock balance returns.

MICROSOFT

Non resaleable returns maybe subject to fees when returns are over 1.5% of sales.

Vendor information is subject to change without notice.

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EXHIBIT C-1

MANUFACTURER REFER DIRECT POLICIES AND WARRANTIES

Ingram reserves the right to not accept Product returns if the manufacturer/vendor has placed restrictions upon the return of Product. The following manufacturers/vendors adhere to such guidelines:

Vendor Number(s)	Vendor Name	Phone Number	Additional Notes
1338, 1344, 1843	Calcomp	800-225-2667	Refer Direct for Plotters Only
2417	Calcomp Plotters	800-541-7877	
2278	Fargo Electronics	612-941-9470	Vendor RA required on printers
2172, 1914, 2170, 2171	Informix Database	913-599-7100	
2538, 2544, 1665, 1381, 2288	Micronet Tech	714-453-6000	Ingram Micro invoice required -- 30 days
3018	Microsoft MOLP	800-759-3003	No returns thru Ingram Micro.
2532, 2546	Microtek Lab	213-321-2121	Lasers are Refer Direct. Can take others within 30 days. Must return software.
1952	Motorola/UDS	800-221-4380	
2600, 2601, 2602	Mountain Network	408-439-3210	Ingram Micro invoice required -- 30 days. Serial # must match on unit & RMA. Ingram Micro preclearance.
3787	Nanao		
2919	Pinnacle Micro	714-727-3300	Vendor RA required
1354	Quark	303-894-8899	Stock Balance 30-days

SEAGATE

DOA product may be returned for 30 days from date of IM sales for credit or replacement. After 30 days, repair only through Seagate. Must have verification that serial number falls within the warranty period. Drives must be returned in Seagate approved packing.

SOFTWARE LICENSES

Contact the Ingram Micro Partners Representative regarding returns policies for all software licenses purchased through the Ingram Micro Partners Desk.

OEM DIVISION

No stock balancing and returns allowed. Some defective returns may be referred to vendor.

Notes:

This list is subject to change without notice.

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EXHIBIT D

The following manufacturer/vendors do not offer pass-through price protection under any circumstances:

3M	Ora
Acer	Panamax
Adaptec	Parana
ADI	Perfect Data
Advanced Gravis	Pinnacle Micro
Artisoft	Polaroid
Ati Technologies	Proton
Bay Networks	QMS
Belkin	Quantum
Brainworks	Reactor
Canon	Server
Cisco	SL Waber
Cogent	Sony
Colorado Memory	Sony Computer Peripherals
CTX	Toshiba -- Disk
Cyrix	Touchstone
Diamond	Verbatim
Digital Products	Viewsonic
Digital Vision	Wordperfect
EFI	
FWB	
Global Village	
Hayes (Practical Peripherals)	
Hewlett (and HP Networking)	
IBM -- Storage	
IBM -- Terminals	
Informix	
Intel	
Intellimedia Sports	
Intuit	
Keytronic	
Kingston	
Kodak	
Madge Networks	
Maxell	
Megahertz	
Memorex	
Milan	
Micropolis	
Mountain	
Newpoint	
Nikon	
Novell	

Notes: This list is subject to change without notice.

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EXHIBIT E

INGRAM MICRO PRICE PROTECTION REQUEST  
INVENTORY CERTIFICATION FORM

Return this form to Ingram Micro Customer Service, 1600 E. St. Andrew Place, Santa Ana, CA 92799-5125 or fax documentation to (714) 566-7720 for Branches 10 and 50 or (716) 635-6446 for Branches 20, 30, 40, 60, and 70.

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Dealer Name

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Customer Number



Confidential Materials omitted and filed separately with the Securities and Exchange Commission. Asterisks denote omissions.

EXHIBIT F

PC CONNECTION  
DAYS SALES OUT ("DSO") CALCULATION

Ingram will calculate PC Connection's DSO, as follows:

PC Connection's \*\*\*\*\*  
\*\*\*\*\* (equals the \*\*\*\*\* balance)  
\*\*\*\*\* (equals the\*\*\*\*\* sales)  
\*\*\*\*\* number of days in the prior month (equals the number of days remaining)  
\*\*\*\*\* the number of days in the current month  
Equals the DSO expressed in days.

Example:

***** bal	**** Sales					
***** -	*****					
-----						
***** Sales	=	Remaining ****	# days in	days	days in	DSO
*****		****	prior month	remaining	curr. month	*****
			** 28.	= 3.44	** 28.	

PC Connection's DSO accounts receivable number may be adjusted as compensation for verifiable misshipments, as set forth in Section 5.D of this Agreement.

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. Asterisks denote omissions.

INGRAM  
MICRO

AMENDMENT #1  
Resale Agreement

August 29, 1997  
Confidential

INGRAM MICRO INC. ("Ingram") and PC CONNECTION ("PC Connection") hereby agree to amend their mutual Resale Agreement, including any subsequent Amendments, as follows:

1. Add the following to Section 8:
- 8.F. During the term of this Agreement, PC Connection may request a Product return for buyback at PC Connection's invoice price in an amount not to exceed \$\*\*\*\*\* after fees have been applied. All Product must be returned in resalable condition and will be subject to Ingram's review and approval as well as the terms and conditions of Ingram's Buyback Agreement when signed. PC Connection may split this buyback into various increments so long as the total Product is returned prior to the expiration of this Agreement.

Agreed to as of this 30 day of October 1997

"PC Connection"

"Ingram"

By: /s/Robert F. Wilkins  
(Officer of the Company)

Name: Robert F. Wilkins  
(Please print or type)

Title: Vice President, Product Mgmt.

By: /s/ Debbie Tibey  
(Officer of the Company)

Name: Debbie Tibey  
(Please print or type)

Title: Vice President of NMA

FORM OF  
REGISTRATION RIGHTS AGREEMENT

AGREEMENT dated as of February \_\_, 1998 among PC Connection, Inc., a Delaware corporation (the "Company") and the parties listed on Schedule A hereto (the "Stockholders").

W I T N E S S E T H:

WHEREAS, pursuant to the Merger Agreement dated as of February \_\_, 1998 (the "Merger Agreement") between the Company and PC Connection, Inc., a New Hampshire corporation ("PCC New Hampshire") the Stockholders will receive an aggregate of 11,798,792 shares of common stock, par value \$0.01, of the Company (the "Shares") in exchange for the capital stock of PCC New Hampshire owned by such Stockholders;

WHEREAS, the Company has filed a registration statement (Reg. No. 333-41171) with the Securities and Exchange Commission relating to a proposed initial public offering of its Common Stock (the "Initial Public Offering"); and

WHEREAS, the parties hereto desire to enter into this Agreement to govern certain of their rights, duties and contemplated by the Merger Agreement.

The parties hereto agree as follows:

ARTICLE 1  
DEFINITIONS

1.1 Definitions. The following terms, as used herein, have the following meanings:

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, "control" when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Board" means the Board of Directors of the Company.

"Business Days" means any day except a Saturday, Sunday or other day on which commercial banks in the city of New York are authorized by law to close.

"Commission" means the Securities and Exchange Commission.

"Common Stock" means the common stock, \$0.01 par value, of the Company.

"Demand Registration" is defined in Section 2.2.

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

"Indemnified Party" is defined in Section 2.9.

"Indemnifying Party" is defined in Section 2.9.

"Permitted Transferee" means (i) a Stockholder, (ii) the immediate family of a Stockholder or (iii) following the death of a Stockholder, the beneficiaries of such Stockholders' estate.

"Person" means an individual, or a corporation, partnership, association, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Piggy-Back Registration" is defined in Section 2.3.

"Registrable Shares" means the Shares until (i) a registration statement covering such security has been declared effective by the Commission and it has



been disposed of pursuant to such effective registration statement, (ii) such security is sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) under the Securities Act are met or (iii) such security has been otherwise Transferred, and it may be resold without subsequent registration under the Securities Act.

"Registration Expenses" is defined in Section 2.6.

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

"Selling Stockholder" means, with respect to any registration statement under the Securities Act referred to herein, a Stockholder who is selling Registrable Shares pursuant to such registration statement.

"Selling Stockholder" means, with respect to any registration statement under the Securities Act referred to herein, a Stockholder who is selling Registrable Shares pursuant to such registration statement.

"Shelf Registration" is defined in Section 2.1.

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"Transfer" means any disposition of the Shares that would constitute a sale thereof under the Securities Act.

"Underwriter" means a securities dealer who purchases any Registrable Shares as principal and not as part of such dealer's market-making activities.

## ARTICLE 2 REGISTRATION RIGHTS

2.1 Shelf Registration. The Company will use its best efforts to file a

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"shelf" registration statement (the "Shelf Registration") with respect to the Registrable Shares on an appropriate form, pursuant to Rule 415 (or any similar provision that may be adopted by the Commission) under the Securities Act at any time after 180 days following the closing of the Initial Public Offering, upon the request of any of the Stockholders. In connection with any underwritten offering under the Shelf Registration, the holders of a majority of the Registrable Shares to be included in such offering shall designate an Underwriter to act with respect to such offering of Common Stock; provided that -----  
any such underwriter must be reasonably satisfactory to the Company.

2.2 Demand Registration. (a) Request for Registration. At any time after

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180 days following the closing of the Initial Public Offering any of the Stockholders may make a written request for registration under the Securities Act of all or part of their Registrable Shares (a "Demand Registration"); provided, that the Company shall not be obligated to effect more than two Demand

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Registrations, in any 12-month period; and provided further that, in any case,

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no Demand Registration need be effected if a Shelf Registration with respect to such Registrable Shares is then effective. Such request will specify the number of Registrable Shares proposed to be sold and will also specify the intended method of disposition thereof. Within 10 days after receipt of such request, the Company will give written notice of such registration request to the other Stockholders and include in such registration all such Registrable Shares with respect to which the Company has received a written request for inclusion therein within 20 Business Days after the receipt by the other Stockholders of the Company's notice. Each such request will also specify the number of Registrable Shares to be registered and the intended method of disposition thereof. Unless the holder or holders of a majority of the Registrable Shares to be registered in such Demand Registration shall consent in writing, no other party, including the Company (but excluding another Stockholder), shall be permitted to offer securities under any such Demand Registration.

(b) Effective Registration. A registration will not count as a Demand

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Registration until it has become effective.

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(c) Priority on Demand Registrations. If the holders of a majority of the

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Registrable Shares to be registered in a Demand Registration so elect, the offering of such Registrable Shares pursuant to such Demand Registration shall be in the form of an underwritten offering. The Company shall select the book-running managing Underwriter in connection with such Offering and any additional investment bankers and managers to be used in connection with the Offering; provided that such managing Underwriter and additional investment bankers and

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managers must be reasonably satisfactory to holders of a majority of the Registrable Shares to be registered in such Demand Registration.

2.3 Piggy-Back Registration. If at any time the Company proposes to file

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a registration statement under the Securities Act with respect to an equity offering by the Company for its own account or for the account of any of its respective securityholders of any class of security (other than a registration statement on Form S-4 or S-8 (or any substitute form that may be adopted by the Commission) or a registration statement filed in connection with an exchange offer or offering of securities solely to the Company's existing securityholders), then the Company shall give written notice of such proposed filing to the Stockholders as soon as practicable (but in no event less than 10 days before the anticipated filing date), and such notice shall offer the Stockholders the opportunity to register such number of Registrable Shares as each such Stockholder may request (a "Piggy-Back Registration"); provided that

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the Stockholders shall not have any rights under this Section 2.3 if a Shelf Registration is then effective. The Company shall use its best efforts to cause the managing Underwriter or Underwriters of a proposed underwritten offering to permit the Registrable Shares requested to be included in a Piggy-Back Registration to be included on the same terms and conditions as any similar securities of the Company included therein.

2.4 Reduction of Offering. Notwithstanding anything contained herein, if

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the managing Underwriter or Underwriters of an offering described in Section 2.2 or 2.3 deliver a written opinion to the Selling Stockholders that (i) the size of the offering that such Selling Stockholders, the Company and any other persons intend to make or (ii) the kind of securities that such Selling Stockholders, the Company and any other persons or entities intend to include in such offering are such that the success of the offering would be materially and adversely affected by inclusion of the Registrable Shares requested to be included, then (A) if the size of the offering is the basis of such Underwriter's opinion, the amount of securities to be offered for the accounts of Selling Stockholders shall be reduced pro rata (according to the number of Registrable Shares held by each such Selling Stockholder) to the extent necessary to reduce the total amount of securities to be included in such offering to the amount recommended by such managing Underwriter or Underwriters; provided that, in the case of a Piggy-Back Registration, if securities are being

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offered for the account of other persons or entities as well as the Company, then with respect to the Registrable Shares intended to be offered by the Selling Stockholders, the proportion by which

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the amount of such class of securities intended to be offered by the Selling Stockholders is reduced shall not exceed the proportion by which the amount of such class of securities intended to be offered by such other persons or entities is reduced; and (B) if the combination of securities to be offered is the basis of such Underwriter's opinion, (x) the Registrable Shares to be included in such offering shall be reduced as described in clause (A) above (subject to the proviso in clause (A)) or, (y) if the actions described in clause (x) would, in the judgment of the managing Underwriter, be insufficient to substantially eliminate the adverse effect that inclusion of the Registrable Shares requested to be included would have on such offering, such Registrable Shares will be excluded from such offering.

2.5 Filings; Information. Whenever any Stockholder requests that any

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Registrable Shares be registered pursuant to Section 2.2 hereof or requests the filing of the Shelf Registration the Company will use its best efforts to effect the registration and the sale of such Registrable Shares in accordance with the

intended method of disposition thereof as quickly as practicable, and in connection with any such request and the Shelf Registration:

(a) The Company will as expeditiously as possible prepare and file with the Commission a registration statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of the Registrable Shares to be registered thereunder in accordance with the intended method of distribution thereof, and use its best efforts to cause such filed registration statement to become and remain effective for, in the case of a Shelf Registration, a period of not less than two years and in the case of a registration pursuant to Section 2.2 for a period of not less than 270 days; provided that if the Company shall furnish to

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the Stockholder(s) making a request pursuant to Section 2.2 a certificate signed by either its Chairman, Vice Chairman or President stating that in his or her good faith judgment it would be significantly disadvantageous to the Company or its stockholders for such a registration statement to be filed as expeditiously as possible, the Company shall have a period of not more than 90 days within which to file such registration statement measured from the date of receipt of the request in accordance with Section 2.2.

(b) The Company will, if requested, prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish to each Selling Stockholder and each Underwriter, if any, copies of such registration statement a proposed to be filed, and thereafter furnish to such Selling Stockholder and Underwriter, if any, such number of copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Selling Stockholder or Underwriter may reasonably request in order to facilitate the disposition of the Registrable Shares owned by such Selling Stockholder.

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(c) After the filing of the registration statement, the Company will promptly notify each Selling Stockholder of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(d) The Company will use its best efforts to (i) register or qualify the Registrable Shares under such other securities or blue sky laws of such jurisdictions in the United States as any Selling Stockholder reasonably (in light of such Selling Stockholder's intended plan of distribution) requests and (ii) cause such Registrable Shares to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Selling Stockholder to consummate the disposition of the Registrable Shares owned by such Selling Stockholder; provided that the Company will not be required to (A) qualify

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generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (d), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction.

(e) The Company will immediately notify each Selling Stockholder, at any time when a prospectus relating to Registrable Shares owned by such Selling Stockholder is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Shares, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and promptly make available to each Selling Stockholder any such supplement or amendment.

(f) The Company will enter into customary agreements (including an underwriting agreement in customary form) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Shares.

(g) The Company will make available for inspection by any Selling Stockholder, any Underwriter participating in such disposition and any attorney, accountant or other professional retained by any such Selling Stockholder or

Underwriter (collectively, the "Inspectors") all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records") as shall be reasonably necessary to enable their to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such

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registration statement. Records which the Company determines, in good faith, to be confidential and which it notifies the Inspectors are Confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such registration statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. Each Selling Stockholder agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company or its Affiliates unless and until such is made generally available to the public. Each Selling Stockholder further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the records deemed confidential.

(h) The Company will furnish to each Selling Stockholder and to each Underwriter, if any, a signed counterpart, addressed to such Selling Stockholder or Underwriter, of (i) an opinion or opinions of counsel to the Company and (ii) a comfort letter or comfort letters from the Company's independent public accountants, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the holders of a majority of Registrable Shares included in such offering or the managing Underwriter therefor reasonably requests.

(i) The Company will otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and make available to its securityholders, as soon as reasonably practicable, an earnings statement covering a period of 12 months, beginning within three months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act.

(j) The Company will use its best efforts to cause all such Registrable Shares to be listed on each securities exchange on which similar securities issued by the Company are then listed.

The Company may require each Selling Stockholder to promptly furnish in writing to the Company such information regarding the distribution of the Registrable Shares as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration.

Each Selling Stockholder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 2.5(e) hereof, such Selling Stockholder will forthwith discontinue disposition of Registrable Shares pursuant to the registration statement covering such Registrable Shares until

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such Selling Stockholder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 2.5(e) hereof, and, if so directed by the Company, such Selling Stockholder will deliver to the Company all copies, other than permanent file copies then in such Selling Stockholder's possession, of the most recent prospectus covering such Registrable Shares at the time of receipt of such notice. In the event the Company shall give such notice, the Company shall extend the period during which such registration statement shall be maintained effective (including the period referred to in Section 2.5(a) hereof) by the number of days during the period from and including the date of the giving of notice pursuant to Section 2.5(e) hereof to the date when the Company shall make available to the Selling Stockholders a prospectus supplemented or amended to conform with the requirements of Section 2.5(e) hereof.

2.6 Registration Expenses. In connection with any registration statement  
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required to be filed hereunder, the Company shall pay the following registration expenses incurred in connection with the registration hereunder (the "Registration Expenses"): (i) all registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Shares, (iii) printing expenses, (iv) internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred in connection with the listing of the Registrable Shares, (vi) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses of any comfort letters or costs associated with the delivery by independent certified public accountants of a comfort letter or comfort letters requested pursuant to Section 2.5(h) hereof), (vii) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration, and (viii) reasonable fees and expenses of one counsel (who shall be reasonably acceptable to the Company) for the Selling Stockholders. The Company shall have no obligation to pay any underwriting fees, discounts or commissions attributable to the sale of Registrable Shares, or any other out-of-pocket expenses of the Selling Stockholders (or the agents who manage their accounts).

2.7 Indemnification by the Company. The Company agrees to indemnify and

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hold harmless each Selling Stockholder, its officers, directors and agents, and each Person, if any, who controls such Selling Stockholder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Shares owned by such Selling Stockholder (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or

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necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information furnished in writing to the Company by such Selling Stockholder or on such Selling Stockholder's behalf expressly for use therein; provided, however, that

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the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Selling Stockholder from whom the person asserting any such loss, claim, damage or liability purchased the Registrable Shares if it is determined that it was the responsibility of such Selling Stockholder to provide such person with a current copy of the prospectus and such current copy of the prospectus would have cured the defect giving rise to such loss, claim, damage or liability. The Company also agrees to indemnify any Underwriters of the Registrable Shares, their officers and directors and each person who controls such Underwriters on substantially the same basis as that of the indemnification of the Selling Stockholders provided in this Section 2.7.

2.8 Indemnification by Selling Stockholders. Each Selling Stockholder

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agrees, severally but not jointly, to indemnify and hold harmless the Company, its officers, directors and agents and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Selling Stockholder, but only with reference to information relating to such Selling Stockholder furnished in writing by such Selling Stockholder or on such Selling Stockholder's behalf expressly for use in any registration statement or prospectus relating to the Registrable Shares owned by such Selling Stockholder, or any amendment or supplement thereto, or any preliminary prospectus. In case any action or proceeding shall be brought against the Company or its officers, directors or agents or any such controlling person, in respect of which indemnity may be sought against such Selling Stockholder, such Selling Stockholder shall have the rights and duties given to the Company, and the Company or its officers, directors or agents or such controlling person shall have the rights and duties given to such Selling Stockholder, by the preceding paragraph. Each Selling Stockholder also agrees to indemnify and hold harmless Underwriters of the Registrable Shares owned by such Selling Stockholder their officers and directors and each person who

controls such Underwriters on substantially the same basis as that of the indemnification of the Company provided in this Section 2.8.

2.9 Conduct of Indemnification Proceedings. In case any proceeding  
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(including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 2.7 or 2.8, such person (an "Indemnified Party") shall promptly notify the person against whom such indemnity may be sought (an "Indemnifying Party") in writing and the Indemnifying Party shall assume the defense thereof, including the employment of counsel

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reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party and representation of both parties by the same counsel would be inappropriate due to actual or potentially differing interests between them. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by the Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding.

2.10 Contribution. If the indemnification provided for in Section 2.7 or  
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2.8 is unavailable to the Indemnified Parties in respect of any losses, claims, damages or liabilities referred to herein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (i) as between the Company and the Selling Stockholders on the one hand and the Underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other from the offering of the securities covered by the registration statement, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of the Company and the Selling Stockholders on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations and (ii) as between the Company on the one hand and each Selling Stockholder on the other, in such proportion as is appropriate to reflect the relative fault of the Company and of each Selling Stockholder in connection with such statements or omissions, as well as any other relevant equitable considerations.

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The relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table

on the cover page of the prospectus. The relative fault of the Company and the Selling Stockholders on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Stockholders or by the Underwriters. The relative fault of the Company on the one hand and of each Selling Stockholders on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Selling Stockholders agree that it would not be just and equitable if contribution pursuant to this Section 2.10 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.10, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no Selling Stockholder shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Shares of such Selling Stockholder were offered to the public exceeds the amount of any damages which such Selling Stockholder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Selling Stockholder's obligations to contribute pursuant to this Section 2.10 are several in proportion to the proceeds of the offering received by such Selling Stockholder bears to the total proceeds of the offering received by all the Selling Stockholders and not joint.

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2.11 Participation in Underwritten Registrations. No Person may

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participate in any underwritten registration hereunder unless such Person (a) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements and this Article 2.

2.12 Rule 144. The Company covenants that it will file any reports

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required to be filed by it under the Securities Act and the Exchange Act and that it will take such further action as any Stockholder may reasonably request, all to the extent required from time to time to enable Stockholders to sell Registrable Shares without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Stockholder, the Company will deliver to such Stockholder a written statement as to whether it has complied with such requirements

2.13 Holdback Agreement.

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(a) Restrictions on Public Sale by Selling Stockholders. To the  
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extent not inconsistent with applicable law, each Selling Stockholder agrees not to effect any public sale or distribution of the issue being registered or a similar security of the Company, or any securities convertible into or exchangeable or exercisable for such securities, including a sale pursuant to

Rule 144 under the Securities Act, during the 14 days prior to, and during the 90-day period beginning on, the effective date of such registration statement (except as part of such registration), if and to the extent requested by the Company in the case of a non-underwritten public offering or if and to the extent requested by the managing Underwriter or Underwriters in the case of an underwritten public offering.

(b) Restrictions on Public Sale by the Company and Others. The

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Company and its Affiliates agree not to effect any public sale or distribution of any securities similar to those being registered in accordance with Section 2.2 or 2.3 hereof, or any securities convertible into or exchangeable or exercisable for such securities, during the 14 days prior to, and during the 90-day period beginning on, the effective date of any registration statement (except as part of such registration statement where the holders of a majority of the Registrable Shares to be included in such registration statement, in the case of a registration statement filed pursuant to Section 2.2, consent) or the commencement of a public distribution of Registrable Shares; provided, however,

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that the provisions of this paragraph (b) shall not prevent the conversion or exchange of any securities pursuant to their terms into or for other securities.

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ARTICLE 3  
MISCELLANEOUS

3.1 Entire Agreement. This Agreement constitutes the entire agreement

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between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both oral and Written, between the parties with respect to the subject matter of this Agreement. Nothing in this Agreement shall amend any provision of the 1998 PC Connection Voting Trust Agreement dated February \_\_, 1998.

3.2 Binding Effect; Benefit. This Agreement shall inure to the benefit of

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and be binding upon the parties hereto and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the parties hereto, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

3.3 Assignability. This Agreement shall not be assignable or otherwise

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transferable by any party hereto, except that any Person acquiring Shares who is required by the terms of this Agreement to become a party hereto shall execute and deliver to the Company an agreement to be bound by this Agreement and shall thenceforth be a "Stockholder", and any Stockholder who ceases to beneficially own any Shares shall cease to be bound by the terms hereof (other than Sections 2.8, 2.9 and 2.10).

3.4 Amendment and Waiver. Any provision of this Agreement may be amended

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or waived if, but only if, such amendment or waiver is in writing and is signed by the Stockholders; provided that no such amendment or waiver shall, unless

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signed by all the Stockholders, impose any additional obligation upon any Stockholder; and provided, further, that no such amendment or waiver shall, unless signed by the Company, impose any additional obligation upon the Company.

3.5 Notices. All notices and other communications given or made pursuant

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hereto or pursuant to any other agreement among the parties, unless otherwise specified, shall be in writing and shall be deemed to have been duly given or made if sent by facsimile (with confirmation in writing), delivered personally or sent by registered or certified mail (postage prepaid, return receipt requested) to the parties at the facsimile number or addresses set forth on the signature pages hereto or at such other addresses as shall be furnished by the parties by like notice, and such notice or communication shall be deemed to have been given or made upon receipt.



Any Person who becomes a party to this Agreement shall provide its address and

facsimile number to the Company, which shall promptly provide such information to each other Stockholder.

3.6 Headings. The headings contained in this Agreement are for  
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convenience only and shall not affect the meaning or interpretation of this Agreement.

3.7 Counterparts. This Agreement may be executed in any number of  
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counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

3.8 Applicable Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN  
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ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW HAMPSHIRE, WITHOUT REGARD TO THE CONFLICTS OF LAW RULES OF SUCH STATE.

3.9 Specific Enforcement. Each party hereto acknowledges that the  
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remedies at law of the other parties for a breach or threatened breach of this Agreement would be inadequate and, in recognition of this fact, any party to this Agreement, without posting any bond, and in addition to all other remedies which may be available, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available.

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

PC CONNECTION, INC.

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Patricia Gallup

\_\_\_\_\_  
David Hall

1998 PC CONNECTION VOTING TRUST

By: \_\_\_\_\_  
Patricia Gallup, Co-Trustee

By: \_\_\_\_\_  
David Hall, Co-Trustee

SCHEDULE A

STOCKHOLDERS

Stockholders  
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Number of Shares  
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Patricia Gallup [address]	20,000
David Hall [address]	20,000
1998 PC Connection Voting Trust	11,758,792