



## Letter From Our CEO

Dear Fellow Shareholders,

Fiscal year 2022 was an outstanding year for TD SYNnex, as we completed our first full year as a combined company. Despite increased macroeconomic uncertainty, the IT spending environment continued to see healthy growth, which we see as a testament to the critical importance of technology and the role we serve at the center of the IT ecosystem. The pace of change across the landscape also continued to accelerate, bringing increased complexity and challenges for our ecosystem partners, which translated into opportunities for our company.

We made significant progress on our merger integration activities this year, harnessing our collective talent and solidifying TD SYNnex as the IT industry's distribution partner of choice. Throughout the year, we harmonized partner-facing elements of our company, along with co-worker benefits, policies, finance and IT systems, and are tracking to achieve our synergy targets. We also launched our corporate branding across Europe, Latin America and the Caribbean as one company with a unified culture and shared values.

Through our efforts in fiscal year 2022, we exceeded our growth targets for revenue, operating margin and earnings per share while returning \$240 million to shareholders in the form of dividends and share repurchases. This is an especially significant accomplishment given the working capital investments we made this year due to the continued industry supply chain constraints, along with increased headwinds from currency fluctuations and rising interest rates.

“The achievements we have made to date would not have been possible without the deep relationships we maintain with our community of vendors and customers.”

Rich Hume, CEO



At our first investor day, we outlined our multi-year growth strategy centered on our initiatives to invest in high-growth technology areas like cloud, data/analytics, security and hyperscale infrastructure, strengthen our end-to-end portfolio of products and services, transform TD SYNnex digitally and expand our global footprint.

Through this strategy, we achieved \$16 billion in gross billings from high-growth technologies in fiscal year 2022, representing year-over-year growth of greater than 20%. We also expanded our solutions aggregation capabilities, launched additional solutions and expanded our relationships with leading cloud vendors. In the coming years, we will be focused on investing in our solutions orchestration platform to further connect and enable IT ecosystem participants.

At TD SYNnex, our purpose is to empower our global partners to achieve great outcomes with technology. We do that with over 23,500 of the industry's best and brightest co-workers, who are aligned with our shared values of integrity, excellence, collaboration and inclusion.

Since the merger, we have embraced an approach that puts our people and purpose first and we are committed to being a good corporate citizen and making the world a better place. We are proud to have launched our Corporate Citizenship program, including our Environmental, Social and Governance (ESG) framework and goals. Our goals are ambitious and include commitments to achieving net-zero greenhouse gas emissions globally by 2045, along with increasing representation of women and under-represented groups in our workforce, among other meaningful corporate citizenship targets.

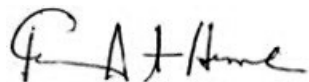
Our achievements to date are made possible through our deep relationships with our community of vendors and customers, along with the dedication and rich experience of our co-workers.

Throughout the past fiscal year, I had the privilege of spending time with many hundreds of partners, hearing first-hand about the significant value that TD SYNnex is bringing to the market. I look forward to building on that momentum and sharing updates with you as we continue progressing on our journey to connect the global IT ecosystem and unlock its potential for all.

Thank you for your continued interest and investment in TD SYNnex.

Sincerely,

Rich Hume  
CEO



### Forward-Looking Statements

Statements in this letter to shareholders that are forward-looking, such as those statements regarding our strategy, our progress towards targets, investments and ESG initiatives, involve known and unknown risks and uncertainties which may cause our actual results in future periods to be materially different from any future performance that may be suggested in this letter. Additional information concerning potential factors that could cause actual results to differ materially from those in the forward-looking statements can be found in the risks and uncertainties detailed in our Form 10-K filed with the Securities and Exchange Commission. We assume no obligation to update any forward-looking statements contained in this letter.

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

**FORM 10-K**

(Mark One)

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

**For the fiscal year ended November 30, 2022**

**OR**

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

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File Number: 001-31892**



**TD SYNEX CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**94-2703333**

(IRS Employer Identification No.)

**44201 Nobel Drive**

**Fremont, California**

(Address of principal executive offices)

**94538**

(Zip Code)

**(510) 656-3333**

(Registrant's telephone number, including area code)

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

| <b>Title of each class</b>                | <b>Trading Symbol(s)</b> | <b>Name of each exchange on which registered</b> |
|---|--------------------------|--|
| Common Stock, par value \$0.001 per share | SNX                      | The New York Stock Exchange                      |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

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

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of Common Stock held by non-affiliates of the registrant (based upon the closing sale price on the New York Stock Exchange as of May 31, 2022, the last business day of the registrant's most recently completed second fiscal quarter) was \$4,311,515,318. Shares held by each executive officer, director and by each person who owns 10% or more of the outstanding Common Stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of January 16, 2023, there were 95,344,919 shares of Common Stock, \$0.001 per share par value, outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Items 10 (as to directors and Delinquent Section 16(a) Reports (if any)), 11, 12 (as to Beneficial Ownership), 13 and 14 of Part III incorporate by reference information from the registrant's proxy statement to be filed with the Securities and Exchange Commission in connection with the solicitation of proxies for the registrant's 2023 Annual Meeting of Stockholders to be held on March 21, 2023.

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## PART I

*When used in this Annual Report on Form 10-K (this "Report"), the words "anticipates," "believes," "estimates," "expects," "intends," "allows," "can," "may," "could," "designed," "will," and similar expressions are intended to identify forward-looking statements. These are statements that relate to future periods and include statements about our business model and our services, our business and market strategy, future growth, our infrastructure, our investment in our information technology, or IT, systems, our co-worker hiring and retention, the ownership interest of MiTAC Holdings Corporation, or MiTAC Holdings, in us and its impact, the ownership interest of Apollo Global Management, Inc., or Apollo, in us and its impact, the impact of the Merger, our integration plans, our plans with respect to the GBO 2 Program, our revenue, sources of revenue, our gross margins, our operating costs and results, timing of payment, the value of our inventory, our competition, including with Synnex Technology International Corp., our future needs and sources for additional financing, contract terms, relationships with our suppliers, adequacy of our facilities, ability to meet demand, managing inventory and our shipping costs, our legal proceedings, our operations, foreign currency exchange rates and hedging activities, our strategic acquisitions including anticipated cost savings and other benefits, our goodwill, seasonality of sales, adequacy of our cash resources, our debt and financing arrangements, including the impact of any change to our credit rating, interest rate risk and impact thereof, cash held by our international subsidiaries and repatriation, changes in fair value of derivative instruments, our tax liabilities, adequacy of our disclosure controls and procedures, cybersecurity, the replacement of LIBOR, impact of our pricing policies, impact of economic and industry trends, changes to the markets in which we compete, impact of accounting policies, our estimates and assumptions, impact of inventory repurchase obligations and commitments and contingencies, our effective tax rates, impact of any impairment of our goodwill and intangible assets, our share repurchase and dividend program, and our purchase accounting adjustments. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to, those risks discussed herein and risks related to the risk that the legacy SYNnex and legacy Tech Data businesses will not be integrated successfully or realize the anticipated benefits of the combined company, the COVID-19 global pandemic, the buying patterns of our customers, concentration of sales to large customers, the loss or consolidation of one or more of our significant original equipment manufacturer, or OEM, suppliers or customers, market acceptance of the products we assemble and distribute, competitive conditions in our industry and their impact on our margins, pricing and other terms with our OEM suppliers, our ability to gain market share, variations in supplier-sponsored programs, changes in our costs and operating expenses, increased inflation, dependence upon and trends in capital spending budgets in the IT industry, fluctuations in general economic conditions, changes in tax laws, risks associated with our international operations, uncertainties and variability in demand by our reseller and integration customers, supply shortages or delays, any termination or reduction in our floor plan financing arrangements, changes in value of foreign currencies and interest rates and other risk factors contained below under Part I, Item 1A, "Risk Factors." These forward-looking statements speak only as of the date hereof. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless otherwise required by law.*

*In the sections of this Report entitled "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," all references to "TD SYNnex," "we," "us," "our" or the "Company" mean TD SYNnex Corporation and its subsidiaries for periods after the acquisition of Tech Data, except where it is made clear that the term means only the parent company or one of its segments while all references to "SYNnex," "we," "us," "our" or the "Company" mean SYNnex Corporation and its subsidiaries for periods prior to the acquisition of Tech Data, except where it is made clear that the term means only the parent company or one of its segments.*

*TD SYNnex, the TD SYNnex Logo, and all other TD SYNnex company, product and services names and slogans are trademarks or registered trademarks of TD SYNnex Corporation. Other names and marks are the property of their respective owners.*

### **Item 1. Business**

#### **Overview**

We are a leading global distributor and solutions aggregator for the information technology ("IT") ecosystem. We serve a critical role, bringing products from the world's leading and emerging technology vendors to market, and helping our customers create solutions best suited to maximize business outcomes for their end-user customers. We distribute IT hardware, software, and systems including personal computing devices and peripherals, mobile phones and accessories, printers, server and datacenter infrastructure, hybrid cloud, security, networking, communications and storage solutions, and system components. We also provide systems design and integration solutions.

On December 1, 2020, we completed the previously announced separation of our customer experience services business (the “Separation”), which was accomplished by the distribution of one hundred percent of the outstanding common stock of Concentrix Corporation (“Concentrix”). Our stockholders received one share of Concentrix common stock for every share of our common stock held at the close of business on the record date. Concentrix is now an independent public company trading under the symbol “CNXC” on the Nasdaq Stock Market. After the Separation, we do not beneficially own any shares of Concentrix’ common stock and beginning December 1, 2020, we no longer consolidate Concentrix within our financial results or reflect the financial results of Concentrix within our continuing results of operations. We distributed a total of approximately 51.6 million shares of Concentrix common stock to our stockholders. In connection with the Separation, we entered into a separation and distribution agreement, as well as various other agreements with Concentrix that provide a framework for the relationships between the parties going forward, including among others an employee matters agreement, a tax matters agreement, and a commercial agreement, pursuant to which Concentrix has continued to provide services to us following the Separation. The historical results of operations and financial positions of Concentrix are reported as discontinued operations in our Consolidated Financial Statements. For further information on discontinued operations, see [Note 5 - Discontinued Operations](#), to the Consolidated Financial Statements in Item 8.

On March 22, 2021, we entered into an agreement and plan of merger (the “Merger Agreement”) which provided that legacy SYNEX Corporation would acquire legacy Tech Data Corporation, a Florida corporation (“Tech Data”) through a series of mergers, which would result in Tech Data becoming an indirect subsidiary of TD SYNEX Corporation (collectively, the “Merger”). On September 1, 2021, pursuant to the terms of the Merger Agreement, we acquired all the outstanding shares of common stock of Tiger Parent (AP) Corporation, the parent corporation of Tech Data, for consideration of \$1.6 billion in cash (\$1.1 billion in cash after giving effect to a \$500.0 million equity contribution by Tiger Parent Holdings, L.P., Tiger Parent (AP) Corporation’s sole stockholder and an affiliate of Apollo Global Management, Inc., to Tiger Parent (AP) Corporation prior to the effective time of the Merger) and 44 million shares of common stock of SYNEX valued at approximately \$5.6 billion.

We previously had two reportable segments as of November 30, 2020: Technology Solutions and Concentrix. After giving effect to the Separation on December 1, 2020, we operated in a single reportable segment. After completion of the Merger, we reviewed our reportable segments as there was a change in our chief executive officer, who is also our chief operating decision maker. Our chief operating decision maker has a leadership structure aligned with the geographic regions of the Americas, Europe and Asia-Pacific and Japan (“APJ”) and reviews and allocates resources based on these geographic regions. As a result, as of September 1, 2021 we began operating in three reportable segments based on our geographic regions: the Americas, Europe and APJ. Segment results for all prior periods have been restated for comparability to the Company’s current reportable segments. For financial information by segment, refer to [Note 13 – Segment Information](#), to the Consolidated Financial Statements in Item 8.

We have been in business since 1980 and have headquarters in both Clearwater, Florida and Fremont, California. We were originally incorporated in the State of California as COMPAC Microelectronics, Inc. in November 1980, and we changed our name to SYNEX Information Technologies, Inc. in February 1994. We later reincorporated in the State of Delaware under the name of SYNEX Corporation in October 2003. As a result of the Merger, on October 22, 2021, we filed with the Secretary of State of the State of Delaware a Certificate of Amendment to the Company’s Restated Certificate of Incorporation to change our corporate name from SYNEX Corporation to TD SYNEX Corporation, effective November 3, 2021. As of November 30, 2022, we had approximately 23,500 full-time co-workers worldwide.

## **Our Strategy**

Digital transformation and the migration to cloud computing is reshaping our industry, enabling businesses and consumers to evaluate, procure, acquire, and consume technology products and services in a variety of ways. Hybrid models of IT consumption, supporting both physical and virtual delivery methods are emerging, as hardware and software-based solutions become increasingly combined. As a result, customers are seeking greater integration of products, services and solutions that tie technologies together. Therefore, we believe it is important to provide a broad, end-to-end portfolio, with deep capabilities across the computing continuum to help customers manage the increasingly complex IT ecosystem

and deliver the solutions and business outcomes the market desires. Our vision for the future is to be the vital solutions aggregator and orchestrator that connects the IT ecosystem.

Our global strategy is to deliver higher value by focusing on the following strategic priorities:

- **Invest** in high-growth technologies such as hybrid cloud, security, analytics/Internet of Things ("IoT"), hyperscale infrastructure, and services.
- **Strengthen** our end-to-end portfolio of products, services and solutions, including technology-as-a-service and recurring revenue models.
- **Transform** our company digitally through greater automation and advanced analytics, which we believe will enhance the customer experience, broaden our customer base, increase sales and augment our presence in high growth technologies.
- **Expand** our global footprint and enhance the operational excellence of our businesses around the world.

## Our Products and Suppliers

We offer a comprehensive catalog of more than 200,000 technology products (as measured by active SKU's) from more than 1,500 original equipment manufacturers ("OEM"), suppliers of high-growth technologies such as converged and hyper-converged infrastructure, cloud, security, data/analytics/IoT and services. This enables us to offer comprehensive solutions to our reseller and retail customers. We group the majority of our offerings into two primary solutions portfolios, Endpoint Solutions and Advanced Solutions which are comprised of the following:

### Endpoint Solutions Portfolio:

- Our Endpoint Solutions portfolio primarily includes personal computing devices and peripherals, mobile phones and accessories, printers, supplies, and endpoint technology software.

### Advanced Solutions Portfolio:

- Our Advanced Solutions portfolio primarily includes data center technologies such as hybrid cloud, security, storage, networking, servers, advanced technology software and converged and hyper-converged infrastructure. Our Advanced Solutions portfolio also includes our specialized solution businesses, such as Global Computing Components.

Our high-growth technologies solutions, along with our services offerings, span our Endpoint and Advanced Solutions portfolios.

Our suppliers include leading IT systems, system components and peripherals, software, communications and security equipment, networking equipment, UCC and consumer electronics manufacturers. We purchase these and other complementary products from our suppliers and sell them to our reseller and retail customers. We perform a similar function for our distribution of licensed software products. We provide our vendors with access to large and highly fragmented markets such as small- and medium-sized businesses ("SMB") and serve as a variable, cost effective route to market for our vendors by providing them with access to resellers and end-users.

Our primary OEM suppliers include Apple, Inc., Cisco Systems, Inc., Dell, Inc., Hewlett-Packard Enterprise Company, HP Inc., International Business Machines Corporation, Lenovo Group Ltd., Microsoft Corporation, and Samsung Electronics Co., Ltd.

The following table provides revenue generated from products purchased from vendors that exceeded 10% of our consolidated revenue for the periods indicated (as a percent of consolidated revenue):

|             | Twelve Months Ended |                    |                    |
|-------------|---------------------|--------------------|--------------------|
|             | November 30, 2022   | November 30, 2021  | November 30, 2020  |
| Apple, Inc. | 11 %                | N/A <sup>(1)</sup> | N/A <sup>(1)</sup> |
| HP Inc.     | 10 %                | 12 %               | 15 %               |

<sup>(1)</sup> Revenue generated from products purchased from this vendor was less than 10% of consolidated revenue during the period presented.

We have distribution agreements with most of our suppliers, including Apple Inc. and HP Inc. These agreements usually provide for nonexclusive distribution rights and pertain to specific geographic territories. The agreements are also generally short-term, subject to periodic renewal, and often contain provisions permitting termination by either our supplier or us without cause upon relatively short notice. Conversely, our vendor agreements generally do not restrict us from selling similar products manufactured by competitors, nor do they require us to sell a specified quantity of product. As a result, we have the flexibility to terminate or curtail sales of one product line in favor of another due to technological change, pricing considerations, product availability, and customer demand or vendor distribution policies. An OEM supplier that elects to terminate a distribution agreement will generally repurchase its products carried in our inventory.

Our business subjects us to the risk that the value of our inventory will be affected adversely by suppliers' price reductions or by technological changes affecting the usefulness or desirability of the products comprising our inventory. Many of our OEM suppliers offer us limited protection from the loss in value of our inventory due to technological change or a supplier's price reduction. Under many of these agreements, we have a limited period of time to return or exchange products or claim price protection credits. Historically, price protection and stock rotation privileges, as well as our inventory management procedures, have helped reduce the risk of loss of inventory value. We monitor our inventory levels and attempt to time our purchases to maximize our protection under supplier programs.

### **Our Customers**

Our products are marketed globally to an active reseller base of more than 150,000 customers. Our reseller customers include value-added resellers ("VARs"), corporate resellers, government resellers, system integrators, direct marketers, retailers and managed service providers ("MSPs"). Resellers are classified primarily by their end-user customers. End-users include large corporations or enterprises, federal, state and local governments, SMBs, and individual consumers. In addition, resellers vary greatly in size and geographic reach. Our reseller customers buy from us and other distributors. Our larger reseller customers also buy certain products directly from OEM suppliers. System integrators offer services in addition to product resale, primarily in systems customization, integration, and deployment. Retailers serve mostly individual end-users and to a small degree, small office/home office customers. We also provide systems design and integration solutions for data center servers and networking solutions built specific to our customers' workloads and data center environments.

We combine our core strengths in distribution with demand generation, supply chain management and design and integration solutions to help our customers achieve greater efficiencies in time to market, cost minimization, real-time linkages in the supply chain and aftermarket product support. We also provide comprehensive IT solutions in key vertical markets such as government and healthcare and we provide specialized service offerings that increase efficiencies in the areas of global computing components, logistics services and supply chain management.

One customer accounted for 10%, 17% and 23% of our total revenue in fiscal years 2022, 2021 and 2020, respectively. As of November 30, 2022 and 2021, no single customer comprised more than 10% of the consolidated accounts receivable balance. While we do not believe that the loss of any single customer would have a material adverse effect on us, such loss could result in an adverse impact on certain of our businesses.

Our business is characterized by low gross profit as a percentage of revenue, or gross margin, and low operating income as a percentage of revenue, or operating margin. The market for IT products has generally been characterized by declining unit prices and short product life cycles, although unit prices for certain products have increased during certain periods due to factors such as supply chain constraints and inflation. We set our sales price based on the market supply and demand characteristics for each particular product or bundle of products we distribute and services we provide.

We are highly dependent on the end-market demand for IT products, and on our partners' strategic initiatives and business models. This end-market demand is influenced by many factors including the introduction of new IT products and software by OEM suppliers, replacement cycles for existing IT products, trends toward cloud computing, overall economic growth and general business activity. A difficult and challenging economic environment may also lead to consolidation or decline in the IT industries and increased price-based competition.

### **Our Services and Solutions**

We offer a variety of business process services to our customers. These services can be purchased individually or in combination with others in the form of supply chain solutions and aftermarket product support. We have sophisticated pick, pack and ship operations, which allows us to efficiently receive shipments from our OEM suppliers and quickly fill orders for our reseller and retail customers. We generally stock or otherwise have access to the inventory of our OEM suppliers to satisfy the demands of our reseller and retail customers.

Our service offerings include the following:

*Systems Design and Integration Solutions.* We provide our customers with systems design and full rack integration solutions, build-to-order, and configure-to-order assembly capabilities. In both of these cases, we offer design, integration, test and other production value-added solutions such as thermal testing, power-draw efficiency testing, burn-in, quality and logistics support.

*Logistics Services.* We provide logistics support to our reseller customers such as outsourced fulfillment, virtual distribution and direct ship to end-users. Other logistics support activities we provide include generation of customized shipping documents, multi-level serial number tracking for customized, configured products and online order and shipment tracking. We also offer full turn-key logistics solutions designed to address the needs of large volume or specialty logistics services. Our full turn-key service offering is modular in nature and is designed to cover all aspects of the logistics life cycle including, transportation management, inventory optimization, complementary product matching, reverse logistics, asset refurbishment and disposal and strategic procurement.

*Cloud Services.* We provide cloud-based solutions and services to our reseller customers to enable sales of and migration to technologies in a hosted environment to small and medium businesses. Our proprietary cloud platform offers a complete package of cloud-based solutions on a user-friendly platform and allows our reseller customers and OEM suppliers to own the complete customer lifecycle through direct billing, provisioning, management, and support. Our solutions cover all end-user customer needs, including, pure public cloud solutions in productivity and collaboration, IaaS, or Infrastructure as a Service, PaaS, or Platform as a Service, SaaS, or Software as a Service, Security, Mobility, IoT and other hybrid solutions. Our dedicated cloud team comprising developers, sales engineers and solutions specialists, supports our reseller customers in the sales of these solutions.

*Online Services.* We maintain electronic data interchange ("EDI"), extensible markup language ("XML"), web-based communication links and mobile applications with many of our reseller and retail customers. These links improve the speed and efficiency of our transactions with our customers by enabling them to search for products, check inventory availability and prices, configure systems, place and track orders, receive invoices, review account status and process returns. We also have web-based application software that allows our customers or their end-user customers to order software and take delivery online. In addition, we use proprietary and industry standard application programming interfaces ("APIs") to connect with OEMs and resellers, providing dynamic transactional capabilities to our platforms.

*Financial Services.* We offer our reseller customers various financing options, including net terms, third party leasing, floor plan financing and letters-of-credit backed financing and arrangements where we collect payments directly from the end-user. We also lease products to our reseller customers and their end-users and provide device-as-a-service to end-users. The availability and terms of our financing services are subject to our credit policies or those of third-party financing providers to our customers.

*Marketing Services.* We offer our OEM suppliers a full range of marketing activities targeting resellers, system integrators and retailers including direct mail, external media advertising, reseller product training, targeted telemarketing campaigns, national and regional trade shows, trade groups, database analysis, print on demand services and web-based marketing.

## **Sales and Marketing**

We serve our large commercial, government reseller, and retail customers through dedicated sales professionals. Our sales professionals receive comprehensive training on our policies, procedures and the technical specifications of products, and attend additional training offered by our vendors. We market to smaller resellers and OEM suppliers through dedicated regional sales teams. In addition, we have dedicated product management and business development specialists that focus on the sale and promotion of products and services of selected suppliers or for specific end-market verticals. These specialists are also directly involved in establishing new relationships with leading OEM suppliers to create demand for their products and services and with resellers for their customers' needs. We also have a direct sales approach for our design and integration solutions business. Our sales and marketing professionals are complemented by members of our executive management team who are integral in identifying potential new customer opportunities, promoting sales growth and ensuring customer satisfaction. We have sales and marketing professionals in close geographic proximity to our customers and OEM suppliers.

## **Our Operations**

We operate 194 distribution and administrative facilities globally. Our distribution processes are highly automated to ensure timely order fulfillment and accuracy and enhance the efficiency of our warehouse operations and back office administration. Our distribution facilities are geographically dispersed to be near reseller customers and their end-users. This decentralized, regional strategy enables us to benefit from lower shipping costs and shorter delivery lead times to our customers. Furthermore, we track multiple performance measurements to continuously improve the efficiency and capabilities of our distribution operations. Our regional locations also enable us to make local deliveries and provide will-call fulfillment to more customers than if our distribution operations were more centralized, resulting in better service to our customers. To optimize response to short-term changes in order activity, our workforce is comprised of permanent and temporary co-workers.

Our proprietary IT systems and processes enable us to automate many of our distribution operations. We use radio frequency and bar code scanning technologies in our warehouse operations to maintain real-time inventory records, facilitate strong inventory control and improve the speed and accuracy of order fulfillment.

To enhance the accuracy of our distribution order fulfillment and protect our inventory from shrinkage, our distribution systems also incorporate numerous controls. These controls include robotic automation, order weight checks, bar code scanning, and serial number profile verification. We also use digital video imaging to record both receiving and shipping activities. These images and other warehouse and shipping data are available online to our customer service representatives, enabling us to quickly respond to order inquiries by our customers.

We operate our principal systems design and integration solutions facilities in the United States with additional locations in the United Kingdom and China. We generally design and integrate IT systems, data center servers and networking solutions and IT appliances, by incorporating system components purchased directly from vendors or obtained from our distribution inventory. Some of our design and integration solutions facilities are ISO 9001:2015 and ISO 14001:2015 certified.

### ***International Operations***

Approximately 45% of our consolidated revenue for fiscal year 2022 was generated by our international operations. As a result of the Merger, we have expanded both our domestic and international operations. Our end market strategy is to continue expanding internationally on a selective basis in order to provide our distribution capabilities to OEM suppliers in locations that meet their regional requirements.

Sales and cost concentrations in foreign jurisdictions subject us to various risks, including the impact of changes in the value of these foreign currencies relative to the United States Dollar, which in turn can impact reported sales.

See [Note 13](#) – Segment Information to the Consolidated Financial Statements included in Item 8 of this Report for additional financial information related to international and domestic operations.

### ***Seasonality***

Our operating results are affected by the seasonality of the IT products industry. We have historically experienced slightly higher sales in our first and fourth fiscal quarters due to patterns in capital budgeting, federal government spending and purchasing cycles of our customers and end-users. These historical patterns may not be repeated in subsequent periods.

### ***Purchasing***

Product cost represents our single largest expense and IT product inventory is one of our largest working capital investments. Furthermore, product procurement from our OEM suppliers is a highly complex process that involves incentive programs, rebate programs, price protection, volume and early payment discounts and other arrangements. Consequently, efficient and effective purchasing operations are critical to our success.

Our purchasing group works closely with many areas of our organization, especially our product managers who work closely with our OEM suppliers and our sales force, to understand the volume and mix of IT products that should be purchased. In addition, in certain locations the purchasing group utilizes an internally developed, proprietary information systems application that further aids in forecasting future product demand based on several factors, including historical sales levels, expected product life cycle and current and projected economic conditions. We may also rely on our receipt of good-faith, non-binding, customer forecasts. We maintain EDI connections with our OEM suppliers to send purchase

orders, receive purchase order status and receive notification once the product has shipped from our supplier. Our information system also tracks warehouse and channel inventory levels and open purchase orders on a real-time basis enabling us to stock inventory at a regional level closer to the customer as well as to actively manage our working capital resources. This level of automation promotes greater efficiencies of inventory management by replenishing and turning inventory, as well as placing purchase orders on a more frequent basis. Furthermore, our system tool also allows for automated checks and controls to prevent the generation of inaccurate orders.

Managing our OEM supplier incentive programs is another critical function of our purchasing and product management teams. We also attempt to maximize the benefits of incentives, rebates and volume and early payment discounts that our OEM suppliers offer us. We carefully evaluate these supplier incentive benefits relative to our product handling and carrying costs so that we do not over-invest in our inventory. We also closely monitor inventory levels on a product-by-product basis and plan purchases to take advantage of OEM supplier provided price protection. By managing inventory levels and monitoring customer purchase patterns at each of our regional distribution facilities, we believe we can minimize our shipping costs by stocking products near our resellers and retailers, and their end-user customers.

### ***Financial Services***

We offer various financing options to our customers as well as prepayment, credit card and cash on delivery terms. In providing credit terms to our reseller and retail customers, we closely and regularly monitor their creditworthiness through our information systems, their credit ratings information and periodic detailed credit file reviews by our financial services staff. We have also purchased credit insurance in most geographies to further control customer credit risks. Finally, we establish reserves for estimated credit losses in the normal course of business based on the overall quality and aging of our accounts receivable portfolio, the existence of credit insurance and specifically identified customer risks.

We also sell to certain reseller customers pursuant to third party floor plan financing. The expenses charged by these financing companies are subsidized either by our OEM suppliers or paid by us. We generally receive payment from these financing companies within 15 to 30 days from the date of sale, depending on the specific arrangement.

### ***Information Technology***

Our IT systems manage the entire order cycle, including processing customer orders, customer billing and payment tracking. These IT systems make our operations more efficient and provide visibility into our operations. We believe our IT infrastructure is scalable to support further growth. We continue to enhance and invest in our IT systems to improve product and inventory management, streamline order and fulfillment processes, and increase operational flexibility.

To allow our customers and suppliers to communicate and transact business with us in an efficient and consistent manner, we have implemented a mix of proprietary and off-the-shelf software programs that integrate our IT systems with those of our customers and suppliers. In particular, we maintain EDI, XML, web-based communication links and mobile platform applications with many of our reseller and retail customers to enable them to search for products, check real-time pricing, inventory availability and specifications, place and track orders, receive invoices and process returns.

### ***Competition***

We operate in a highly competitive global environment. The IT product industry is characterized by intense competition, based primarily on product availability, credit terms and availability, price, speed and accuracy of delivery, effectiveness of sales and marketing programs, ability to tailor specific solutions to customer needs, quality and depth of product lines and training, pre- and post-sale technical support, flexibility and timely response to design changes, technological capabilities and product quality, service and support. We compete with a variety of regional, national and international IT product distributors and manufacturers.

We compete against several distributors in the Americas market, including Arrow Electronics, Inc. ("Arrow"), Ingram Micro, Inc. and ScanSource, Inc. and, to a lesser extent, regional distributors. The competitive environment in Europe is more fragmented with market share spread among several regional and local competitors such as ALSO Holding and Esprinet, as well as international distributors such as Ingram Micro, Inc., Westcon-Comstor and Arrow. The competitive environment in APJ is fragmented with market share spread among international distributors such as Ingram Micro, Inc. and Westcon-Comstor as well as several regional distributors such as VSTECs Holdings Ltd., Synnex Technology International Corp. (a separate entity from the Company) and Redington Group. We also face competition from our OEM suppliers that sell directly to resellers, retailers and end-users. The distribution industry has historically undergone, and continues to undergo, consolidation. Over the years, a number of providers within the IT distribution

industry exited or merged with other providers. For example, during fiscal year 2017, we acquired the Westcon-Comstor Americas distribution business and Tech Data acquired the Technology Solutions operating group of Avnet Inc. (“Avnet”), and in fiscal year 2021 we acquired Tech Data. We have participated in this consolidation and expect to continue to assess opportunities.

As we enter new business areas, we may encounter increased competition from our current competitors and/or new competitors. We constantly seek to expand our business into areas primarily related to our core distribution as well as other support, logistics and related value-added services, both organically and through strategic acquisitions.

## **Human Capital Resources**

As of November 30, 2022, we had approximately 23,500 full-time co-workers. Given the variability in our business and the quick response time required by customers, it is critical that we are able to rapidly ramp-up and ramp-down our operational capabilities to maximize efficiency. As a result, we use temporary or contract workers, who totaled approximately 5,000 as of November 30, 2022, on a full-time equivalent basis. Certain of our co-workers in various countries outside of the United States are subject to laws providing representation rights to co-workers through workers' councils.

We are committed to fostering a diverse and inclusive workplace that attracts and retains exceptional talent. Through ongoing co-worker development, comprehensive compensation and benefits, and a focus on health, safety and co-worker well-being, we strive to help our co-workers in all aspects of their lives so they can do their best work.

### *Diversity, Equity and Inclusion*

We are committed to being unconditionally inclusive to capture the ideas and perspectives that fuel innovation and enable our workforce, customers, and communities to succeed in the digital age. We accomplish this through a focus on our core values of inclusion, integrity, collaboration, and excellence, and we strive to create an inclusive and welcoming environment where people can bring their authentic selves to work. Our commitment to diversity and inclusion starts at the top with a highly skilled and diverse board of directors. Women represent 27% of our board of directors, 27% of our leadership at the director and above level, and 42% of our total co-worker base. Additionally, 55% of our board of directors is ethnically diverse or gender diverse. We are committed to increasing diversity in our workforce. We aim to increase representation of people who identify as women to 50% of our co-worker base and 40% of our leadership roles by 2030, in addition to increasing representation of underrepresented groups by 2025.

### *Pay Equity or Total Rewards*

We believe people should be paid for what they do and how they do it, regardless of their gender, race, or other personal characteristics. To deliver on that commitment, we benchmark and set pay ranges based on market data and consider factors such as a co-worker's role and experience, the location of their job, and their performance. We also review our compensation practices, both in terms of our overall workforce and individual co-workers, to ensure our pay is fair and equitable. Our practice includes reviewing the compensation of co-workers to ensure consistent pay practices by conducting a pay equity analysis annually comparing co-workers in the same role within a country or location. As we move forward, we aim to improve our pay equity position across the globe through our compensation and benefits programs, as well as promotion practices, to ensure fairness for all co-workers. Each year we will assess our progress and make adjustments to improve our pay equity position.

We require a talented workforce and are committed to providing total rewards that are market-competitive and performance-based, driving innovation and operational excellence. Our compensation programs, practices, and policies reflect our commitment to reward short- and long-term performance that aligns with, and drives, stockholder value. Total direct compensation is generally positioned within a competitive range of the market median, with differentiation based on tenure, skills, proficiency, and performance to attract and retain key talent.

### *Co-worker Engagement*

We regularly collect feedback to measure co-worker engagement, to better understand and improve the co-worker experience and to identify opportunities to continually strengthen our culture. We want to know what is working well, what we can do better and how well our co-workers understand and are practicing our cultural values.

### *Training and Development*

Human capital development underpins our efforts to execute our strategy and continue to distribute, design, integrate and market innovative products and services. We continually invest in our co-workers' career growth and provide co-workers with a wide range of development opportunities, including face-to-face, virtual, social and self-directed learning, mentoring, coaching, and external development.

### *Health, Safety and Wellness*

The physical health, financial well-being, life balance and mental health of our co-workers is vital to our success. Our environmental, health, and safety leadership team uses our global injury and illness reporting system to assess trends regionally and worldwide as a part of quarterly reviews. Our warehouse and integration facilities continue to represent our most significant health and safety risks. Managing and reducing risks at these facilities remains a focus, and injury rates continue to be low. We also sponsor a wellness program designed to enhance physical, financial, and mental well-being for all our co-workers. Throughout the year, we encourage healthy behaviors through regular communications, educational sessions, voluntary progress tracking, wellness challenges, and other incentives.

### **Environmental**

We remain focused on protecting our planet and reducing our global carbon footprint. In support of this, TD SYNEX has committed to the Science Based Targets Initiative (SBTi) Business Ambition Pledge with the goal to achieve net-zero greenhouse gas ("GHG") emissions by 2045. We are committed to embedding a culture of sustainability across our organization and increasing our sustainability initiatives and supporting our customers and vendors. We engage in and continue to explore a range of sustainability projects such as renewable energy, use of light emitting diode (LED) technologies, waste minimization projects and ISO 14001 at several of our facilities. We also offer trade-in, recycling and refurbishment services on a range of IT equipment to end-users through agreements with our resellers and retail partners. We have established a Global Responsibility Steering Committee to help drive these efforts.

Additional human capital information will be included in our inaugural Corporate Citizenship Report which will be available in the near future on our website. Information contained in our Corporate Citizenship Report and website is not deemed part of this Annual Report on Form 10-K.

### **Available Information**

Our website is <http://www.tdsynnex.com>. We make available free of charge, on or through our website, our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, if any, or other filings filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after electronically filing or furnishing these reports with the Securities and Exchange Commission, or SEC. Information contained on our website is not a part of this Report. We have adopted a code of ethics applicable to our co-workers including our principal executive, financial and accounting officers, and it is available free of charge, on our website's investor relations page.

The SEC maintains an Internet site at <http://www.sec.gov> that contains our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, if any, or other filings filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, and our proxy and information statements.

## **Item 1A.      *Risk Factors***

The following discussion is divided into several sections. The first section, which begins immediately following this paragraph, captioned "Risks Related to Our Business and Operations" discusses some of the risks that may affect our business, results of operations and financial condition. The second section, captioned "Risks Related to Our Indebtedness" discusses our debt-related risks. The third section, captioned "Risks Related to Our Relationships with Apollo Global Management Inc. and MiTAC Holdings Corporation," discusses risks relating to Apollo Global Management's influence over us and our relationship with MiTAC Holdings Corporation. The fourth section, captioned "Risks Related to our Industry," discusses risks impacting businesses operating in our industry. The fifth section, captioned "Risks Related to the Macro-Economic and Regulatory Environment," relates to risks which broadly affect companies operating in regions in which we operate. You should carefully review all of these sections, as well as our consolidated financial statements and notes thereto and the other information appearing in this report, for important information regarding risks that affect us. These risk factors should be considered in connection with evaluating the forward-looking statements contained in this Report because these factors could cause the actual results and conditions to differ materially from those projected in the forward-looking statements. Before you invest in our Company, you should know that making such an investment involves some risks, including the risks described below. The risks that have been highlighted here are not the only ones that we face. If any of the risks actually occur, our business, financial condition and results of operations could be negatively affected. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

### **Risks Related to Our Business and Operations**

**We anticipate that our revenue and operating results will fluctuate, which could adversely affect the enterprise value of our Company and our securities.**

Our operating results have fluctuated and will fluctuate in the future as a result of many factors, including:

- the impact of the business acquisitions and dispositions we make;
- general economic conditions and level of IT spending;
- the loss or consolidation of one or more of our significant OEM suppliers or customers;
- market acceptance, quality, pricing, availability and useful life of our products and services, as well as the mix of our products and services sold;
- competitive conditions in our industry;
- trends towards cloud based infrastructure and "as-a-Service" type product offerings;
- pricing, margin and other terms with our OEM suppliers;
- decline in inventory value as a result of product obsolescence and market acceptance;
- variations in our levels of excess inventory, vendor reserves and doubtful accounts;
- fluctuations in rates in the currencies in which we transact;
- changes in the terms of OEM supplier-inventory protections, such as price protection and return rights; and
- the expansion of our design and integration solutions sales and operations, globally.

Although we attempt to control our expense levels, these levels are based, in part, on anticipated revenue. Therefore, we may not be able to control spending in a timely manner to compensate for any unexpected revenue shortfall.

Our operating results are affected by the seasonality of the IT products and services industry. We have historically experienced slightly higher sales in our first and fourth fiscal quarters due to patterns in the capital budgeting, federal government spending and purchasing cycles of our customers and end-users. These historical patterns may not be repeated in subsequent periods. You should not rely on period-to-period comparisons of our operating results as an indication of future performance. In future years, our operating results may be below our expectations or those of our public market analysts or investors, which would likely cause our share price to decline.

**We are subject to uncertainties and variability in demand by our customers, which could decrease revenue and adversely affect our operating results, and we have customer contracts with provisions that could cause fluctuations in our revenue.**

We sell to our customers on a purchase order basis, rather than pursuant to long-term contracts or contracts with minimum purchase requirements. Consequently, our sales are subject to demand variability by our customers. The level and timing of orders placed by our customers vary for a variety of reasons, including seasonal buying by end-users, the introduction of new hardware and software technologies and general economic conditions. Customers submitting a purchase order may cancel, reduce or delay their orders. If we are unable to anticipate and respond to the demands of our reseller, retail and design and integration solutions customers, we may lose customers because we have an inadequate supply of products, or we may have excess inventory, either of which could harm our business, financial position and operating results.

With regard to our design and integration solutions customers, unique parts are purchased based both on customer purchase orders and forecasted demand. We have limited protection against excess inventory should anticipated demand not materialize.

**We depend on a limited number of OEMs to supply the IT products and services that we sell and the loss of, or a material change in, our business relationship with a major OEM supplier could adversely affect our business, financial position and operating results.**

Our future success is highly dependent on our relationships with a small number of OEM suppliers. For example, sales of HP Inc. products and services comprised approximately 10%, 12% and 15% of our total revenue for fiscal years 2022, 2021 and 2020, respectively, and sales of Apple Inc. products and services comprised approximately 11% of our total revenue for fiscal year 2022. Our OEM supplier agreements typically are short-term and may be terminated without cause upon short notice. OEM supplier agreements are often established at a regional or country level and these relationships may change in some countries or regions and not others. The loss or deterioration of our relationship with HP Inc., Apple Inc. or any other major OEM supplier, the authorization by OEM suppliers of additional distributors, the sale of products by OEM suppliers directly to our reseller and retail customers and end-users, or our failure to establish relationships with new OEM suppliers or to expand the distribution and supply chain services that we provide OEM suppliers could adversely affect our business, financial position and operating results. In addition, OEM suppliers may face liquidity or solvency issues that in turn could negatively affect our business and operating results.

Our business is also highly dependent on the terms provided by our OEM suppliers. Generally, each OEM supplier has the ability to change the terms and conditions of its distribution agreements, such as reducing the amount of price protection and return rights or reducing the level of purchase discounts, incentive rebates, scope of the geographic area in which we can sell and marketing programs available to us. Additionally, significant changes in vendor payment terms or payment arrangements could negatively impact our liquidity and financial condition.

From time to time we may conduct business with a supplier without a formal agreement because the agreement has expired or was otherwise terminated. In such case, we are subject to additional risk with respect to products, warranties and returns, and other terms and conditions. If we are unable to pass the impact of these changes through to our reseller and retail customers, our business, financial position and operating results could be adversely affected.

**Our gross margins are low, which magnifies the impact of variations in gross margin, operating costs and our operating results.**

As a result of significant price competition in the IT products and services industry, our gross margins are low, and we expect them to continue to be low in the future. Increased competition arising from industry consolidation and low demand for certain IT products and services may hinder our ability to maintain or improve our gross margins. These low gross margins magnify the impact of variations in revenue and operating costs on our operating results. A portion of our operating expenses are relatively fixed, and planned expenditures are based in part on anticipated orders that are forecasted with limited visibility of future demand. As a result, we may not be able to reduce our operating expenses to sufficiently mitigate any further reductions in gross profit or margin in the future. If we cannot proportionately decrease our cost structure in response to competitive price pressures, our business and operating results could suffer.

We also receive purchase discounts and rebates from OEM suppliers based on various factors, including sales or purchase volume and breadth of customers. A decrease in revenue could negatively affect the level of volume rebates received from our OEM suppliers and thus, our gross margin. Because some rebates from OEM suppliers are based on percentage increases in sales of products, it may become more difficult for us to achieve the percentage growth in sales

required for larger discounts due to the current size of our revenue base. A decrease or elimination of purchase discounts and rebates from our OEM suppliers would adversely affect our business and operating results.

**We are subject to the risk that our inventory value may decline, and protective terms under our OEM supplier agreements may not adequately cover the decline in value, which in turn may harm our business, financial position and operating results.**

The IT products industry is subject to rapid technological change, new and enhanced product specification requirements, and evolving industry standards. These changes may cause inventory on hand to decline substantially in value or to rapidly become obsolete. Most of our OEM suppliers offer limited protection from the loss in value of inventory. For example, we can receive a credit from many OEM suppliers for products held in inventory in the event of a supplier price reduction. In addition, we have a limited right to return a certain percentage of purchases to most OEM suppliers. These policies are often subject to time restrictions and do not protect us in all cases from declines in inventory value. In addition, our OEM suppliers may become unable or unwilling to fulfill their protection obligations to us. The decrease or elimination of price protection, or the inability of our OEM suppliers to fulfill their protection obligations, could lower our gross margins and cause us to record inventory write-downs. If we are unable to manage our inventory with our OEM suppliers with a high degree of precision, we may have insufficient product supplies or we may have excess inventory, resulting in inventory write-downs, either of which could harm our business, financial position and operating results.

**We depend on OEM suppliers to maintain an adequate supply of products to fulfill customer orders on a timely basis, and any supply shortages or delays could cause us to be unable to timely fulfill orders, which in turn could harm our business, financial position and operating results.**

Our ability to obtain particular products in the required quantities and to fulfill reseller and retail customer orders on a timely basis is critical to our success. In most cases, we have no guaranteed price or delivery agreements with our OEM suppliers. We have experienced a supply shortage of certain products as a result of strong demand or problems experienced by our OEM suppliers, including during fiscal years 2022, 2021 and 2020 due to global supply chain constraints. If shortages or delays persist, the price of those products may increase, or the products may not be available at all. Such delays could also impact our ability to procure critical components required to complete customer orders. In addition, our OEM suppliers may decide to distribute, or to substantially increase their existing distribution business, through other distributors, their own dealer networks, or directly to resellers, retailers or end-users. Accordingly, if we are not able to secure and maintain an adequate supply of products to fulfill our customer orders on a timely basis, our business, financial position and operating results could be adversely affected.

**We experience customer concentration and intense competition which could adversely impact our revenue.**

Our business experiences customer concentration from time to time. One customer accounted for 10%, 17% and 23% of our total revenue in fiscal years 2022, 2021 and 2020. The loss of one of our significant customers could result in an adverse impact on our business. For example, our systems design and integration solutions product line has significant customer concentration, requires investments in working capital and infrastructure, and has customer contracts that often offer limited or no volume guarantees or protection for end-of-life investments. The loss of a customer or reduction in order volumes could adversely impact our revenue, provision for inventory losses, the absorption of fixed overhead costs and our future expansion plans. The systems design and integration solutions business operates in a competitive environment. Volumes can fluctuate based on customer demand, delivery quality and the competitive landscape. Our ability to deliver customized solutions on a timely basis is critical to our success. Any delay could impact our competitive position and result in loss of customer orders, which could impact our financial position and operating results.

**We have pursued and intend to continue to pursue strategic acquisitions or investments in new markets and may encounter risks associated with these activities, which could harm our business and operating results.**

We have in the past pursued, and in the future expect to pursue, acquisitions of, or investments in, businesses and assets in new markets, either within or outside the IT products and services industry, that complement or expand our existing business. For example, in September 2021, we completed the acquisition of Tech Data. Our acquisition strategy involves a number of risks, including:

- difficulty in successfully integrating acquired operations, IT systems, customers, OEM supplier relationships, products, services and businesses with our operations;

- risk that the acquired businesses will fail to maintain the quality of services that we have historically provided;
- loss of key co-workers of acquired operations or inability to hire key co-workers necessary for our expansion;
- diversion of our capital and management attention away from other business issues;
- increase in our expenses and working capital requirements;
- in the case of acquisitions that we may make outside of the United States, difficulty in operating in foreign countries and over significant geographical distances;
- other financial risks, such as potential liabilities of the businesses we acquire; and
- our due diligence process may fail to identify significant issues with the acquired company's product and service quality, financial disclosures, accounting practices or internal control deficiencies.

We may incur additional costs and certain redundant expenses in connection with our acquisitions and investments, which may have an adverse impact on our operating margins. Future acquisitions may result in dilutive issuances of equity securities, the incurrence of additional debt, large write-offs, a decrease in future profitability, or future losses. The incurrence of debt in connection with any future acquisitions could restrict our ability to obtain working capital or other financing necessary to operate our business. Our recent and future acquisitions or investments may not be successful, and if we fail to realize the anticipated benefits of these acquisitions or investments, our business and operating results could be harmed.

**We have incurred and will continue to incur significant acquisition and integration-related costs in connection with the Merger.**

We have incurred a number of non-recurring costs associated with the Merger and combining the operations of Tech Data and SYNEX, including professional services costs, personnel and other costs, long-lived assets charges and stock-based compensation expense. We continue to assess the magnitude of these costs, and additional unanticipated costs may be incurred related to the Merger and the integration of Tech Data and SYNEX. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow us to offset integration-related costs over time, this net benefit may not be achieved in the near term, or at all.

**Our goodwill and identifiable intangible assets could become impaired, which could have a material non-cash adverse effect on our results of operations.**

We recorded substantial goodwill and both finite and indefinite-lived intangible assets as a result of our previous acquisitions, including the Merger. We review our goodwill and intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. We assess whether there has been an impairment in the value of goodwill and indefinite-lived intangible assets at least annually. Factors that may be considered a change in circumstances indicating that the carrying value of our goodwill or intangible assets may not be recoverable include declines in stock price, market capitalization or cash flows and slower growth rates in our industry. Our annual goodwill impairment testing indicated no goodwill impairments for any of the years presented. As of November 30, 2022, the Europe and APJ reporting units' goodwill balances are \$1.3 billion and \$74.8 million, respectively, and the fair value of the reporting unit exceeded its carrying value by 6% and 9% as of the annual goodwill impairment testing date, respectively. If actual results in our Europe or APJ reporting units are substantially lower than the projections used in our valuation methodology, or if market discount rates substantially increase or our market capitalization substantially decreases, then our future valuations could be adversely affected. We could be required to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill or intangible assets is determined, negatively impacting our results of operations.

**Because of the capital-intensive nature of our business, we need continued access to capital, which if not available to us or if not available on favorable terms, could harm our ability to operate or expand our business.**

Our business requires significant levels of capital to finance accounts receivable and product inventory that is not financed by trade creditors. If cash from available sources is insufficient, proceeds from our accounts receivable

securitization and revolving credit programs are limited or cash is used for unanticipated needs, we may require additional capital sooner than anticipated.

In the event we are required, or elect, to raise additional funds, we may be unable to do so on favorable terms, or at all, and may incur expenses in raising the additional funds. Our current and future indebtedness could adversely affect our operating results and severely limit our ability to plan for, or react to, changes in our business or industry. We could also be limited by financial and other restrictive covenants in our securitization or credit arrangements, including limitations on our borrowing of additional funds and issuing dividends. Furthermore, the cost of securitization or debt financing could significantly increase in the future, making it cost prohibitive to securitize our accounts receivable or borrow, which could force us to issue new equity securities. If we issue new equity securities, existing stockholders may experience dilution, or the new equity securities may have rights, preferences or privileges senior to those of existing holders of common stock. If we cannot raise funds on acceptable terms, we may not be able to take advantage of future opportunities or respond to competitive pressures or unanticipated requirements. Any inability to raise additional capital when required could have an adverse effect on our business and operating results.

**We have significant credit exposure to our customers, and negative trends in their businesses could cause us significant credit loss and negatively impact our cash flow and liquidity position.**

We extend credit to our customers for a significant portion of our sales to them and they have a period of time, generally 30 days after the date of invoice, to make payment. However, in certain cases, for some of our larger customers, we offer longer terms of payment. As a result, we are subject to the risk that our customers will not pay on time or at all. Our credit exposure risk may increase due to financial difficulties or liquidity or solvency issues experienced by our customers, resulting in their inability to repay us. The liquidity or solvency issues may increase as a result of an economic downturn, increases in costs including due to inflation or higher interest rates, or a decrease in IT spending by end-users. If we are unable to collect payments in a timely manner from our customers due to changes in financial or economic conditions, or for other reasons, and we are unable to collect under our credit insurance policies, we may write-off the amount due from the customers. These write-offs may result in credit insurance being more expensive and on terms that are less favorable to us and may negatively impact our ability to utilize accounts receivable-based financing. In addition, the failure of customers to pay within a specified time period after the date of an invoice could result in defaults under our accounts receivable securitization program. These circumstances could negatively impact our cash flow and liquidity position, or result in the cross-default to our other indebtedness and acceleration of the repayment of our indebtedness. Further, we are exposed to higher collection risk as we continue to expand internationally, where the payment cycles are generally longer and the credit rating process may not be as robust as in the United States, and where our access to accounts receivable financing is more limited.

**We are dependent on a variety of IT and telecommunications systems and the Internet, and any failure of these systems could adversely impact our business and operating results.**

We depend on IT and telecommunications systems and the Internet for our operations. These systems support a variety of functions including inventory management, order processing, shipping, shipment tracking, and billing.

Failures or significant downtime of our IT or telecommunications systems has, in the past, and could, in the future, prevent us from taking customer orders, printing product pick-lists, shipping products, billing customers and handling call volume. Sales also may be affected if our reseller and retail customers are unable to access our pricing and product availability information. We also rely on the Internet, and in particular EDI and XML, for a large portion of our orders and information exchanges with our OEM suppliers and reseller and retail customers. The Internet and individual websites have experienced a number of disruptions, slowdowns and security breakdowns, some of which were caused by organized attacks. If we were to experience a future security breakdown, disruption or breach that compromised sensitive information, it could harm our relationship with our OEM suppliers and reseller and retail customers. Disruption of our website or the Internet in general could impair our order processing or more generally prevent our OEM suppliers and reseller and retail customers from accessing information. A significant increase in our IT costs or a temporary or permanent loss of our IT systems could harm our relationships with our customers. The occurrence of any of these events could have an adverse effect on our operations and financial results.

**Because of the experience of our key personnel in the IT industry and their technological and industry expertise, if we were to lose any of our key personnel, it could inhibit our ability to operate and grow our business successfully.**

We are dependent in large part on our ability to retain the services of our key senior executives and other technological and industry experts and personnel. Except for certain of our key executives, we generally do not have employment agreements with our co-workers. We also do not carry “key person” insurance coverage for any of our key

executives. We compete for qualified senior management and technical personnel. The loss of, or inability to hire, key executives or qualified co-workers could inhibit our ability to operate and grow our business successfully.

**We may experience theft of product from our warehouses, water damage to our properties and other casualty events which could harm our operating results.**

From time to time, we have experienced incidents of theft at various facilities, water damages to our properties and other casualty events. These types of incidents may make it more difficult or expensive for us to obtain insurance coverage in the future. Also, the same or similar incidents may occur in the future for which we may not have sufficient insurance coverage or policy limits to be fully compensated for the loss, which may have an adverse effect on our business and financial results.

**We may become involved in intellectual property or other disputes that could cause us to incur substantial costs, divert the efforts of our management, and require us to pay substantial damages or require us to obtain a license, which may not be available on commercially reasonable terms, if at all.**

From time to time, we receive notifications alleging infringements of intellectual property rights allegedly held by others relating to our business or the products we sell or integrate for our OEM suppliers and others. Litigation with respect to patents or other intellectual property matters could result in substantial costs and diversion of management and other resources and could have an adverse effect on our business. Although we generally have various levels of indemnification protection from our OEM suppliers and design and integration solutions customers, in many cases any indemnification to which we may be entitled is subject to maximum limits or other restrictions.

In addition, we have developed proprietary IT systems, mobile applications, and cloud-based technology and acquired technologies that play an important role in our business. If any infringement claim is successful against us and if indemnification is not available or sufficient, we may be required to pay substantial damages or we may need to seek and obtain a license of the other party's intellectual property rights. We may be unable to obtain such a license on commercially reasonable terms, if at all.

We are from time to time involved in other litigation in the ordinary course of business which has and may include claims with respect to antitrust, mergers and acquisitions and other matters. In the ordinary course of business, we also receive inquiries from and have discussions with government entities regarding the compliance of our contracting and sales practices with laws and regulations. We may not be successful in defending these or other claims. Regardless of the outcome, litigation could result in substantial expense and could divert the efforts of our management. Allegations made in the course of regulatory or legal proceedings may also harm our reputation, regardless of whether there is merit to such claims. Furthermore, because litigation and the outcome of regulatory proceedings are inherently unpredictable, our business, financial condition or operating results could be materially affected by an unfavorable resolution of one or more of these proceedings, claims, demands or investigations. We do not expect that the ultimate resolution of these matters will have a material adverse effect on our consolidated financial position. However, the resolution of certain of these matters could be material to our operating results for any particular period. For further information regarding our current litigation matters, refer to [Note 18](#) – Commitments and Contingencies, to the Consolidated Financial Statements in Item 8.

**We have significant operations globally and any disruption in the operations of our facilities could harm our business and operating results.**

Our worldwide operations could be subject to natural disasters, adverse weather conditions, global pandemics and other business disruptions, which could seriously harm our revenue and financial condition and increase our costs and expenses. We have significant operations in our facilities located in the Americas, Europe and APJ. Certain of our facilities, including one of our corporate headquarters locations in Clearwater, Florida, are located in geographic areas that heighten our exposure to hurricanes, tropical storms and other severe weather events. Any prolonged disruption in the operations of our facilities, whether due to technical difficulties, power failures, break-ins, destruction, damage to, or prolonged closure of, the facilities as a result of a natural disaster, fire, pandemic or any other reason, could harm our operating results. If there are related disruptions in local or international supply chains, we may experience supply shortages or delays in receiving products from our OEM suppliers or experience other delays in shipping to our customers. If we are unable to fulfill customer requirements in a timely manner, this could harm our operating results. We currently have a disaster recovery plan and carry property damage and business interruption insurance; however, they may not be sufficient to compensate for losses that may occur.

**A portion of our revenue is financed by floor plan financing companies and any termination or reduction in these financing arrangements could increase our financing costs and harm our business and operating results.**

A portion of our product distribution revenue is financed by floor plan financing companies. Floor plan financing companies are engaged by our customers to finance, or floor, the purchase of products from us. In exchange for a fee that is either subsidized by our OEM suppliers or paid by us, we transfer the risk of loss on the sale of our products to the floor plan companies. We currently receive payment from these financing companies within approximately 15 to 30 days from the date of the sale, which allows our business to operate at much lower relative working capital levels than if such programs were not available. If these floor plan arrangements are terminated or substantially reduced, the need for more working capital and the increased financing cost could harm our business and operating results.

#### **Risks Related to our Indebtedness**

**The terms of our debt arrangements impose restrictions on our ability to operate which in turn could negatively affect our ability to respond to business and market conditions and therefore could have an adverse effect on our business and operating results.**

As of November 30, 2022, we had \$4.1 billion in outstanding short and long-term borrowings under term loans, our Senior Notes, lines of credit, accounts receivable securitization programs and finance leases, excluding trade payables. The terms of one or more of the agreements under which this indebtedness was incurred may limit or restrict, among other things, our (or our subsidiaries', as applicable) ability to:

- incur additional indebtedness or liens;
- enter into certain transactions with affiliates; and
- merge, consolidate or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of our assets.

We are also required to maintain specified financial ratios and satisfy certain financial condition tests under certain of our debt facilities. Our inability to meet these ratios and tests could result in the acceleration of the repayment of the related debt, termination of the applicable facility, an increase in our effective cost of funds or the cross-default of other debt facilities and securitization arrangements. As a result, our ability to operate may be restricted and our ability to respond to business and market conditions may be limited, which could have an adverse effect on our business and operating results.

**We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations, which could adversely affect our business.**

Our ability to make scheduled debt payments or to refinance our debt obligations depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot be certain that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness. We cannot be certain that we would be able to take any of these actions, that these actions would be successful and permit us to meet our scheduled debt service obligations or that these actions would be permitted under the terms of our existing or future debt agreements. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Some of our indebtedness restricts our ability to dispose of certain assets. As such, we may not be able to consummate those dispositions or use any resulting proceeds and, in addition, such proceeds may not be adequate to meet any debt service obligations then due.

If we cannot make scheduled payments on our debt, we will be in default and, as a result:

- our lenders could declare all outstanding principal and interest to be due and payable;
- the lenders under our credit agreements could terminate their commitments to loan us money and, in the case of any secured credit arrangements, foreclose against the assets securing their borrowings;

- we could be forced to raise additional capital through the issuance of additional, potentially dilutive securities; and
- we could be forced into bankruptcy or liquidation, which is likely to result in delays in the payment of our indebtedness and in the exercise of enforcement remedies related to our indebtedness.

**Despite our current level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition.**

We and our subsidiaries may be able to incur significant additional indebtedness in the future. For example, as of November 30, 2022, we had access to \$3.5 billion in unused commitments under the TD SYNEX revolving credit facility (as defined below). If new debt is added to our current debt levels, the related risks that we now face could intensify. Although the TD SYNEX Credit Agreement (as defined below) contains restrictions on the incurrence of additional indebtedness by our subsidiaries, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial.

**Changes in our credit rating may increase our interest expense or other costs of capital.**

Certain of our financing instruments involve variable rate debt, thus exposing us to the risk of fluctuations in interest rates. In addition, the interest rate payable on our Senior Notes, our revolving and term loan credit agreement and certain other debt instruments is subject to adjustment from time to time if our credit rating is downgraded.

**The expected replacement of the LIBOR benchmark interest rate and other interbank offered rates with new benchmark rate indices may have an impact on our financing costs.**

As of November 30, 2022, we had approximately \$1.4 billion of term loan debt outstanding under facilities with interest rates based on LIBOR. Some of our credit facilities include fallback language that seeks to facilitate an agreement with our lenders on a replacement rate for LIBOR in the event of its discontinuance or that automatically replaces LIBOR with benchmark rates based on the Secured Overnight Financing Rate ("SOFR") or other benchmark replacement rates upon certain triggering events. The discontinuation, reform, or replacement of LIBOR or any other benchmark rates may result in fluctuating interest rates that may have a negative impact on our interest expense and our profitability. Potential changes to the underlying floating-rate indices and reference rates may have an adverse impact on our liabilities indexed to LIBOR and could have a negative impact on our profitability and cash flows. We continue to evaluate the operational and other effects of such changes, including possible impacts on our accounting for interest rate hedging agreements.

**Our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly.**

Interest rates in the United States and other countries where we operate increased during fiscal year 2022 and may continue to increase in the future. As a result, interest rates on the obligations under certain of our credit facilities, our and our subsidiaries' respective accounts receivable securitization programs and debt facilities, or other variable rate debt incurrences or offerings could be higher than current levels. If interest rates increase, debt service obligations and our interest expense will increase even though the amount borrowed remains the same. Our net income and cash flows, including cash available for servicing indebtedness, will correspondingly decrease.

An increase in interest rates may increase our future borrowing costs and restrict our access to capital. Additionally, current market conditions, the global economy, and overall credit conditions could limit our availability of capital, which could cause increases in interest margin spreads over underlying indices, effectively increasing the cost of our borrowing. While some of our debt arrangements have contractually negotiated spreads, any changes to these spreads in connection with renegotiations of our credit facilities could adversely affect our results of operations.

We have entered into interest rate swaps with financial institutions to effectively convert a portion of our floating rate debt to a fixed interest rate to manage our exposure to fluctuations in interest rates. While we have entered into interest rate hedging agreements with respect to our borrowings under certain of our credit facilities, such agreements are not expected to fully mitigate against interest rate risk. In the event of the nonperformance by the counterparties, we are exposed to credit losses.

## **Risks Related to Our Relationships with Apollo Global Management, Inc. and MiTAC Holdings Corporation**

**The concentration of ownership of our common stock among our executive officers, directors and principal stockholders could allow them to influence all matters requiring stockholder approval and could delay or prevent a change in control of TD SYNnex.**

As of November 30, 2022, our executive officers, directors and principal stockholders owned approximately 57% of our outstanding common stock. In particular, Apollo Global Management, Inc. (“Apollo”) and its affiliates owned approximately 45% of our common stock.

Apollo is the private equity company that through its affiliates owned Tech Data prior to the Merger. As part of the Merger, 44 million shares of TD SYNnex common stock were issued to Apollo. Additionally, the Company entered into an Investor Rights Agreement at the closing of the Merger, which provides that the board of directors be comprised of eleven directors, and that affiliates of Apollo have the right to nominate (i) up to four directors, if Apollo and its affiliates own 30% or more of the outstanding shares of TD SYNnex common stock; (ii) up to three directors if Apollo and its affiliates own between 20% and 30% of the outstanding shares of TD SYNnex common stock; (iii) up to two directors, if Apollo and its affiliates own between 10% and 20% of the outstanding shares of TD SYNnex common stock; or (iv) up to one director, if Apollo and its affiliates own between 5% and 10% of the outstanding shares of TD SYNnex common stock. As a result, Apollo is in a position to influence (subject to organizational documents and Delaware law) the composition of the Company’s board of directors and the outcome of corporate actions requiring stockholder approval, such as mergers, business combinations and dispositions of assets, among other corporate transactions. This concentration of investment and voting power could discourage others from initiating a potential merger, takeover or other change of control transaction that may otherwise be beneficial to TD SYNnex and its stockholders, which could adversely affect the market price of TD SYNnex common stock.

**There could be potential conflicts of interest between us and MiTAC Holdings Corporation and its affiliates, which could affect our business and operating results.**

As of November 30, 2022, MiTAC Holdings Corporation (“MiTAC Holdings”) and its affiliates owned approximately 9.7% of our common stock. MiTAC Holdings’ and its affiliates’ continuing beneficial ownership of our common stock could create conflicts of interest with respect to a variety of business matters. For example, we currently purchase inventories from MiTAC Holdings and its affiliates. Similar risks could exist as a result of Matthew Miao’s positions as our Chairman Emeritus, a member of our Board of Directors, the Chairman of MiTAC Holdings and as a director or officer of MiTAC Holdings’ affiliates. For fiscal year 2022, Mr. Miao received the same compensation as our independent directors. Mr. Miao’s compensation as one of our directors is based upon the approval of the Nominating and Corporate Governance Committee, which is solely composed of independent members of the Board of Directors. We also have adopted a policy requiring material transactions in which any of our directors has a potential conflict of interest to be approved by our Audit Committee, which is also composed of independent members of the Board of Directors.

Synnex Technology International Corp., or Synnex Technology International, a publicly-traded company based in Taiwan and affiliated with MiTAC Holdings, currently provides distribution and fulfillment services to various markets in Asia and Australia, and is also a competitor of ours. As of November 30, 2022, MiTAC Incorporated, a privately-held company based in Taiwan and a separate entity from MiTAC Holdings, directly and indirectly owned approximately 15.7% of Synnex Technology International and approximately 8.4% of MiTAC Holdings. As of November 30, 2022, MiTAC Holdings directly and indirectly owned 1.0% of Synnex Technology International. In addition, MiTAC Holdings directly and indirectly owned approximately 14.1% of MiTAC Incorporated and Synnex Technology International directly and indirectly owned approximately 18.4% of MiTAC Incorporated as of November 30, 2022. Synnex Technology International indirectly through its ownership of Peer Developments Limited owned approximately 4.1% of our outstanding common stock as of November 30, 2022. Neither MiTAC Holdings, nor Synnex Technology International is restricted from competing with us. In the future, we may increasingly compete with Synnex Technology International, particularly if our business in Asia expands or Synnex Technology International expands its business into geographies or customers we serve.

**The future sale of a large number of shares by Apollo or MiTAC Holdings, including as the result of the exercise of registration rights, may adversely affect the market price of the Company’s common stock.**

We have granted registration rights to Apollo pursuant to an Investors Rights Agreement dated September 1, 2021, and to MiTAC Holdings pursuant to a Letter Agreement dated September 3, 2021, that require us to register their shares for resale in certain circumstances. Sales of a substantial number of shares of the Company’s common stock in the

public market, or the perception that these sales may occur, could cause the market price of our common stock to decline. These sales, or the possibility of these sales, also may make it more difficult for us to sell equity securities in the future.

### **Risks Related to Our Industry**

#### **Volatility in the IT industry could have a material adverse effect on our business and operating results.**

We have, in the past, experienced decreases in demand and we anticipate that the industries we operate in will be subject to a high degree of cyclicalities in the future. Softening demand for our products and services caused by an ongoing economic downturn and over-capacity may impact our revenue, as well the salability of inventory and collection of reseller and retail customer accounts receivable. In addition, if we are not able to adequately adapt to the emergence of new technology or customer demand, such as cloud-based IT infrastructure and technology-as-a-service, our future operating results could be adversely affected.

#### **We are subject to intense competition, both in the United States and internationally, and if we fail to compete successfully, we will be unable to gain or retain market share.**

We operate in a highly competitive environment, both in the United States and internationally. This competition is based primarily on product and service availability, credit availability, price, effectiveness of information systems and e-commerce tools, speed of delivery, ability to tailor specific solutions to customer needs, quality and depth of product and service lines, pre-sales and post-sales technical support, flexibility and timely response to design changes, and technological capabilities, service and support. We compete with a variety of regional, national and international IT product and service providers and contract manufacturers and assemblers. In some instances, we also compete with our own customers, our own OEM suppliers and MiTAC Holdings and its affiliates.

Some of our competitors may have a broader range of services than us and may have more developed relationships with their existing customers. We may lose market share in the United States or in international markets, or may be forced in the future to reduce our prices in response to the actions of our competitors and thereby experience a reduction in our gross margins.

We may initiate other business activities, including the broadening of our supply chain capabilities, and may face competition from companies with more experience in those new areas. In addition, as we enter new areas of business, we may also encounter increased competition from current competitors or from new competitors, including some that may once have been our OEM suppliers or reseller and retail customers. Increased competition and negative reaction from our OEM suppliers or reseller and retail customers resulting from our expansion into new business areas could harm our business and operating results.

#### **Our business may be adversely affected by some OEM suppliers' strategies to consolidate business or increase their direct sales, which in turn could cause our business and operating results to suffer.**

A determination by any of our primary OEMs to consolidate their business with other distributors or integration service providers could negatively affect our business and operating results. Consolidation of OEM suppliers has resulted in fewer sources for some of the products and services that we distribute. This consolidation has also resulted in larger OEM suppliers that have significant operating and financial resources. Other suppliers may reduce or eliminate promotional activities to reduce their expenses, which could, in turn, result in declined demand from our reseller or retailer customers and end-users.

Some OEM suppliers, including some of the leading OEM suppliers that we service, have been selling products and services directly to reseller and retail customers and end-users, thereby limiting our business opportunities. If large OEM suppliers increasingly sell directly to end-users or our resellers and retailers, or select a competitor rather than use us as the distributor of their products and services, our business and operating results will suffer.

#### **The IT industry is subject to rapidly changing technologies and process developments, and we may not be able to adequately adjust our business to these changes, which in turn would harm our business and operating results.**

Dynamic changes in the IT industry, including the consolidation of OEM suppliers and reductions in the number of authorized distributors used by OEM suppliers, have resulted in new and increased responsibilities for management personnel and have placed, and continue to place, a significant strain upon our management, operating and financial systems and other resources. We may be unable to successfully respond to and manage our business in light of industry developments and trends. As end-users migrate to cloud-based IT infrastructure and technology-as-a-service, sales of

hardware products may be reduced, thereby negatively impacting our operating results. Also crucial to our success in managing our operations is our ability to achieve additional economies of scale. Our failure to achieve these additional economies of scale or to respond to changes in the IT industry could adversely affect our business and operating results.

### **Risks Related to the Macro-Economic and Regulatory Environment**

**The widespread outbreak of an illness or any other communicable disease, or any other public health crisis, could adversely affect our business, results of operations and financial condition.**

We could be negatively impacted by the widespread outbreak of an illness or any other communicable disease, or any other public health crisis that results in economic and trade disruptions, including the disruption of global supply chains. In December 2019, there was an outbreak of a new strain of coronavirus, COVID-19. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains and workforce participation due to “shelter-in-place” restrictions by various governments worldwide and created significant volatility and disruption of financial markets. The extent of the impact of the COVID-19 pandemic on our future operational and financial performance, including our ability to execute our business strategies and initiatives in the expected time frame, will depend on future developments, including new COVID-19 variants; the effect on our customers and demand for our products and services; our ability to sell and provide our products and services, including as a result of travel restrictions and people working remotely; the ability of our customers to pay for our solutions; any closures of our or our customers’ or partners’ offices and facilities; and the impact of governmental actions or mandates imposed in response to COVID-19, all of which are uncertain and cannot be predicted. An extended period of global supply chain and economic disruption could materially affect our business, our results of operations, our access to sources of liquidity, the carrying value of our goodwill and intangible assets, our financial condition and our stock price.

**Changes in foreign currency exchange rates and limitations on the convertibility of foreign currencies could adversely affect our business and operating results.**

Approximately 45%, 37% and 24% of our revenues in fiscal years 2022, 2021 and 2020, respectively, were generated outside the United States. Most of our international revenue, cost of revenue and operating expenses are denominated in foreign currencies. We presently have currency exposure arising from both sales and purchases denominated in foreign currencies. Changes in exchange rates between foreign currencies and the U.S. dollar may adversely affect our operating margins. For example, if these foreign currencies appreciate against the U.S. dollar, it will be more expensive in terms of U.S. dollars to purchase inventory or pay expenses with foreign currencies. This could have a negative impact on us if revenue related to these purchases is transacted in U.S. dollars. In addition, currency devaluation can result in products that we purchase in U.S. dollars being relatively more expensive to procure than products manufactured locally. Furthermore, our local competitors in certain markets may have different purchasing models that provide them reduced foreign currency exposure compared to us. This may result in market pricing that we cannot meet without significantly lower profit on sales.

We hedge some of our exposure to changes in foreign exchange rates through the use of currency forward or option contracts. Hedging foreign currencies can be risky. Certain of these hedge positions are undesignated hedges of balance sheet exposures, such as intercompany loans, and typically have maturities of less than one year. While we maintain policies to protect against fluctuations in currency exchange rates, extreme fluctuations may result in our incurring losses in some countries.

There is also additional risk if the currency is not freely or actively traded. Some currencies, such as the Chinese Renminbi are subject to limitations on conversion into other currencies, which can limit our ability to hedge or to otherwise react to rapid foreign currency devaluations. We cannot predict the impact of future exchange rate fluctuations on our business and operating results.

We do not use derivative financial instruments for speculative trading purposes, nor do we hedge our foreign currency exposure in a manner that entirely offsets the effects of changes in foreign exchange rates.

As a general rule, we do not use financial instruments to hedge local currency denominated operating expenses in countries where a natural hedge exists. For example, in many countries, revenue from the local currency services substantially offsets the local currency denominated operating expenses.

The translation of the financial statements of foreign operations into U.S. dollars is also impacted by fluctuations in foreign currency exchange rates, which may positively or negatively impact our results of operations. For example, in

fiscal year 2022, several foreign currencies in which we transact business depreciated against the U.S. dollar, including the Euro and the Japanese yen, which adversely affected the results of operations of our Europe and APJ segments for the year. In addition, the value of our equity investment in foreign countries may fluctuate based upon changes in foreign currency exchange rates. These fluctuations, which are recorded in a cumulative translation adjustment account, may result in losses in the event a foreign subsidiary is sold or closed at a time when the foreign currency is weaker than when we made investments in the country. The realization of any or all of these risks could have a significant adverse effect on our financial results.

**We rely on independent shipping companies for delivery of products, and price increases or service interruptions from these carriers could adversely affect our business and operating results.**

We rely almost entirely on arrangements with independent shipping companies, such as FedEx and UPS, for the delivery of our products from OEM suppliers and delivery of products to reseller and retail customers. Freight and shipping charges can have a significant impact on our gross margin. As a result, an increase in freight surcharges due to inflation, rising fuel cost or general price increases will have an immediate adverse effect on our margins, unless we are able to pass the increased charges to our reseller and retail customers or renegotiate terms with our OEM suppliers. In addition, in the past, carriers have experienced work stoppages due to labor negotiations with management. An increase in freight or shipping charges, the termination of our arrangements with one or more of these independent shipping companies, the failure or inability of one or more of these independent shipping companies to deliver products, or the unavailability of their shipping services, even temporarily, could have an adverse effect on our business and operating results.

**Because we conduct substantial operations in China, risks associated with economic, political and social events in China could negatively affect our business and operating results.**

A substantial portion of our IT systems operations, including a substantial portion of our IT systems support and software development operations, are located in China. In addition, we also conduct general and administrative activities from our facilities in China. Our operations in China are subject to a number of risks relating to China's economic and political systems, including:

- a government controlled foreign exchange rate and limitations on the convertibility of the Chinese Renminbi;
- extensive government regulation;
- changing governmental policies relating to tax benefits available to foreign-owned businesses;
- the telecommunications infrastructure;
- a relatively uncertain legal system; and
- uncertainties related to continued economic and social reform.

Our IT systems are an important part of our global operations. Any significant interruption in service, whether resulting from any of the above uncertainties, natural disasters or otherwise, could result in delays in our inventory purchasing, errors in order fulfillment, reduced levels of customer service and other disruptions in operations, any of which could cause our business and operating results to suffer.

**We may have higher than anticipated tax liabilities.**

We conduct business globally and file income tax returns in various tax jurisdictions. Our effective tax rate could be adversely affected by several factors, many of which are outside of our control, including:

- changes in income before taxes in various jurisdictions in which we operate that have differing statutory tax rates;
- changing tax laws, regulations, and/or interpretations of such tax laws in multiple jurisdictions;
- effect of tax rate on accounting for acquisitions and dispositions;
- issues arising from tax audit or examinations and any related interest or penalties; and

- uncertainty in obtaining tax holiday extensions or expiration or loss of tax holidays in various jurisdictions.

The Organization for Economic Cooperation and Development has been working on the Base Erosion and Profit Shifting Project, and has issued and will continue to issue, guidelines and proposals that may change various aspects of the existing framework under which our tax obligations are determined in many of the countries in which we do business. Certain countries are evaluating their tax policies and regulations, which could affect international business and may have an adverse effect on our overall tax rate, along with increasing the complexity, burden and cost of tax compliance. Additional changes in the U.S. tax regime or in how U.S. multinational corporations are taxed on foreign earnings, including changes in how existing tax laws are interpreted or enforced, could adversely affect our business, financial condition or results of operations.

We report our results of operations based on our determination of the amount of taxes owed in various tax jurisdictions in which we operate. The determination of our worldwide provision for income taxes and other tax liabilities requires estimation, judgment and calculations where the ultimate tax determination may not be certain. Our determination of tax liability is always subject to review or examination by tax authorities in various tax jurisdictions. Any adverse outcome of such review or examination could have a negative impact on our operating results and financial condition. The results from various tax examinations and audits may differ from the liabilities recorded in our financial statements and could adversely affect our financial results and cash flows.

**Cyberattacks or the improper disclosure or control of personal information could result in liability and harm our reputation, which could adversely affect our business.**

Our business is heavily dependent upon information technology networks and systems, including those of our vendors, suppliers and partners. Internal or external attacks on those networks and systems could disrupt our normal operations centers and impede our ability to provide critical products and services to our customers, subjecting us to liability under our contracts and damaging our reputation. Additionally, such attacks could compromise our, or our customers' or vendors', intellectual property or confidential information or result in fraud or other financial loss. For example, in July 2021, SYNEX announced publicly that a threat actor had gained access to SYNEX' systems. That incident did not have a material impact to the business. In July 2022, we became aware that a sophisticated threat actor gained access to a portion of our networks and systems. After conducting a thorough review of the attack with a leading third-party cybersecurity firm, we determined that the attack did not have a material impact on us. Evidence indicates that the threat actor responsible for this incident is related to, or the same as, the threat actor that previously gained unauthorized access to SYNEX' systems. In response to both the July 2021 and the July 2022 threat, we engaged in remedial and preventative actions to remove the threat actor and prevent further unauthorized access to our network, analyzed the information that the threat actors accessed, enhanced our data security and governance program, added additional protective security layers and are cooperating with law enforcement authorities. While we do not believe at this time that these cyber-attacks had a material impact on our systems or operations, should new or different information come to light establishing that the intrusions are broader than now known or if additional attacks occur, it could have a broader impact on our systems and operations, and we could incur significant costs in responding to such intrusions.

Our business also involves the use, storage and transmission of information about our co-workers, and customers. If any person, including any of our co-workers, negligently disregards or intentionally breaches our established controls with respect to such data or otherwise mismanages or misappropriates that data, we could be subject to monetary damages, fines or criminal prosecution.

We have security controls for our systems and other security practices in place to protect the security of, and prevent unauthorized access to, our systems and personal and proprietary information, such as firewalls and anti-virus software, and we also provide information to our co-workers about the need to deploy security measures and the impact of doing so; however, notwithstanding our efforts to date, there are numerous sophisticated threat actors that are actively engaging in cyber-attacks that include our systems and there can be no assurance that such security measures will prevent additional improper access to our networks and systems, or access to or disclosure of, personally identifiable or proprietary information which could harm our business.

We could also face legal, reputational and financial risks if we fail to protect customer and internal data from security breaches or cyberattacks.

Furthermore, data privacy is subject to frequently changing rules and regulations, which sometimes conflict among the various jurisdictions and countries in which we provide services. The General Data Protection Regulation ("GDPR") in Europe, the California Consumer Privacy Act and other similar laws have resulted, and will continue to

result, in increased compliance costs. Our failure to adhere to or successfully implement processes in response to these and other changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace, which could have a material adverse effect on our business, financial condition and results of operations.

**Global health and economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

Worldwide economic conditions remain uncertain due to increased inflation, increases in interest rates, market volatility as a result of political leadership in certain countries, including due to Russia's invasion of Ukraine, and other disruptions to global and regional economies and markets. External factors, such as potential terrorist attacks, acts of war, geopolitical and social turmoil or epidemics and other similar outbreaks in many parts of the world, could prevent or hinder our ability to do business, increase our costs and negatively affect our stock price. More generally, these geopolitical, social and economic conditions could result in increased volatility in the United States and worldwide financial markets and economy. For example, increased instability may enhance volatility in currency exchange rates, cause our customers or potential customers to delay or reduce spending on our products or services, and limit our suppliers' access to credit. It could also adversely impact our ability to obtain adequate insurance at reasonable rates and may require us to incur increased costs for security measures for our domestic and international operations. We are predominantly uninsured for losses and interruptions caused by terrorism, acts of war and similar events. These uncertainties make it difficult for us and our suppliers and customers to accurately plan future business activities.

**Part of our business is conducted outside of the United States, exposing us to additional risks that may not exist in the United States, which in turn could cause our business and operating results to suffer.**

We have significant international operations and presence which subjects us to risks, including:

- political or economic instability;
- extensive governmental regulation;
- changes in import/export duties;
- fluctuation in foreign currency exchange rates;
- trade restrictions;
- compliance with the Foreign Corrupt Practices Act ("FCPA"), U.K. bribery laws and similar laws;
- difficulties and costs of staffing and managing operations in certain foreign countries;
- work stoppages or other changes in labor conditions;
- minimum wage increases;
- difficulties in collecting accounts receivable on a timely basis or at all;
- taxes; and
- seasonal reductions in business activity in some parts of the world.

We may continue to expand internationally to respond to competitive pressure and customer and market requirements. Establishing operations in any foreign country or region presents risks such as those described above as well as risks specific to the particular country or region. For example, periodically, we receive reports directly from co-workers, vendors and customers related to, or otherwise become aware of, potential non-compliance with our Code of Conduct and various U.S. or foreign laws, such as the FCPA, U.K. bribery laws or local anti-corruption laws. We investigate these reports and matters, report the activity to governmental authorities as required and also cooperate with investigations by U.S. and foreign law enforcement authorities. While we do not believe any of the findings of these investigations have been material to the Company to date, we take these matters seriously and activities of our employees, vendors and customers in these regions could subject us to liability, even if we do not explicitly authorize or have actual knowledge of their activities. In addition, until a payment history is established over time with customers in a new geography or region, the likelihood of collecting accounts receivable generated by such operations could be less than our expectations. As a result, there is a greater risk that reserves set with respect to the collection of such accounts receivable may be inadequate.

Furthermore, if our international expansion efforts in any foreign country are unsuccessful, we may decide to cease operations, which would likely cause us to incur additional expense and loss.

In addition, changes in policies or laws of the United States or foreign governments resulting in, among other things, higher taxation, currency conversion limitations, restrictions on fund transfers or the expropriation of private enterprises, could reduce the anticipated benefits of our international expansion. Any actions by countries in which we conduct business to reverse policies that encourage foreign trade or investment could adversely affect our business. If we fail to realize the anticipated growth of our future international operations, our business and operating results could suffer.

**Increasing attention on environmental, social and governance ("ESG") matters may have a negative impact on our business, impose additional costs on us, and expose us to additional risks.**

Companies are facing increasing attention from investors, customers, partners, consumers and other stakeholders relating to ESG matters, including environmental stewardship, social responsibility, diversity and inclusion, racial justice and workplace conduct. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings may lead to negative investor sentiment toward the Company, which could have a negative impact on our stock price and our access to and costs of capital.

We have established corporate social responsibility programs aligned with sound environmental, social and governance principles. These programs reflect our current initiatives and are not guarantees that we will be able to achieve them. Our ability to successfully execute these initiatives and accurately report our progress presents numerous operational, financial, legal, reputational and other risks, many of which are outside our control, and all of which could have a material negative impact on our business. Additionally, the implementation of these initiatives imposes additional costs on us. If our ESG initiatives fail to satisfy investors, customers, partners and our other stakeholders, our reputation, our ability to sell products and services to customers, our ability to attract or retain co-workers, and our attractiveness as an investment, business partner or acquirer could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our goals, targets and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could also have similar negative impacts and expose us to government enforcement actions and private litigation.

**If we are unable to maintain effective internal control over financial reporting, our ability to report our financial results on a timely and accurate basis may be adversely affected, which in turn could cause the market price of our common stock to decline.**

Section 404 of the Sarbanes-Oxley Act of 2002 requires our management to report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal control structure and procedures for financial reporting. We completed an evaluation of the effectiveness of our internal control over financial reporting for fiscal year 2022, and we have an ongoing program to perform the system and process evaluation and testing necessary to continue to comply with these requirements. However, internal control over financial reporting has inherent limitations, including human error, the possibility that controls could be circumvented or become inadequate because of changed conditions, and fraud. Because of the inherent limitations, misstatements due to error or fraud may occur and may not always be prevented or timely detected. We expect to continue to incur significant expenses and to devote management resources to Section 404 compliance. In the event that our management or independent registered public accounting firm determines that there is a material weakness in our internal control over financial reporting, investor perceptions and our reputation may be adversely affected, and the market price of our stock could decline.

**Changes to financial accounting standards may affect our results of operations and cause us to change our business practices.**

We prepare our financial statements to conform to generally accepted accounting principles in the United States ("GAAP"). These accounting principles are subject to interpretation by the Financial Accounting Standards Board, American Institute of Certified Public Accountants, the SEC and various bodies formed to interpret and create appropriate accounting policies. A change in those policies can have a significant effect on our reported results and may affect our reporting of transactions completed before a change is announced. Changes to those rules or the questioning of current practices may adversely affect our reported financial results or the way we conduct our business.

**Item 1B. *Unresolved Staff Comments***

None.

## **Item 2. *Properties***

Our principal executive offices are located in Fremont, California and Clearwater, Florida. Our Fremont property is owned by us, while the Clearwater location is currently leased. We operate distribution, integration, contact center and administrative facilities in different countries.

We occupy 194 facilities covering approximately 14.6 million square feet, including warehouse, logistics and administrative facilities. We own approximately 2.7 million square feet of property and lease the remainder. Our facilities are located in the following principal markets: the Americas – 76, Europe – 72 and APJ – 46.

We have sublet unused portions of some of our facilities. We believe our facilities are well maintained and adequate for current and near future operating needs. Upon the expiration or termination of any of our leased facilities, we believe we could obtain comparable office space.

## **Item 3. *Legal Proceedings***

We are from time to time involved in legal proceedings in the ordinary course of business. We do not believe that these proceedings will have a material adverse effect on the results of our operations, our financial position or the cash flows of our business.

In addition, we have been involved in various bankruptcy preference actions where we were a supplier to the companies now in bankruptcy. These preference actions are filed by the bankruptcy trustee on behalf of the bankrupt estate and generally seek to have payments made by the debtor within 90 days prior to the bankruptcy returned to the bankruptcy estate for allocation among all of the bankruptcy estate's creditors. We are not currently involved in any material preference proceedings.

The French Autorité de la Concurrence ("Competition Authority") began in 2013 an investigation into the French market for certain products of Apple, Inc., ("Apple") for which we are a distributor. In March 2020, the Competition Authority imposed fines on Tech Data, on another distributor, and on Apple, finding that Tech Data entered into an anticompetitive agreement with Apple regarding volume allocations of Apple products. The initial fine imposed on Tech Data was €76.1 million. We appealed its determination to the French courts, seeking to set aside or reduce the fine. Although we believed we had strong arguments on appeal, we determined that the best estimate of probable loss related to this matter as of November 30, 2021 was €36.0 million. Under French law, the pendency of our appeal does not suspend the obligation to pay the fine. Tech Data agreed with French authorities to make eight equal installment payments in relation to the fine assessed for a total amount of €22.8 million on a quarterly basis from January 2021 through October 2022. Additionally, we provided a third-party surety bond to the Competition Authority to guarantee the payment of the amount of the fine and interest, if applicable.

On October 6, 2022, the appeals court issued a ruling that reduced the fine imposed on us from €76.1 million to €24.9 million. We continue to contest the arguments of the Competition Authority and have further appealed this matter. As a result of the appeals court ruling, we have determined that the best estimate of probable loss related to this matter as of November 30, 2022 is €24.9 million (approximately \$25.7 million as of November 30, 2022), which was paid in full. We decreased our accrual established for this matter by \$10.8 million during fiscal year 2022 which was recorded in "Other (expense) income, net" in the Consolidated Statement of Operations. A civil lawsuit related to this matter, alleging anticompetitive actions in association with the established distribution networks for Apple, Tech Data and another distributor was filed by eBizcuss. We are currently evaluating this matter and cannot currently estimate the probability or amount of any potential loss.

## **Item 4. *Mine Safety Disclosures***

Not applicable.

## Information About our Executive Officers

The following table sets forth information regarding our executive officers as of November 30, 2022:

| Name           | Age | Position                |
|----------------|-----|-------------------------|
| Richard Hume   | 63  | Chief Executive Officer |
| Dennis Polk    | 56  | Executive Chair         |
| Michael Urban  | 58  | President, Americas     |
| Marshall Witt  | 57  | Chief Financial Officer |
| Patrick Zammit | 56  | President, Europe & APJ |
| David Vetter   | 63  | Chief Legal Officer     |
| Simon Leung    | 57  | Chief Business Officer  |

*Richard Hume* is our Chief Executive Officer. Mr. Hume joined Tech Data in March 2016 as Executive Vice President, Chief Operating Officer. In June 2018, Mr. Hume was appointed as Chief Executive Officer of Tech Data and in September 2021 in conjunction with the Merger he was appointed as Chief Executive Officer of TD SYNnex. Prior to joining Tech Data, Mr. Hume was employed for more than thirty years at International Business Machines Corporation ("IBM"), (NYSE: IBM), a multinational computer hardware, middleware and software company. Most recently, from January 2015 to February 2016, Mr. Hume served as General Manager and Chief Operating Officer of Infrastructure and Outsourcing. Prior to that position, from January 2012 to January 2015, Mr. Hume served as General Manager, Europe where he led IBM's multi-brand European organization. From 2008 to 2011, Mr. Hume served as General Manager, Global Business Partners, directing the growth and channel development initiatives for IBM's Business Partner Channel. Mr. Hume holds a Bachelor of Science degree in Accounting from Pennsylvania State University.

*Dennis Polk* is our Executive Chair of the Board of Directors. Mr. Polk joined TD SYNnex in 2002 and served as President and Chief Executive Officer of TD SYNnex from March 2018 to August 2021. Prior to that position, he served as Chief Operating Officer, Chief Financial Officer and Senior Vice President of Corporate Finance of TD SYNnex. In conjunction with the Merger in September 2021, Mr. Polk was appointed as Executive Chair of the Board of Directors.

*Michael Urban* is our President, Americas. Mr. Urban joined TD SYNnex in February 2019 and served as President, Worldwide Technology Solutions Distribution until the Merger. Prior to joining TD SYNnex, Mr. Urban was employed by Tech Data from September 2012 until January 2019, most recently serving as Corporate Vice President of Strategy, Transformation, and Global Vendor Management. Prior to Tech Data, Mr. Urban served in progressive leadership roles including Chairman and Chief Executive Officer at Actebis Holding GmbH, an IT services company. Mr. Urban received a Bachelor of Science degree in Engineering from Paderborn University in Germany.

*Marshall Witt* is our Chief Financial Officer and has served in this capacity since April 2013. Prior to joining TD SYNnex, Mr. Witt was Senior Vice President of Finance and Controller with FedEx Freight, Inc., a freight services company. During his fifteen year tenure with FedEx Corporation, a multinational transportation, e-commerce and business services company, Mr. Witt held progressive financial and operational roles. Prior to FedEx Corporation, he held accounting and finance leadership positions including five years with KPMG LLP, a professional services firm, as an audit manager for banking and transportation clients. Mr. Witt holds a Bachelor of Business Administration in Finance from Pacific Lutheran University and a Masters in Accounting from Seattle University and is a Certified Public Accountant.

*Patrick Zammit* is our President, Europe and APJ. Mr. Zammit joined Tech Data in February 2017 as President, Europe through Tech Data's acquisition of Avnet's Technology Solutions business and served in this capacity until the Merger in September 2021 when he also assumed the role of President, APJ. Prior to this role, Mr. Zammit was employed for more than twenty years at Avnet, Inc, an electronic components distribution company. From January 2015 to January 2017, Mr. Zammit served as Global President of Avnet Technology Solutions. Prior to that position, from October 2006 until January 2015, Mr. Zammit served as President of Avnet Electronics Marketing EMEA. From 1993 to 2006, Mr. Zammit served in management positions of increasing responsibilities. Prior to joining Avnet, Mr. Zammit was employed by Arthur Andersen from 1989 to 1993. Mr. Zammit holds a Masters in Business Administration equivalent from Paris Business School ESLSA.

*David Vetter* is our Chief Legal Officer. Mr. Vetter joined Tech Data in June 1993 as Vice President, General Counsel and was promoted to Corporate Vice President, General Counsel in April 2000. In March 2003, he was promoted

to Senior Vice President, and effective July 2003, was appointed Secretary. In January 2017, Mr. Vetter was promoted to Executive Vice President, Chief Legal Officer and in conjunction with the Merger in September 2021 he assumed this role for TD SYNEX. Prior to joining Tech Data, Mr. Vetter was employed by the law firm of Robbins, Gaynor & Bronstein, P.A. from 1984 to 1993, most recently as a partner. Mr. Vetter is a member of the Florida Bar Association and holds Bachelor of Arts degrees in English and Economics from Bucknell University and a Juris Doctorate Degree from the University of Florida.

*Simon Leung* is our Chief Business Officer. Prior to this role, Mr. Leung served as Senior Vice President, General Counsel and Corporate Secretary for TD SYNEX from May 2001 until the Merger in September 2021. Mr. Leung joined TD SYNEX in November 2000 as Corporate Counsel. Prior to TD SYNEX, Mr. Leung was an attorney at the law firm of Paul, Hastings, Janofsky & Walker LLP. Mr. Leung received a Bachelor of Arts degree from the University of California, Davis in International Relations and his Juris Doctor degree from the University of Minnesota Law School.

## PART II

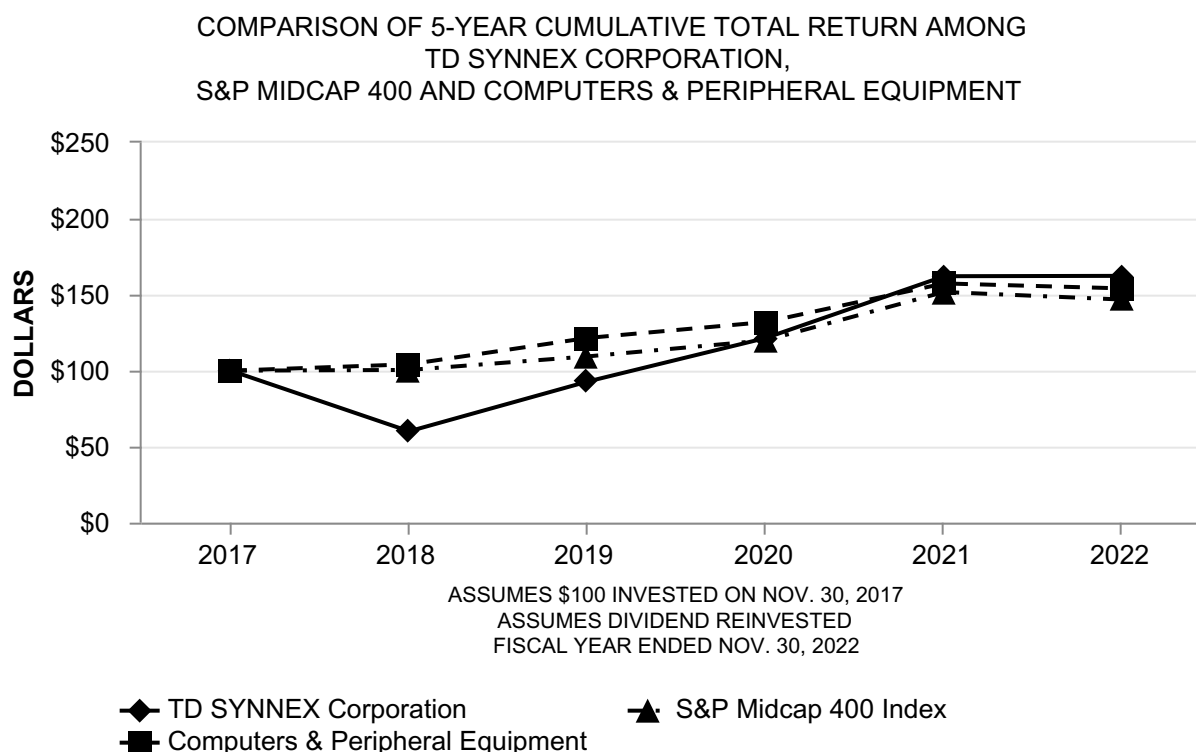
### Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Our common stock, par value \$0.001, is traded on the New York Stock Exchange, or NYSE, under the symbol "SNX."

As of January 16, 2023, our common stock was held by approximately 4,100 stockholders of record. Because many of the shares of our common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of beneficial owners represented by these stockholders of record.

#### Stock Price Performance Graph

The stock price performance graph below, which assumes a \$100 investment on November 30, 2017, compares our cumulative total stockholder return, the S&P Midcap 400 Index and Computer and Peripheral Equipment index for the period beginning November 30, 2017 through November 30, 2022. The Computer and Peripheral Equipment index is based on the Standard Industrial Classification Code 5045—Wholesale Computer and Computer Peripheral Equipment and Software. The closing price per share of our common stock was \$102.30 on November 30, 2022. The comparisons in the table are required by the SEC and are not intended to forecast or be indicative of possible future performance of our common stock.



|                                    | Fiscal Years Ended |            |            |            |            |            |
|------------------------------------|--------------------|------------|------------|------------|------------|------------|
|                                    | 11/30/2017         | 11/30/2018 | 11/30/2019 | 11/30/2020 | 11/30/2021 | 11/30/2022 |
| TD SYNEX Corporation               | \$ 100.00          | \$ 60.12   | \$ 92.82   | \$ 121.50  | \$ 162.14  | \$ 162.37  |
| S&P Midcap 400 Index               | \$ 100.00          | \$ 100.48  | \$ 109.38  | \$ 119.99  | \$ 151.76  | \$ 146.77  |
| Computers and Peripheral Equipment | \$ 100.00          | \$ 104.19  | \$ 121.52  | \$ 132.02  | \$ 157.40  | \$ 154.12  |

## Securities Authorized for Issuance under Equity Compensation Plans

Information regarding the Securities Authorized for Issuance under Equity Compensation Plans can be found under [Item 12](#) of this Report.

### Dividends

On September 29, 2014, we announced the initiation of a quarterly cash dividend. Since then, dividends have been declared in January, March, June and September and paid at the end of January, April, July and October. Dividends declared per share by fiscal quarter in 2022 and 2021 were as follows:

|                | Fiscal Years Ended November 30, |          |
|----------------|---------------------------------|----------|
|                | 2022                            | 2021     |
| First Quarter  | \$ 0.300                        | \$ 0.200 |
| Second Quarter | \$ 0.300                        | \$ 0.200 |
| Third Quarter  | \$ 0.300                        | \$ 0.200 |
| Fourth Quarter | \$ 0.300                        | \$ 0.200 |

On January 10, 2023, the Company announced a cash dividend of \$0.35 per share to stockholders of record as of January 20, 2023, payable on January 27, 2023. Dividends are subject to continued capital availability and the declaration by our Board of Directors in the best interest of our stockholders. The Company currently expects that comparable cash dividends will continue to be paid in the future.

### Repurchases of Equity Securities

In June 2020, our Board of Directors authorized a three-year \$400.0 million share repurchase program, effective July 1, 2020, pursuant to which we may repurchase our outstanding common stock from time to time in the open market or through privately negotiated transactions.

The following table presents information with respect to purchases of common stock by the Company under the share repurchase program during the quarter ended November 30, 2022:

| Period                           | Issuer Purchases of Equity Securities (amounts in thousands except per share amounts) |                              |   |   |
|----------------------------------|---|------------------------------|---|---|
|                                  | Total number of shares purchased  | Average price paid per share | Total number of shares purchased as part of publicly announced plans or program | Maximum dollar value of shares that may yet be purchased under the plans or program |
| September 1 - September 30, 2022 | 118   | \$ 91.27                     | 118   | \$ 306,179  |
| October 1 - October 31, 2022     | 333   | 86.48                        | 333   | 277,385   |
| November 1 - November 30, 2022   | 26  | 92.15                        | 26  | 274,984   |
| Total                            | 477   | \$ 87.98                     | 477   |   |

In January 2023, our Board of Directors authorized a new three-year \$1.0 billion share repurchase program, replacing the existing \$400.0 million share repurchase program, pursuant to which we may repurchase our outstanding common stock from time to time in the open market or through privately negotiated transactions.

### Item 6. [Reserved]

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

For an understanding of TD SYNEX and the significant factors that influenced our performance during the past three fiscal years, the following discussion and analysis of our financial condition and results of operations should be read in conjunction with the description of the business appearing in Item 1 of this Report and Item 8 Financial Statements and Supplementary Data included elsewhere in this Report. Amounts in certain tables appearing in this Report may not add or compute due to rounding.

*This section of the Form 10-K generally discusses fiscal 2022 and 2021 items and year-to-year comparisons between fiscal 2022 and 2021. Discussions of fiscal 2020 items and year-to-year comparisons between fiscal 2021 and*

2020 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2021 filed with the SEC on January 28, 2022.

*In addition to historical information, the MD&A contains forward-looking statements that involve risks and uncertainties. These forward-looking statements include, but are not limited to, those matters discussed under the heading "Note Regarding Forward-looking Statements." Our actual results could differ materially from those anticipated by these forward-looking statements due to various factors, including, but not limited to, those set forth under Item 1A. Risk Factors of this Form 10-K and elsewhere in this document.*

## Overview

We are a leading global distributor and solutions aggregator for the information technology ("IT") ecosystem. We serve a critical role, bringing products from the world's leading and emerging technology vendors to market, and helping our customers create solutions best suited to maximize business outcomes for their end-user customers.

On March 22, 2021, SYNEX entered into an agreement and plan of merger (the "Merger Agreement") which provided that legacy SYNEX Corporation would acquire legacy Tech Data Corporation, a Florida corporation ("Tech Data") through a series of mergers, which would result in Tech Data becoming an indirect subsidiary of TD SYNEX Corporation (collectively, the "Merger"). On September 1, 2021, pursuant to the terms of the Merger Agreement, we acquired all the outstanding shares of common stock of Tiger Parent (AP) Corporation, the parent corporation of Tech Data, for consideration of \$1.6 billion in cash (\$1.1 billion in cash after giving effect to a \$500.0 million equity contribution by Tiger Parent Holdings, L.P., Tiger Parent (AP) Corporation's sole stockholder and an affiliate of Apollo Global Management, Inc., to Tiger Parent (AP) Corporation prior to the effective time of the Merger) and 44 million shares of common stock of SYNEX, valued at approximately \$5.6 billion. See [Note 3](#) – Acquisitions to the Consolidated Financial Statements for further information.

We previously had two reportable segments as of November 30, 2020: Technology Solutions and Concentrix. After giving effect to the previously announced separation of our customer experience services business (the "Separation") on December 1, 2020, we operated in a single reportable segment. After completion of the Merger, we reviewed our reportable segments as there was a change in our chief executive officer, who is also our chief operating decision maker. Our chief operating decision maker has a leadership structure aligned with the geographic regions of the Americas, Europe and Asia-Pacific and Japan ("APJ") and reviews and allocates resources based on these geographic regions. As a result, as of September 1, 2021 we began operating in three reportable segments based on our geographic regions: the Americas, Europe and APJ. Our three reportable segments each generate revenues from products and services across our Endpoint Solutions and Advanced Solutions portfolios. Segment results for all prior periods have been restated for comparability to our current reportable segments. For financial information by segment, refer to [Note 13](#) – Segment Information, to the Consolidated Financial Statements in Item 8. We have presented limited information by reportable segment within the Management's Discussion and Analysis of Financial Condition and Results of Operations due to the lack of comparability between periods resulting from the Merger on September 1, 2021.

## Revenue and Cost of Revenue

We distribute IT hardware, software, and systems including personal computing devices and peripherals, mobile phones and accessories, server and datacenter infrastructure, hybrid cloud, security, networking, communications and storage solutions, and system components. We also provide systems design and integration solutions. In fiscal years 2022 and 2021 approximately 45% and 37% of our revenue, respectively, was generated from our international operations. As a result, our revenue growth is impacted by fluctuations in foreign currency exchange rates. In fiscal year 2022, several foreign currencies in which we transact business depreciated against the U.S. dollar, including the Euro and the Japanese yen, which adversely affected the revenue growth of our Europe and APJ segments.

The market for IT products has generally been characterized by declining unit prices and short product life cycles, although unit prices for certain products have increased during certain periods due to factors such as supply chain constraints and inflation. Our overall business is also highly competitive on the basis of price. We set our sales price based on the market supply and demand characteristics for each particular product or bundle of products we distribute and solutions we provide. We also participate in the incentive and rebate programs of our OEM suppliers. These programs are important determinants of the final sales price we charge to our reseller customers. To mitigate the risk of declining prices and obsolescence of our distribution inventory, our OEM suppliers generally offer us limited price protection and return rights for products that are marked down or discontinued by them. We carefully manage our inventory to maximize the benefit to us of these supplier-provided protections.

A significant portion of our cost of revenue is the purchase price we pay our OEM suppliers for the products we sell, net of any incentives, rebates, price protection and purchase discounts received from our OEM suppliers. Cost of revenue also consists of provisions for inventory losses and write-downs, freight expenses associated with the receipt in and shipment out of our inventory, and royalties due to OEM vendors. In addition, cost of revenue includes the cost of material, labor and overhead for our systems design and integration solutions.

### **Margins**

The IT distribution industry in which we operate is characterized by low gross profit as a percentage of revenue, or gross margin, and low operating income as a percentage of revenue, or operating margin. Our gross margin has fluctuated annually due to changes in the mix of products we offer, customers we sell to, incentives and rebates received from our OEM suppliers, competition, seasonality, replacement of lower margin business, inventory obsolescence, and lower costs associated with increased efficiencies. Generally, when our revenue becomes more concentrated on limited products or customers, our gross margin tends to decrease due to increased pricing pressure from OEM suppliers or reseller customers. Our operating margin has also fluctuated in the past, based primarily on our ability to achieve economies of scale, the management of our operating expenses, changes in the relative mix of our revenue, and the timing of our acquisitions and investments.

### **Economic and Industry Trends**

Our revenue is highly dependent on the end-market demand for IT products, and on our partners' strategic initiatives and business models. This end-market demand is influenced by many factors including the introduction of new IT products and software by OEMs, replacement cycles for existing IT products, trends toward cloud computing, seasonality, overall economic growth and general business activity. A difficult and challenging economic environment due to the continued impacts of increased inflation, rising interest rates and Russia's invasion of Ukraine, may also lead to consolidation or decline in the IT distribution industry and increased price-based competition. Our systems design and integration solutions business is highly dependent on the demand for cloud infrastructure, and the number of key customers and suppliers in the market. Our business includes operations in the Americas, Europe and APJ, so we are affected by demand for our products in those regions, and the weakening of local currencies relative to the U.S. Dollar which occurred during fiscal year 2022 may continue to adversely affect the operating results of our Europe and APJ segments.

### **Acquisitions**

We continually seek to augment organic growth in our business with strategic acquisitions of businesses and assets that complement and expand our existing capabilities. We also divest businesses that we deem no longer strategic to our ongoing operations. In our business we seek to acquire new OEM relationships, enhance our supply chain and integration capabilities, the services we provide to our customers and OEM suppliers, and expand our geographic footprint.

### **Results of Operations**

The following table sets forth, for the indicated periods, Consolidated Statement of Operations data as a percentage of revenue:

| <b>Statements of Operations Data:</b>            | <b>Fiscal Years Ended November 30,</b> |             |
|--|--|-------------|
|  | <b>2022</b>                            | <b>2021</b> |
| Revenue  | 100.00 %                               | 100.00 %    |
| Cost of revenue                                  | (93.74)%                               | (94.02)%    |
| Gross profit                                     | 6.26 %                                 | 5.98 %      |
| Selling, general and administrative expenses     | (4.21)%                                | (3.65)%     |
| Acquisition, integration and restructuring costs | (0.36)%                                | (0.35)%     |
| Operating income                                 | 1.69 %                                 | 1.97 %      |
| Interest expense and finance charges, net        | (0.36)%                                | (0.50)%     |
| Other (expense) income, net                      | 0.00 %                                 | 0.00 %      |
| Income before income taxes                       | 1.33 %                                 | 1.48 %      |
| Provision for income taxes                       | (0.29)%                                | (0.23)%     |
| Net income                                       | 1.04 %                                 | 1.25 %      |

### **Certain non-GAAP financial information**

In addition to disclosing financial results that are determined in accordance with GAAP, we also disclose certain non-GAAP financial information, including:

- Non-GAAP gross profit, which is gross profit, adjusted to exclude the portion of purchase accounting adjustments that affected cost of revenue.
- Non-GAAP gross margin, which is non-GAAP gross profit, as defined above, divided by revenue.
- Non-GAAP operating income, which is operating income, adjusted to exclude acquisition, integration and restructuring costs, amortization of intangible assets, share-based compensation expense and purchase accounting adjustments.
- Non-GAAP operating margin, which is non-GAAP operating income, as defined above, divided by revenue.
- Adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) which is net income before interest, taxes, depreciation and amortization, adjusted to exclude other (expense) income, net, acquisition, integration and restructuring costs, share-based compensation expense, and purchase accounting adjustments.
- Non-GAAP net income, which is net income, adjusted to exclude acquisition, integration and restructuring costs, amortization of intangible assets, share-based compensation expense, purchase accounting adjustments, legal settlements and other litigation, net, income taxes related to the aforementioned items, as well as a capital loss carryback benefit.
- Non-GAAP diluted earnings per common share (“EPS”), which is diluted EPS excluding the per share impact of acquisition, integration and restructuring costs, amortization of intangible assets, share-based compensation expense, purchase accounting adjustments, legal settlements and other litigation, net, income taxes related to the aforementioned items, as well as a capital loss carryback benefit.

Acquisition, integration and restructuring costs typically consist of acquisition, integration, restructuring and divestiture related costs and are expensed as incurred. These expenses primarily represent professional services costs for legal, banking, consulting and advisory services, severance and other personnel related costs, share-based compensation expense and debt extinguishment fees. From time to time, this category may also include transaction-related gains/losses on divestitures/spin-off of businesses, costs related to long-lived assets including impairment charges and accelerated depreciation and amortization expense due to changes in asset useful lives, as well as various other costs associated with an acquisition or divestiture.

Our acquisition activities have resulted in the recognition of finite-lived intangible assets which consist primarily of customer relationships and vendor lists. Finite-lived intangible assets are amortized over their estimated useful lives and are tested for impairment when events indicate that the carrying value may not be recoverable. The amortization of intangible assets is reflected in our Consolidated Statements of Operations. Although intangible assets contribute to our revenue generation, the amortization of intangible assets does not directly relate to the sale of our products. Additionally, intangible asset amortization expense typically fluctuates based on the size and timing of our acquisition activity. Accordingly, we believe excluding the amortization of intangible assets, along with the other non-GAAP adjustments which neither relate to the ordinary course of our business nor reflect our underlying business performance, enhances our and our investors’ ability to compare our past financial performance with our current performance and to analyze underlying business performance and trends. Intangible asset amortization excluded from the related non-GAAP financial measure represents the entire amount recorded within our GAAP financial statements, and the revenue generated by the associated intangible assets has not been excluded from the related non-GAAP financial measure. Intangible asset amortization is excluded from the related non-GAAP financial measure because the amortization, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired or the estimated useful life of an intangible asset is revised.

Share-based compensation expense is a non-cash expense arising from the grant of equity awards to employees and non-employee members of the Company's Board of Directors based on the estimated fair value of those awards.

Although share-based compensation is an important aspect of the compensation of our employees, the fair value of the share-based awards may bear little resemblance to the actual value realized upon the vesting or future exercise of the related share-based awards and the expense can vary significantly between periods as a result of the timing of grants of new stock-based awards, including grants in connection with acquisitions. Given the variety and timing of awards and the subjective assumptions that are necessary when calculating share-based compensation expense, we believe this additional information allows investors to make additional comparisons between our operating results from period to period.

Purchase accounting adjustments are primarily related to the impact of recognizing the acquired vendor and customer liabilities from the Merger at fair value. The Company expects the duration of these adjustments to benefit our non-GAAP operating income through a portion of fiscal 2023 based on historical settlement patterns with our vendors and in accordance with the timing defined in our policy for releasing vendor and customer liabilities we deem remote to be paid.

Legal settlements and other litigation, net includes a benefit recorded in other (expense) income, net during the fourth quarter of fiscal 2022 resulting from a decrease in our accrual for a legal matter in France. For further discussion of this legal matter, please refer to [Note 18](#) - Commitments and Contingencies to the Consolidated Financial Statements included in Part II, Item 8 of this report.

We believe that providing this additional information is useful to the reader to better assess and understand our base operating performance, especially when comparing results with previous periods and for planning and forecasting in future periods, primarily because management typically monitors the business adjusted for these items in addition to GAAP results. Management also uses these non-GAAP measures to establish operational goals and, in some cases, for measuring performance for compensation purposes. As these non-GAAP financial measures are not calculated in accordance with GAAP, they may not necessarily be comparable to similarly titled measures employed by other companies. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures and should be used as a complement to, and in conjunction with, data presented in accordance with GAAP.

**Non-GAAP Financial Information:**

|   | Fiscal Years Ended November 30, |              |
|---|---------------------------------|--------------|
|   | 2022                            | 2021         |
| <b>Gross Profit and Gross Margin - Consolidated</b> |                                 |              |
|   | (in thousands)                  |              |
| Revenue   | \$62,343,810                    | \$31,614,169 |
| Gross profit  | \$ 3,900,199                    | \$ 1,889,534 |
| Purchase accounting adjustments                     | 96,128                          | 23,476       |
| Non-GAAP gross profit                               | \$ 3,996,327                    | \$ 1,913,010 |
| GAAP gross margin                                   | 6.26 %                          | 5.98 %       |
| Non-GAAP gross margin                               | 6.41 %                          | 6.05 %       |

|   | Fiscal Years Ended November 30, |              |
|---|---------------------------------|--------------|
|   | 2022                            | 2021         |
| <b>Operating Income and Operating Margin - Consolidated</b> |                                 |              |
|   | (in thousands)                  |              |
| Revenue   | \$62,343,810                    | \$31,614,169 |
| Operating income  | \$ 1,050,873                    | \$ 623,218   |
| Acquisition, integration and restructuring costs            | 222,319                         | 112,150      |
| Amortization of intangibles                                 | 299,162                         | 105,332      |
| Share-based compensation                                    | 38,994                          | 33,078       |
| Purchase accounting adjustments                             | 112,691                         | 28,353       |
| Non-GAAP operating income                                   | \$ 1,724,039                    | \$ 902,131   |
| GAAP operating margin                                       | 1.69 %                          | 1.97 %       |
| Non-GAAP operating margin                                   | 2.77 %                          | 2.85 %       |

|   | Fiscal Years Ended November 30, |              |
|---|---------------------------------|--------------|
|   | 2022                            | 2021         |
| <b>Operating Income and Operating Margin - Americas</b> |                                 |              |
|   | (in thousands)                  |              |
| Revenue   | \$38,791,102                    | \$23,317,274 |
| Operating income  | \$ 734,103                      | \$ 497,964   |
| Acquisition, integration and restructuring costs        | 137,055                         | 80,181       |
| Amortization of intangibles                             | 175,371                         | 72,434       |
| Share-based compensation                                | 29,717                          | 33,078       |
| Purchase accounting adjustments                         | 65,117                          | 16,095       |
| Non-GAAP operating income                               | \$ 1,141,363                    | \$ 699,752   |
| GAAP operating margin                                   | 1.89 %                          | 2.14 %       |
| Non-GAAP operating margin                               | 2.94 %                          | 3.00 %       |

| Operating Income and Operating Margin - Europe   | Fiscal Years Ended November 30, |              |
|--|---------------------------------|--------------|
|  | 2022                            | 2021         |
|  | (in thousands)                  |              |
| Revenue  | \$20,289,211                    | \$ 6,201,302 |
| Operating income                                 | \$ 227,249                      | \$ 79,153    |
| Acquisition, integration and restructuring costs | 76,634                          | 27,515       |
| Amortization of intangibles                      | 121,220                         | 32,260       |
| Share-based compensation                         | 7,906                           | —            |
| Purchase accounting adjustments                  | 47,574                          | 12,258       |
| Non-GAAP operating income                        | \$ 480,583                      | \$ 151,186   |
| GAAP operating margin                            | 1.12 %                          | 1.28 %       |
| Non-GAAP operating margin                        | 2.37 %                          | 2.44 %       |

| Operating Income and Operating Margin - APJ      | Fiscal Years Ended November 30, |              |
|--|---------------------------------|--------------|
|  | 2022                            | 2021         |
|  | (in thousands)                  |              |
| Revenue  | \$ 3,263,497                    | \$ 2,095,593 |
| Operating income                                 | \$ 89,521                       | \$ 46,100    |
| Acquisition, integration and restructuring costs | 8,630                           | 4,454        |
| Amortization of intangibles                      | 2,571                           | 638          |
| Share-based compensation                         | 1,371                           | —            |
| Non-GAAP operating income                        | \$ 102,093                      | \$ 51,192    |
| GAAP operating margin                            | 2.74 %                          | 2.20 %       |
| Non-GAAP operating margin                        | 3.13 %                          | 2.44 %       |

| Adjusted EBITDA - Consolidated                   | Fiscal Years Ended November 30, |                   |
|--|---------------------------------|-------------------|
|  | 2022                            | 2021              |
|  | (in thousands)                  |                   |
| Net income                                       | \$ 651,307                      | \$ 395,069        |
| Interest expense and finance charges, net        | 222,578                         | 157,835           |
| Provision for income taxes                       | 175,823                         | 71,416            |
| Depreciation <sup>(1)</sup>                      | 164,203                         | 44,232            |
| Amortization of intangibles                      | 299,162                         | 105,332           |
| EBITDA   | \$ 1,513,073                    | \$ 773,884        |
| Other expense (income), net                      | 1,165                           | (1,102)           |
| Acquisition, integration and restructuring costs | 157,965                         | 112,150           |
| Share-based compensation                         | 38,994                          | 33,078            |
| Purchase accounting adjustments                  | 112,691                         | 28,353            |
| Adjusted EBITDA                                  | <u>\$ 1,823,888</u>             | <u>\$ 946,363</u> |

<sup>(1)</sup> Includes depreciation recorded in acquisition, integration, and restructuring costs.

|  | Fiscal Years Ended November 30, |            |
|--|---------------------------------|------------|
|  | 2022                            | 2021       |
|  | (in thousands)                  |            |
| <b>Net Income- Consolidated</b>                  |                                 |            |
| Net Income                                       | \$ 651,307                      | \$ 395,069 |
| Acquisition, integration and restructuring costs | 231,008                         | 159,194    |
| Amortization of intangibles                      | 299,162                         | 105,332    |
| Share-based compensation                         | 38,994                          | 33,078     |
| Purchase accounting adjustments                  | 112,691                         | 28,353     |
| Legal settlements and other litigation, net      | (10,792)                        | —          |
| Income taxes related to above                    | (166,129)                       | (80,375)   |
| Income tax capital loss carryback benefit        | (8,299)                         | (44,968)   |
| Non-GAAP net income                              | \$ 1,147,942                    | \$ 595,683 |

|  | Fiscal Years Ended November 30, |         |
|--|---------------------------------|---------|
|  | 2022                            | 2021    |
|  | (in thousands)                  |         |
| <b>Diluted Earnings Per Common Share</b>         |                                 |         |
| Diluted EPS                                      | \$ 6.77                         | \$ 6.24 |
| Acquisition, integration and restructuring costs | 2.40                            | 2.51    |
| Amortization of intangibles                      | 3.11                            | 1.66    |
| Share-based compensation                         | 0.41                            | 0.52    |
| Purchase accounting adjustments                  | 1.17                            | 0.45    |
| Legal settlements and other litigation, net      | (0.11)                          | —       |
| Income taxes related to above                    | (1.73)                          | (1.27)  |
| Income tax capital loss carryback benefit        | (0.09)                          | (0.71)  |
| Non-GAAP diluted EPS                             | \$ 11.94                        | \$ 9.40 |

### Fiscal Years Ended November 30, 2022 and 2021

#### Revenue

|         | Fiscal Years Ended November 30, |               | Percent Change |
|---------|---------------------------------|---------------|----------------|
|         | 2022                            | 2021          | 2022 to 2021   |
|         | (in thousands)                  |               |                |
| Revenue | \$ 62,343,810                   | \$ 31,614,169 | 97.2 %         |

We distribute a comprehensive range of products for the technology industry and design and integrate data center equipment. The prices of our products are highly dependent on the volumes purchased within a product category. The products we sell from one period to the next are often not comparable due to changes in product models, features and customer demand requirements.

Revenue increased in fiscal year 2022 compared to fiscal year 2021 primarily due to an increase in sales resulting from the Merger of approximately \$28 billion, as well as broad-based demand for technology equipment.

#### Gross Profit

|              | Fiscal Years Ended November 30, |              | Percent Change |
|--------------|---------------------------------|--------------|----------------|
|              | 2022                            | 2021         | 2022 to 2021   |
|              | (in thousands)                  |              |                |
| Gross profit | \$ 3,900,199                    | \$ 1,889,534 | 106.4 %        |
| Gross margin | 6.26 %                          | 5.98 %       |                |

Our gross margin is affected by a variety of factors, including competition, selling prices, mix of products, product costs along with rebate and discount programs from our suppliers, reserves or settlement adjustments, freight costs, inventory losses and fluctuations in revenue.

Our gross profit increased in fiscal year 2022, as compared to the prior fiscal year, primarily driven by an increase in sales as a result of the Merger, as well as product and customer mix.

The increase in gross margin during fiscal year 2022, as compared to fiscal year 2021, is primarily due to product and customer mix.

### ***Selling, General and Administrative Expenses***

|  | Fiscal Years Ended November 30, |              | Percent Change |
|--|---------------------------------|--------------|----------------|
|  | 2022                            | 2021         | 2022 to 2021   |
|  | (in thousands)                  |              |                |
| Selling, general and administrative expenses | \$ 2,627,007                    | \$ 1,154,166 | 127.6 %        |
| Percentage of revenue                        | 4.21 %                          | 3.65 %       |                |

Our selling, general and administrative expenses consist primarily of personnel costs such as salaries, commissions, bonuses, share-based compensation and temporary personnel costs. Selling, general and administrative expenses also include cost of warehouses, delivery centers and other non-integration facilities, utility expenses, legal and professional fees, depreciation on certain of our capital equipment, bad debt expense, amortization of our intangible assets, and marketing expenses, offset in part by reimbursements from our OEM suppliers.

Selling, general and administrative expenses increased in fiscal year 2022, compared to fiscal year 2021, primarily due to an increase in personnel costs resulting from the Merger and an increase in amortization of intangible assets acquired in connection with the Merger. Selling, general and administrative expenses increased as a percentage of revenue, compared to the prior year period, primarily due to the impact of the Merger including an increase in personnel costs and amortization of intangible assets.

### ***Acquisition, Integration and Restructuring Costs***

Acquisition, integration and restructuring costs are primarily comprised of costs related to the Merger and costs related to the Global Business Optimization 2 Program initiated by Tech Data prior to the Merger (the “GBO 2 Program”).

#### ***The Merger***

We incurred acquisition, integration and restructuring costs related to the completion of the Merger, including professional services costs, personnel and other costs, long-lived assets charges and stock-based compensation expense. Professional services costs are primarily comprised of IT and other consulting services, as well as legal expenses. Personnel and other costs are primarily comprised of costs related to retention and other bonuses, severance and duplicative labor costs, as well as costs related to the settlement of certain outstanding long-term cash incentive awards for Tech Data upon closing of the Merger. Long-lived asset charges for fiscal year 2022 are primarily comprised of accelerated depreciation and amortization expense of \$64.4 million due to changes in asset useful lives in conjunction with the consolidation of certain IT systems, as well as impairment charges. Long-lived asset charges for fiscal year 2021 represent an impairment charge of \$22.2 million recorded for the write-off of capitalized costs associated with Tech Data’s tdONE program in conjunction with the decision to consolidate certain IT systems. Stock-based compensation expense primarily relates to costs associated with the conversion of certain Tech Data performance-based equity awards issued prior to the Merger into restricted shares of TD SYNEX (refer to [Note 6](#) – Share-Based Compensation to the Consolidated Financial Statements for further information) and expenses for certain restricted stock awards issued in conjunction with the Merger.

To date, acquisition and integration expenses related to the Merger were composed of the following:

|                             | Fiscal Years Ended November 30, |                  |
|-----------------------------|---------------------------------|------------------|
|                             | 2022                            | 2021             |
|                             | (in thousands)                  |                  |
| Professional services costs | \$ 29,352                       | \$ 22,288        |
| Personnel and other costs   | 40,220                          | 33,716           |
| Long-lived assets charges   | 69,053                          | 22,166           |
| Stock-based compensation    | 52,171                          | 20,113           |
| Total                       | <u>\$ 190,796</u>               | <u>\$ 98,283</u> |

During fiscal 2022, acquisition and integration expenses related to the Merger increased, compared to the prior year period, due to the timing of the Merger as it was completed on September 1, 2021.

#### *GBO 2 Program*

Prior to the Merger, Tech Data implemented its GBO 2 Program, that includes investments to optimize and standardize processes and apply data and analytics to be more agile in a rapidly evolving environment, increasing productivity, profitability and optimizing net-working capital. TD SYNEX continued this program in conjunction with the Company's integration activities. Acquisition, integration and restructuring expenses related to the GBO 2 Program are primarily comprised of restructuring costs and other costs. Restructuring costs are comprised of severance costs and other associated exit costs, including certain consulting costs. Other costs are primarily comprised of personnel costs, facilities costs and certain professional services fees not related to restructuring activities.

Acquisition, integration and restructuring costs under the GBO 2 Program for fiscal years 2022 and 2021 included the following:

|                     | Fiscal Years Ended November 30, |                  |
|---------------------|---------------------------------|------------------|
|                     | 2022                            | 2021             |
|                     | (in thousands)                  |                  |
| Restructuring costs | \$ 21,872                       | \$ 8,709         |
| Other costs         | 9,652                           | 5,158            |
| Total               | <u>\$ 31,524</u>                | <u>\$ 13,867</u> |

Restructuring costs under the GBO 2 Program for fiscal 2022 and 2021 were composed of the following:

|                  | Fiscal Years Ended November 30, |                 |
|------------------|---------------------------------|-----------------|
|                  | 2022                            | 2021            |
|                  | (in thousands)                  |                 |
| Severance        | \$ 7,445                        | \$ 2,893        |
| Other exit costs | 14,427                          | 5,816           |
| Total            | <u>\$ 21,872</u>                | <u>\$ 8,709</u> |

Restructuring costs related to the GBO 2 Program by segment are as follows:

|          | Fiscal Years Ended November 30, |                 |
|----------|---------------------------------|-----------------|
|          | 2022                            | 2021            |
|          | (in thousands)                  |                 |
| Americas | \$ 5,666                        | \$ 2,658        |
| Europe   | 15,737                          | 5,746           |
| APJ      | 469                             | 305             |
| Total    | <u>\$ 21,872</u>                | <u>\$ 8,709</u> |

During fiscal 2022, restructuring costs under the GBO 2 Program increased, compared to the prior year period, due to the timing of the Merger as it was completed on September 1, 2021. The GBO 2 Program was not applicable to the Consolidated Financial Statements prior to the Merger.

### ***Operating Income***

|                  | <b>Fiscal Years Ended November 30,</b> |             | <b>Percent Change</b> |
|------------------|--|-------------|-----------------------|
|                  | <b>2022</b>                            | <b>2021</b> | <b>2022 to 2021</b>   |
|                  | <b>(in thousands)</b>                  |             |                       |
| Operating income | \$ 1,050,873                           | \$ 623,218  | 68.6 %                |
| Operating margin | 1.69 %                                 | 1.97 %      |                       |

Operating income increased during fiscal year 2022, compared to fiscal year 2021, primarily due to increased sales as a result of the Merger and an increase in gross margin primarily due to product and customer mix, partially offset by an increase in personnel costs resulting from the Merger, an increase in amortization of intangible assets acquired in connection with the Merger and an increase in acquisition, integration and restructuring costs. Operating margin decreased due to an increase in personnel costs resulting from the Merger, an increase in amortization of intangible assets acquired in connection with the Merger and an increase in acquisition, integration and restructuring costs, partially offset by an increase in gross margin primarily due to product and customer mix.

### ***Interest Expense and Finance Charges, Net***

|   | <b>Fiscal Years Ended November 30,</b> |             | <b>Percent Change</b> |
|---|--|-------------|-----------------------|
|   | <b>2022</b>                            | <b>2021</b> | <b>2022 to 2021</b>   |
|   | <b>(in thousands)</b>                  |             |                       |
| Interest expense and finance charges, net | \$ 222,578                             | \$ 157,835  | 41.0 %                |
| Percentage of revenue                     | 0.36 %                                 | 0.50 %      |                       |

Amounts recorded in interest expense and finance charges, net, consist primarily of interest expense paid on our Senior Notes, our lines of credit, our term loans and our accounts receivable securitization facilities, and fees associated with the sale of accounts receivable, partially offset by income earned on our cash investments. Additionally, interest expense during fiscal year 2021 included approximately \$47 million of acquisition and integration related financing costs primarily related to a commitment for a bridge loan facility obtained in March 2021 which was terminated as the permanent financing sources for the Merger were obtained or entered into.

The increase in our interest expense and finance charges net, during fiscal year 2022, compared to fiscal year 2021, was primarily due to an increase in interest expense from higher average outstanding borrowings as well as higher average interest rates, and increased costs associated with the sale of accounts receivable due to higher discount fees and higher volume of accounts receivable sold, partially offset by the \$47 million of acquisition and integration related financing costs in fiscal year 2021.

### ***Other (Expense) Income, Net***

|                             | <b>Fiscal Years Ended November 30,</b> |             | <b>Percent Change</b> |
|-----------------------------|--|-------------|-----------------------|
|                             | <b>2022</b>                            | <b>2021</b> | <b>2022 to 2021</b>   |
|                             | <b>(in thousands)</b>                  |             |                       |
| Other (expense) income, net | \$ (1,165)                             | \$ 1,102    | (205.7)%              |
| Percentage of revenue       | 0.00 %                                 | 0.00 %      |                       |

Amounts recorded as other (expense) income, net include certain foreign currency transaction gains and losses on certain financing transactions and the related derivative instruments used to hedge such financing transactions, the cost of hedging, investment gains and losses, and other non-operating gains and losses, such as settlements received from class action lawsuits.

Other (expense) income, net increased during fiscal year 2022, compared to fiscal year 2021, primarily due to increased costs for foreign exchange hedges coupled with an expanded program and a gain on sale of an investment in the prior year, partially offset by a decrease in our accrual during fiscal year 2022 for a legal matter in France of \$10.8 million. For further discussion of this legal matter, please refer to [Note 18](#) - Commitments and Contingencies to the Consolidated Financial Statements included in Part II, Item 8 of this Report.

***Provision for Income Taxes***

|  | <b>Fiscal Years Ended November 30,</b> |             | <b>Percent Change</b> |
|--|--|-------------|-----------------------|
|  | <b>2022</b>                            | <b>2021</b> | <b>2022 to 2021</b>   |
|  | <b>(in thousands)</b>                  |             |                       |
| Provision for income taxes               | \$ 175,823                             | \$ 71,416   | 146.2 %               |
| Percentage of income before income taxes | 21.26 %                                | 15.31 %     |                       |

Income taxes consist of our current and deferred tax expense resulting from our income earned in domestic and foreign jurisdictions.

Our income tax expense increased during the fiscal year ended November 30, 2022, as compared to the prior year, due to the increase in income before income taxes, as well as a lower capital loss carryback benefit. The effective tax rate for fiscal year 2022 was higher when compared to the prior year primarily due to the lower capital loss carryback benefit, partially offset by the impact of the relative mix of earnings and losses within the taxing jurisdictions in which we operate.

In connection with the Merger, the Company restructured its foreign financing structure, as well as select legal entities in anticipation of legally integrating legacy Tech Data and SYNEX foreign operations. In addition to the treasury efficiencies, these restructurings resulted in a one-time domestic capital loss which would offset certain domestic capital gains when carried back under United States tax law to tax year 2020, resulting in a tax benefit of \$45.0 million during fiscal year 2021. In fiscal year 2022, we recorded additional tax benefits of \$8.3 million related to the capital loss carryback.

## Liquidity and Capital Resources

### Cash Conversion Cycle

|                                    |  | Three Months Ended     |                      |
|------------------------------------|--|------------------------|----------------------|
|                                    |  | November 30,<br>2022   | November 30,<br>2021 |
|                                    |  | (Amounts in thousands) |                      |
| Days sales outstanding ("DSO")     |  |                        |                      |
| Revenue                            | (a)  | \$ 16,247,957          | \$ 15,611,266        |
| Accounts receivable, net           | (b)  | 9,420,999              | 8,310,032            |
|                                    | (c) = ((b)/(a))*the<br>number of days<br>during the period | 53                     | 48                   |
| Days sales outstanding             |  |                        |                      |
| Days inventory outstanding ("DIO") |  |                        |                      |
| Cost of revenue                    | (d)  | \$ 15,188,238          | \$ 14,668,096        |
| Inventories                        | (e)  | 9,066,620              | 6,642,915            |
|                                    | (f) = ((e)/(d))*the<br>number of days<br>during the period | 54                     | 41                   |
| Days inventory outstanding         |  |                        |                      |
| Days payable outstanding ("DPO")   |  |                        |                      |
| Cost of revenue                    | (g)  | \$ 15,188,238          | \$ 14,668,096        |
| Accounts payable                   | (h)  | 13,988,980             | 12,034,946           |
|                                    | (i) = ((h)/(g))*the<br>number of days<br>during the period | 84                     | 75                   |
| Days payable outstanding           |  |                        |                      |
| Cash conversion cycle ("CCC")      |  |                        |                      |
|                                    | (j) = (c)+(f)-(i)  | 23                     | 14                   |

### Cash Flows

Our business is working capital intensive. Our working capital needs are primarily to finance accounts receivable and inventory. We rely heavily on term loans, sales of accounts receivable, our securitization programs, our revolver programs and trade credit from vendors for our working capital needs. We have financed our growth and cash needs to date primarily through cash generated from operations and financing activities. As a general rule, when sales volumes are increasing, our net investment in working capital dollars typically increases, which generally results in decreased cash flow generated from operating activities. Conversely, when sales volumes decrease, our net investment in working capital dollars typically decreases, which generally results in increases in cash flows generated from operating activities. We calculate CCC as days of the last fiscal quarter's revenue outstanding in accounts receivable plus days of supply on hand in inventory, less days of the last fiscal quarter's cost of revenue outstanding in accounts payable. Our CCC was 23 days and 14 days at the end of fiscal years 2022 and 2021, respectively. The increase in fiscal year 2022, compared to fiscal year 2021, was primarily due to our DIO, which was impacted by an increase in inventory to support growth in our business and supply chain constraints, partially offset by a corresponding increase in our DPO.

To increase our market share and better serve our customers, we may further expand our operations through investments or acquisitions. We expect that such expansion would require an initial investment in working capital, personnel, facilities and operations. These investments or acquisitions would likely be funded primarily by our existing cash and cash equivalents, additional borrowings, or the issuance of securities.

### *Operating Activities*

Net cash used in operating activities was \$49.6 million during fiscal year 2022, primarily due to an increase in inventories and accounts receivable driven by growth in our business, partially offset by an increase in accounts payable due to timing of payments and increased net income.

Net cash provided by operating activities was \$809.8 million during fiscal year 2021, primarily due to net income and an increase in accounts payable due to the timing of payments, including the impact of the Merger. These cash inflows were partially offset by an increase in inventory and accounts receivable driven by growth in our business, including the impact of the Merger.

The significant components of our investing and financing cash flow activities are listed below.

### *Investing Activities*

2022

- \$117.0 million related to infrastructure investments.

2021

- \$907.1 million in net cash paid related to the Merger.
- \$54.9 million related to infrastructure investments.

### *Financing Activities*

2022

- Dividends of \$114.9 million paid.
- Share repurchases under the share repurchase program of \$125.0 million.
- Net repayments of borrowings of \$32.1 million.

2021

- Proceeds of \$2.5 billion for issuance of Senior Notes to finance the Merger.
- Repayment of approximately \$2.6 billion of debt of Tech Data paid off substantially concurrent with the closing of the Merger.
- \$149.9 million net transfer of cash and cash equivalents to Concentrix Corporation in connection with the Separation.
- Dividends of \$50.3 million paid.
- Debt issuance costs of \$42.3 million paid.

We believe our current cash balances, cash flows from operations and credit availability are sufficient to support our operating activities for at least the next twelve months.

### *Capital Resources*

Our cash and cash equivalents totaled \$522.6 million and \$994.0 million as of November 30, 2022 and 2021, respectively. Our cash and cash equivalents held by international subsidiaries are no longer subject to U.S. federal tax on repatriation into the United States. Repatriation of some foreign balances is restricted by local laws. Historically, we have fully utilized and reinvested all foreign cash to fund our foreign operations and expansion. If in the future our intentions change, and we repatriate the cash back to the United States, we will report in our consolidated financial statements the impact of state and withholding taxes depending upon the planned timing and manner of such repatriation. Presently, we believe we have sufficient resources, cash flow and liquidity within the United States to fund current and expected future working capital, investment and other general corporate funding requirements.

We believe that our available cash and cash equivalents balances, the cash flows expected to be generated from operations and our existing sources of liquidity, will be sufficient to satisfy our current and planned working capital and investment needs, for the next twelve months in all geographies. We also believe that our longer-term working capital, planned capital expenditures, anticipated stock repurchases, dividend payments and other general corporate funding requirements will be satisfied through cash flows from operations and, to the extent necessary, from our borrowing facilities and future financial market activities.

### *Credit Facilities and Borrowings*

In the United States, we have an accounts receivable securitization program to provide additional capital for our operations (the "U.S. AR Arrangement"). Under the terms of the U.S. AR Arrangement, we and our subsidiaries that are party to the U.S. AR Arrangement can borrow up to a maximum of \$1.5 billion based upon eligible trade accounts receivable. The U.S. AR Arrangement has a maturity date of December 2024. We are also party to a credit agreement, dated as of April 16, 2021 (the "TD SYNEX Credit Agreement"), pursuant to which we received commitments for the extension of a senior unsecured revolving credit facility not to exceed an aggregate principal amount of \$3.5 billion, which revolving credit facility (the "TD SYNEX revolving credit facility") may, at our request but subject to the lenders' discretion, potentially be increased by up to an aggregate amount of \$500.0 million. The TD SYNEX Credit Agreement also includes a \$1.5 billion term loan facility that was fully funded in connection with the Merger. The TD SYNEX Credit Agreement has a maturity date of September 2026, in the case of the TD SYNEX revolving credit facility, subject to two one-year extensions upon our prior notice to the lenders and the agreement of the lenders to extend such maturity date. The outstanding amount of our borrowings under the U.S. AR Arrangement and the TD SYNEX revolving credit facility may fluctuate in response to changes in our working capital and other liquidity requirements. There were no amounts outstanding under the U.S. AR Arrangement and the TD SYNEX revolving credit facility at November 30, 2022 and 2021.

We have various other committed and uncommitted lines of credit with financial institutions, accounts receivable securitization arrangements, finance leases, short-term loans, term loans, credit facilities and book overdraft facilities, totaling approximately \$574.9 million in borrowing capacity as of November 30, 2022. Our borrowings on these facilities vary within the period primarily based on changes in our working capital. There was \$193.1 million outstanding on these facilities at November 30, 2022, at a weighted average interest rate of 4.69%, and there was \$106.3 million outstanding at November 30, 2021, at a weighted average interest rate of 4.59%.

Historically, we have renewed our accounts receivable securitization program and our parent company credit facilities on, or prior to, their respective expiration dates. We have no reason to believe that these and other arrangements will not be renewed or replaced as we continue to be in good credit standing with the participating financial institutions. We have had similar borrowing arrangements with various financial institutions throughout our years as a public company.

Our credit facilities have a number of covenants and restrictions that require us to maintain specified financial ratios. They also limit our (or our subsidiaries', as applicable) ability to incur additional debt or liens, enter into agreements with affiliates, modify the nature of our business, and merge or consolidate. As of November 30, 2022, we were in compliance with the financial covenant requirements for the above arrangements.

We had total outstanding borrowings of approximately \$4.1 billion as of November 30, 2022 and 2021. Our outstanding borrowings include Senior Notes of \$2.5 billion at November 30, 2022 and 2021, and term loans under the term loan facility of the TD SYNEX Credit Agreement of \$1.4 billion and \$1.5 billion at November 30, 2022 and 2021, respectively. For additional information on our borrowings, see [Note 11](#) - Borrowings to the Consolidated Financial Statements included in Part II, Item 8 of this Report.

### *Accounts Receivable Purchase Agreements*

We have uncommitted supply-chain financing programs under which trade accounts receivable owed by certain customers may be acquired, without recourse, by certain financial institutions. Available capacity under these programs is dependent upon the level of our trade accounts receivable eligible to be sold into these programs and the financial institutions' willingness to purchase such receivables. In addition, certain of these programs also require that we continue to service, administer and collect the sold accounts receivable. At November 30, 2022 and 2021, we had a total of \$1.4 billion and \$759.9 million, respectively, of trade accounts receivable sold to and held by financial institutions under these programs. Discount fees for these programs in the years ended November 30, 2022 and 2021 totaled \$26.2 million and \$4.7 million, respectively.

### **Contractual Obligations**

We are contingently liable under agreements, without expiration dates, to repurchase repossessed inventory acquired by flooring companies as a result of default on floor plan financing arrangements by our customers. There have been no material repurchases through November 30, 2022 under these agreements and we are not aware of any pending customer defaults or repossession obligations. As we do not have access to information regarding the amount of inventory purchased from us still on hand with the customer at any point in time, our repurchase obligations relating to inventory cannot be reasonably estimated.

## Critical Accounting Policies and Estimates

The discussions and analysis of our consolidated financial condition and results of operations are based on our Consolidated Financial Statements, which have been prepared in conformity with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. On an ongoing basis, we review and evaluate our estimates and assumptions. Our estimates are based on our historical experience and a variety of other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making our judgment about the carrying values of assets and liabilities that are not readily available from other sources. Actual results could differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies involve the more significant judgments, estimates and/or assumptions used in the preparation of our Consolidated Financial Statements.

### *Revenue Recognition.*

We generate revenue primarily from the sale of various IT products.

We recognize revenues from the sale of IT hardware and software as control is transferred to customers, which is at the point in time when the product is shipped or delivered. We account for a contract with a customer when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of collection. Binding purchase orders from customers together with agreement to our terms and conditions of sale by way of an executed agreement or other signed documents are considered to be the contract with a customer. Products sold by us are delivered via shipment from our facilities, drop-shipment directly from the vendor, or by electronic delivery of software products. In situations where arrangements include customer acceptance provisions, revenue is recognized when we can objectively verify the products comply with specifications underlying acceptance and the customer has control of the products. Revenue is presented net of taxes collected from customers and remitted to government authorities. We generally invoice a customer upon shipment, or in accordance with specific contractual provisions. Payments are due as per contract terms and do not contain a significant financing component. Service revenues represents less than 10% of the total revenue for the periods presented.

Provisions for sales returns and allowances are estimated based on historical data and are recorded concurrently with the recognition of revenue. A liability is recorded at the time of sale for estimated product returns based upon historical experience and an asset is recognized for the amount expected to be recorded in inventory upon product return. These provisions are reviewed and adjusted periodically. Revenue is reduced for early payment discounts and volume incentive rebates offered to customers, which are considered variable consideration, at the time of sale based on an evaluation of the contract terms and historical experience.

We recognize revenue on a net basis on certain contracts, where our performance obligation is to arrange for the products or services to be provided by another party or the rendering of logistics services for the delivery of inventory for which we do not assume the risks and rewards of ownership, by recognizing the margins earned in revenue with no associated cost of revenue. Such arrangements include supplier service contracts, post-contract software support services, cloud computing and software as a service arrangements, certain fulfillment contracts and extended warranty contracts.

We consider shipping and handling activities as costs to fulfill the sale of products. Shipping revenue is included in revenue when control of the product is transferred to the customer, and the related shipping and handling costs are included in cost of revenue.

### *Business Combinations.*

We allocate the fair value of purchase consideration to the assets acquired, liabilities assumed, and noncontrolling interests in the acquiree generally based on their fair values at the acquisition date. The excess of the fair value of purchase consideration over the fair value of these assets acquired, liabilities assumed and noncontrolling interests in the acquiree is recorded as goodwill and may involve engaging independent third-parties to perform an appraisal. When determining the fair values of assets acquired, liabilities assumed, and noncontrolling interests in the acquiree, we make significant estimates and assumptions, especially with respect to intangible assets. Critical estimates in valuing intangible assets include, but are not limited to, expected future cash flows, which includes consideration of future growth rates and margins, attrition rates, and discount rates. Fair value estimates are based on the assumptions we believe a market participant would use in pricing the asset or liability. Amounts recorded in a business combination may change during the

measurement period, which is a period not to exceed one year from the date of acquisition, as additional information about conditions existing at the acquisition date becomes available.

#### *Goodwill, intangible assets and long-lived assets*

The values assigned to intangible assets include estimates and judgment regarding expectations for the length of customer relationships acquired in a business combination. Included within intangible assets is an indefinite lived trade name intangible asset. Our indefinite lived trade name intangible asset is considered a single unit of accounting and is tested for impairment at the consolidated level annually as of September 1, and more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. No impairment of our indefinite lived trade name intangible asset has been identified for any of the periods presented. Other purchased intangible assets are amortized over the useful lives based on estimates of the use of the economic benefit of the asset or on the straight-line amortization method.

We allocate goodwill to reporting units based on the reporting unit expected to benefit from the business combination and test for impairment annually as of September 1, or more frequently if events or changes in circumstances indicate that it may be impaired. Goodwill is tested for impairment at the reporting unit level by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. The factors that are considered in the qualitative analysis include macroeconomic conditions, industry and market considerations, cost factors such as increases in product cost, labor, or other costs that would have a negative effect on earnings and cash flows; and other relevant entity-specific events and information. We also have the option to bypass the qualitative assessment for any reporting unit in any period.

If the reporting unit does not pass or we choose to bypass the qualitative assessment, then the reporting unit's carrying value is compared to its fair value. The fair values of the reporting units are estimated using market and discounted cash flow approaches. The assumptions used in the market approach are based on the value of a business through an analysis of sales and other multiples of guideline companies and recent sales or offerings of a comparable entity. The assumptions used in the discounted cash flow approach are based on historical and forecasted revenue, operating costs, working capital requirements, future economic conditions, discount rates, and other relevant factors. The assumptions used in the market and discounted cash flow approaches include inherent uncertainty and actual results could differ from these estimates. Goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value and the excess is recognized as an impairment loss.

We performed our annual goodwill impairment test as of September 1, 2022 and chose to bypass the qualitative assessment for all reporting units and proceed directly to the quantitative assessment, which indicated that the estimated fair values of our Europe and APJ reporting units exceeded their carrying values by approximately 6% and 9%, respectively. The goodwill allocated to our Europe and APJ reporting units as of November 30, 2022 was approximately \$1.3 billion and \$74.8 million, respectively. If actual results in our Europe or APJ reporting units are substantially lower than the projections used in our valuation methodology, if market discount rates substantially increase or our market capitalization substantially decreases, our future valuations could be adversely affected, potentially resulting in a future impairment.

We review the recoverability of our long-lived assets, such as finite-lived intangible assets, property and equipment and certain other assets, when events or changes in circumstances occur that indicate the carrying value of the asset or asset group may not be recoverable. The assessment of possible impairment is based on our ability to recover the carrying value of the asset or asset group from the expected future pre-tax cash flows, undiscounted and without interest charges, of the related operations. If these cash flows are less than the carrying value of such assets, an impairment loss is recognized for the difference between estimated fair value and carrying value.

#### *Income taxes*

The asset and liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts in the financial statements using enacted tax rates and laws that will be in effect when the difference is expected to reverse. Tax on global low-taxed intangible income is accounted for as a current expense in the period in which the income is included in a tax return using the "period cost" method. Valuation allowances are provided against deferred tax assets that are not likely to be realized.

We recognize tax benefits from uncertain tax positions only if that tax position is more likely than not to be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits

recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. We recognize interest and penalties related to unrecognized tax benefits in the provision for income taxes.

### **Related Party Transactions**

For a summary of related party transactions, see [Note 14](#) - Related Party Transactions to the Consolidated Financial Statements included in Part II, Item 8 of this Report.

### **Recently Issued Accounting Pronouncements**

For a summary of recent accounting pronouncements and the anticipated effects on our consolidated financial statements see [Note 2](#) - Summary of Significant Accounting Policies to the Consolidated Financial Statements included in Part II, Item 8 of this Report.

### **Item 7A. *Quantitative and Qualitative Disclosures about Market Risk***

#### **Foreign Currency Risk**

We are exposed to foreign currency risk in the ordinary course of business. We manage cash flow exposures for our major countries and the foreign currency impact of assets and liabilities denominated in non-functional currencies using a combination of forward contracts. Principal currencies hedged are the Australian dollar, Brazilian real, British pound, Canadian dollar, Chinese yuan, Czech koruna, Danish krone, Euro, Indian rupee, Indonesian rupiah, Japanese yen, Mexican peso, Norwegian krone, Philippine peso, Polish zloty, Singapore dollar, Swedish krona, Swiss franc and Turkish lira. We do not hold or issue derivative financial instruments for trading purposes.

In order to provide an assessment of our foreign currency exchange rate risk, we performed an analysis using a value-at-risk (“VaR”) model. The VaR model uses a Monte Carlo simulation to generate 1,000 random market price paths. The VaR model determines the potential impact of the fluctuation in foreign exchange rates assuming a one-day holding period, normal market conditions and a 95% confidence level. The model is not intended to represent actual losses but is used as a risk estimation and management tool. Firm commitments, assets and liabilities denominated in foreign currencies were excluded from the model. The estimated maximum potential one-day loss in fair value, calculated using the VaR model, would be approximately \$7.4 million and \$3.8 million at November 30, 2022 and 2021, respectively. We believe that the hypothetical loss in fair value of our foreign exchange derivatives would be offset by the gains in the value of the underlying transactions being hedged. Actual future gains and losses associated with our derivative positions may differ materially from the analyses performed as of November 30, 2022, due to the inherent limitations associated with predicting the changes in foreign currency exchange rates and our actual exposures and positions.

#### **Interest Rate Risk**

We are also exposed to changes in interest rates primarily as a result of our debt used to provide liquidity and to finance working capital, capital expenditures, and acquisitions. Our interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to minimize overall borrowing costs. To achieve our objective, we use a combination of fixed and variable rate debt. The nature and amount of our long-term and short-term debt can be expected to vary as a result of future business requirements, market conditions and other factors.

Certain of our borrowing facilities and securitization arrangements are variable-rate obligations and expose us to interest rate risks. As of November 30, 2022, we had approximately \$1.4 billion of outstanding term loan debt subject to variable interest rates and our subsidiaries had approximately \$192.3 million in the aggregate outstanding under debt facilities subject to variable interest rates. Certain of our other borrowing facilities and securitization arrangements are variable-rate obligations and expose us to interest rate risks. The outstanding amount of our borrowings under these facilities may fluctuate in response to changes in our working capital and other liquidity requirements. To the extent that there are changes in interest rates, the interest expense on our variable rate debt may fluctuate. Additionally, discount fees paid to sell accounts receivable under our accounts receivable purchase agreements are impacted by changes in interest rates and expose us to interest rate risks.

To manage interest rate risk on our U.S. dollar-denominated floating-rate debt, we have also entered into interest rate swaps with aggregate notional amounts of \$1.0 billion and \$1.5 billion as of November 30, 2022 and 2021, respectively, which effectively converted a portion of the floating rate debt to a fixed interest rate. All of our interest rate swaps as of November 30, 2022 are accounted for as cash flow hedges.

A one percentage point (100 basis point) variation in average interest rates would have an impact on annual interest expense of \$6.2 million based on the Company's outstanding unhedged variable rate debt at November 30, 2022.

**Equity Price Risk**

The equity price risk associated with our marketable equity securities as of November 30, 2022 and 2021 is not material in relation to our consolidated financial position, results of operations or cash flows. Marketable equity securities include shares of common stock and are recorded at fair market value based on quoted market prices. Gains and losses on marketable equity securities are included in earnings.

**Item 8. *Financial Statements and Supplementary Data***

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Financial statement schedules not listed above are either omitted because they are not applicable or the required information is shown in the Consolidated Financial Statements or in the Notes thereto.

## **Management's Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of ours are being made only in accordance with authorizations of management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this assessment, our management concludes that, as of November 30, 2022, our internal control over financial reporting was effective at the reasonable assurance level based on those criteria.

The effectiveness of our internal control over financial reporting as of November 30, 2022 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which appears on page 52 of this Report.

## Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors  
TD SYNEX Corporation:

### *Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting*

We have audited the accompanying consolidated balance sheets of TD SYNEX Corporation and subsidiaries (the Company) as of November 30, 2022 and 2021, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended November 30, 2022, and the related notes and financial statement Schedule II - Valuation and Qualifying Accounts (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of November 30, 2022, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of November 30, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended November 30, 2022, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of November 30, 2022 based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

### *Basis for Opinions*

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### *Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### *Critical Audit Matters*

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

#### *Sufficiency of audit evidence over revenue*

As discussed in Note 13 to the consolidated financial statements, and presented in the consolidated statements of operations, the Company reported revenue of \$62,343,810 thousand for the fiscal year ended November 30, 2022.

We identified the evaluation of the sufficiency of audit evidence over revenue as a critical audit matter. The geographical dispersion of distribution and administrative facilities required especially subjective auditor judgment in determining the nature and extent of procedures to perform and in evaluating those procedures.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over revenue, including the determination of the locations at which those procedures were to be performed. For certain locations we evaluated the design and tested the operating effectiveness of certain internal controls related to the recognition of revenue. For the Americas and Europe segments, we performed a software-assisted data analysis at a transactional level to identify higher risk revenue entries to test. We tested the identified higher risk revenue transactions during the year by comparing the amounts recognized by the Company to relevant underlying documentation such as contracts, shipping documents, or other third-party evidence. For the APJ segment, we then tested samples of revenue transactions during the year by comparing the amounts recognized by the Company to relevant underlying documentation such as contracts, shipping documents, or other third-party evidence. We investigated a selection of journal entries that were made by the Company to adjust revenue. We evaluated the sufficiency of the audit evidence obtained over revenue by assessing the results of the procedures performed, including the appropriateness of the determination of locations to perform procedures.

#### *Fair value of the Europe reporting unit*

As discussed in Notes 2 and 8 to the consolidated financial statements, the Company tests goodwill for impairment annually as of September 1, or more frequently if events or changes in circumstances indicate that it may be impaired. The Company performed its annual goodwill impairment test as of September 1, 2022 and chose to bypass the qualitative assessment for all reporting units and proceed directly to the quantitative assessment. The quantitative assessment indicated that the estimated fair value of the Europe reporting unit exceeded its carrying value by approximately 6%. The goodwill allocated to the Europe reporting unit as of November 30, 2022 was \$1,277,226 thousand.

We identified the evaluation of the fair value of the Europe reporting unit as a critical audit matter. A higher degree of subjective auditor judgment was required to evaluate certain assumptions used in the Company's estimate of the fair value of the Europe reporting unit. Specifically, the Company's determination of the forecasted revenue growth rates and discount rate required subjective and challenging auditor judgment. Minor changes to these assumptions, either individually or in aggregate, could have a significant effect on the Company's assessment of the fair value of the Europe reporting unit. Additionally, the audit effort associated with the discount rate required specialized skills and knowledge.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's goodwill impairment assessment process, including controls related to the determination of the forecasted revenue growth rates and discount rate used to estimate the fair value of the Europe reporting unit. To assess the Company's ability to forecast revenues, we compared the Europe reporting unit's historical revenue forecasts to actual revenues. We also evaluated the forecasted revenue growth rates by comparing them to the Company's peers and industry reports. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the discount rate by (i) comparing the inputs of the weighted average cost of capital to available market data for comparable entities and (ii) evaluating the reasonableness of the inputs and assumptions by assessing the methodology used by the Company.

/s/ KPMG LLP

We have served as the Company's auditor since 2012.

Santa Clara, California

January 23, 2023

**TD SYNnex CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(currency and share amounts in thousands, except par value)

|  | November 30,<br>2022 | November 30,<br>2021 |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| <b>Current assets:</b>   |                      |                      |
| Cash and cash equivalents  | \$ 522,604           | \$ 993,973           |
| Accounts receivable, net   | 9,420,999            | 8,310,032            |
| Receivables from vendors, net  | 819,135              | 1,118,963            |
| Inventories  | 9,066,620            | 6,642,915            |
| Other current assets   | 671,507              | 668,261              |
| Total current assets   | 20,500,865           | 17,734,144           |
| Property and equipment, net  | 421,064              | 483,443              |
| Goodwill   | 3,803,850            | 3,917,276            |
| Intangible assets, net   | 4,422,877            | 4,913,124            |
| Other assets, net  | 585,342              | 618,393              |
| Total assets   | <u>\$ 29,733,998</u> | <u>\$ 27,666,380</u> |
| <b>LIABILITIES AND EQUITY</b>  |                      |                      |
| <b>Current liabilities:</b>  |                      |                      |
| Borrowings, current  | \$ 268,128           | \$ 181,256           |
| Accounts payable   | 13,988,980           | 12,034,946           |
| Other accrued liabilities  | 2,171,613            | 2,017,253            |
| Total current liabilities  | 16,428,721           | 14,233,455           |
| Long-term borrowings   | 3,835,665            | 3,955,176            |
| Other long-term liabilities  | 501,856              | 556,134              |
| Deferred tax liabilities   | 942,250              | 1,015,640            |
| Total liabilities  | 21,708,492           | 19,760,405           |
| Commitments and contingencies (Note 18)  |                      |                      |
| Stockholders' equity:  |                      |                      |
| Preferred stock, \$0.001 par value, 5,000 shares authorized, no shares issued or outstanding   | —                    | —                    |
| Common stock, \$0.001 par value, 200,000 shares authorized, 98,696 and 98,204 shares issued as of November 30, 2022 and 2021, respectively | 99                   | 98                   |
| Additional paid-in capital   | 7,374,100            | 7,271,337            |
| Treasury stock, 4,049 and 2,633 shares as of November 30, 2022 and 2021, respectively  | (337,217)            | (201,139)            |
| Accumulated other comprehensive loss   | (719,710)            | (336,194)            |
| Retained earnings  | 1,708,234            | 1,171,873            |
| Total stockholders' equity   | 8,025,506            | 7,905,975            |
| Total liabilities and equity   | <u>\$ 29,733,998</u> | <u>\$ 27,666,380</u> |

(Amounts may not add due to rounding)

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

**TD SYNnex CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(currency and share amounts in thousands, except per share amounts)

|   | Fiscal Years Ended November 30, |                   |                   |
|---|---------------------------------|-------------------|-------------------|
|   | 2022                            | 2021              | 2020              |
| Revenue   | \$ 62,343,810                   | \$ 31,614,169     | \$ 19,977,150     |
| Cost of revenue                                       | (58,443,611)                    | (29,724,635)      | (18,783,292)      |
| Gross profit  | 3,900,199                       | 1,889,534         | 1,193,858         |
| Selling, general and administrative expenses          | (2,627,007)                     | (1,154,166)       | (665,102)         |
| Acquisition, integration and restructuring costs      | (222,319)                       | (112,150)         | (7,414)           |
| Operating income                                      | 1,050,873                       | 623,218           | 521,341           |
| Interest expense and finance charges, net             | (222,578)                       | (157,835)         | (79,023)          |
| Other (expense) income, net                           | (1,165)                         | 1,102             | (6,172)           |
| Income from continuing operations before income taxes | 827,130                         | 466,485           | 436,146           |
| Provision for income taxes                            | (175,823)                       | (71,416)          | (101,609)         |
| Income from continuing operations                     | 651,307                         | 395,069           | 334,538           |
| Income from discontinued operations, net of taxes     | —                               | —                 | 194,622           |
| Net income  | <u>\$ 651,307</u>               | <u>\$ 395,069</u> | <u>\$ 529,160</u> |
| Earnings per common share:                            |                                 |                   |                   |
| Basic   |                                 |                   |                   |
| Continuing operations                                 | \$ 6.79                         | \$ 6.28           | \$ 6.50           |
| Discontinued operations                               | —                               | —                 | 3.78              |
| Net income  | <u>\$ 6.79</u>                  | <u>\$ 6.28</u>    | <u>\$ 10.28</u>   |
| Diluted   |                                 |                   |                   |
| Continuing operations                                 | \$ 6.77                         | \$ 6.24           | \$ 6.46           |
| Discontinued operations                               | —                               | —                 | 3.76              |
| Net income  | <u>\$ 6.77</u>                  | <u>\$ 6.24</u>    | <u>\$ 10.21</u>   |
| Weighted-average common shares outstanding:           |                                 |                   |                   |
| Basic   | 95,225                          | 62,239            | 50,900            |
| Diluted   | <u>95,509</u>                   | <u>62,698</u>     | <u>51,237</u>     |

(Amounts may not add due to rounding)

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

**TD SYNnex CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(currency in thousands)

|   | Fiscal Years Ended November 30, |            |            |
|---|---------------------------------|------------|------------|
|   | 2022                            | 2021       | 2020       |
| Net income  | \$ 651,307                      | \$ 395,069 | \$ 529,160 |
| Other comprehensive (loss) income:  |                                 |            |            |
| Unrealized gains (losses) on cash flow hedges during the period, net of tax (expense) benefit of (\$11,457), (\$2,155) and \$3,981 for fiscal years ended November 30, 2022, 2021 and 2020, respectively. | 35,046                          | 8,747      | (16,405)   |
| Reclassification of net losses on cash flow hedges to net income, net of tax (benefit) of (\$6,517), (\$10,278) and (\$880) for fiscal years ended November 30, 2022, 2021 and 2020, respectively.        | 19,926                          | 31,837     | 3,190      |
| Total change in unrealized gains (losses) on cash flow hedges, net of taxes   | 54,972                          | 40,584     | (13,215)   |
| Foreign currency translation adjustments and other, net of tax benefit (expense) of \$3,192, (\$635) and \$4,352 for fiscal years ended November 30, 2022, 2021 and 2020, respectively                    | (438,488)                       | (186,020)  | 27,721     |
| Other comprehensive (loss) income   | (383,516)                       | (145,436)  | 14,506     |
| Comprehensive income  | \$ 267,791                      | \$ 249,633 | \$ 543,666 |

(Amounts may not add due to rounding)

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

**TD SYNEX CORPORATION**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(currency and share amounts in thousands)

|  | Common stock |        |                                  | Treasury stock |              | Accumulated<br>other<br>comprehensive<br>income (loss) | Retained<br>earnings | Total<br>stockholders'<br>equity |
|--|--------------|--------|----------------------------------|----------------|--------------|--|----------------------|----------------------------------|
|  | Shares       | Amount | Additional<br>paid-in<br>capital | Shares         | Amount       |  |                      |                                  |
| Balances, November 30, 2019  | 53,154       | \$ 53  | \$ 1,545,421                     | 2,399          | \$ (172,627) | \$ (209,077)   | \$ 2,624,680         | \$ 3,788,450                     |
| Share-based compensation   | —            | —      | 33,202                           | —              | —            | —  | —                    | 33,202                           |
| Issuance of common stock on exercise of options, for employee stock purchase plan and vesting of restricted stock, net of shares withheld for employee taxes | 517          | 1      | 12,913                           | 104            | (15,184)     | —  | —                    | (2,270)                          |
| Repurchases of common stock  | —            | —      | —                                | 35             | (3,405)      | —  | —                    | (3,405)                          |
| Cash dividends declared  | —            | —      | —                                | —              | —            | —  | (20,782)             | (20,782)                         |
| Other comprehensive income (loss)  | —            | —      | —                                | —              | —            | 14,506   | —                    | 14,506                           |
| Net income   | —            | —      | —                                | —              | —            | —  | 529,160              | 529,160                          |
| Balances, November 30, 2020  | 53,671       | 54     | 1,591,536                        | 2,538          | (191,216)    | (194,571)  | 3,133,058            | 4,338,860                        |
| Separation of Concentrix   | —            | —      | —                                | —              | —            | 3,813  | (2,305,982)          | (2,302,169)                      |
| Share-based compensation   | —            | —      | 53,192                           | —              | —            | —  | —                    | 53,192                           |
| Issuance of common stock on exercise of options, for employee stock purchase plan and vesting of restricted stock, net of shares withheld for employee taxes | 533          | —      | 12,789                           | 95             | (9,923)      | —  | —                    | 2,866                            |
| Cash dividends declared  | —            | —      | —                                | —              | —            | —  | (50,272)             | (50,272)                         |
| Issuance of common stock on Tech Data merger, net of issuance costs  | 44,000       | 44     | 5,613,820                        | —              | —            | —  | —                    | 5,613,864                        |
| Other comprehensive income (loss)  | —            | —      | —                                | —              | —            | (145,436)  | —                    | (145,436)                        |
| Net income   | —            | —      | —                                | —              | —            | —  | 395,069              | 395,069                          |
| Balances, November 30, 2021  | 98,204       | 98     | 7,271,337                        | 2,633          | (201,139)    | (336,194)  | 1,171,873            | 7,905,975                        |
| Share-based compensation   | —            | —      | 91,167                           | —              | —            | —  | —                    | 91,167                           |
| Issuance of common stock on exercise of options, for employee stock purchase plan and vesting of restricted stock, net of shares withheld for employee taxes | 492          | 1      | 8,234                            | 119            | (11,062)     | —  | —                    | (2,827)                          |
| Repurchases of common stock  | —            | —      | —                                | 1,297          | (125,016)    | —  | —                    | (125,016)                        |
| Cash dividends declared  | —            | —      | —                                | —              | —            | —  | (114,946)            | (114,946)                        |
| Other comprehensive income (loss)  | —            | —      | —                                | —              | —            | (383,516)  | —                    | (383,516)                        |
| Purchase of noncontrolling interest  | —            | —      | 3,362                            | —              | —            | —  | —                    | 3,362                            |
| Net income   | —            | —      | —                                | —              | —            | —  | 651,307              | 651,307                          |
| Balances, November 30, 2022  | 98,696       | \$ 99  | \$ 7,374,100                     | 4,049          | \$ (337,217) | \$ (719,710)   | \$ 1,708,234         | \$ 8,025,506                     |

(Amounts may not add due to rounding)

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

**TD SYNnex CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(currency in thousands)

|  | Fiscal Years Ended November 30, |                   |                     |
|--|---------------------------------|-------------------|---------------------|
|  | 2022                            | 2021              | 2020                |
| <b>Cash flows from operating activities:</b>   |                                 |                   |                     |
| Net income   | \$ 651,307                      | \$ 395,069        | \$ 529,160          |
| Adjustments to reconcile net income to net cash (used in) provided by operating activities:                            |                                 |                   |                     |
| Depreciation and amortization  | 463,365                         | 151,664           | 341,637             |
| Share-based compensation   | 91,167                          | 53,192            | 33,202              |
| Provision for doubtful accounts  | 34,741                          | (7,544)           | 49,281              |
| Deferred income taxes  | (92,381)                        | (322)             | (48,992)            |
| Impairment of long-lived assets  | 4,726                           | 22,166            | —                   |
| Other  | 4,376                           | 9,109             | 18,564              |
| Changes in operating assets and liabilities, net of the impact of Concentrix separation and acquisition of businesses: |                                 |                   |                     |
| Accounts receivable, net   | (1,497,995)                     | (517,224)         | 12,691              |
| Receivables from vendors, net  | 241,242                         | (113,602)         | 79,842              |
| Inventories  | (2,636,759)                     | (1,030,110)       | (128,786)           |
| Accounts payable   | 2,375,952                       | 1,854,887         | 685,014             |
| Other operating assets and liabilities   | 310,655                         | (7,498)           | 262,753             |
| Net cash (used in) provided by operating activities  | (49,604)                        | 809,787           | 1,834,366           |
| <b>Cash flows from investing activities:</b>   |                                 |                   |                     |
| Purchases of property and equipment  | (117,049)                       | (54,892)          | (197,965)           |
| Acquisition of businesses, net of cash acquired  | —                               | (907,093)         | (5,560)             |
| Other  | 1,541                           | 9,637             | (5,970)             |
| Net cash used in investing activities  | (115,508)                       | (952,348)         | (209,495)           |
| <b>Cash flows from financing activities:</b>   |                                 |                   |                     |
| Dividends paid   | (114,946)                       | (50,272)          | (20,782)            |
| Repurchases of common stock  | (125,016)                       | —                 | (3,405)             |
| Net borrowings (repayments) on revolving credit loans  | 96,592                          | (417,072)         | 157,866             |
| Principal payments on long-term debt   | (128,728)                       | (2,277,913)       | (1,304,190)         |
| Proceeds from issuance of common stock   | 8,234                           | 12,789            | 12,913              |
| Repurchases of common stock for tax withholdings on equity awards  | (11,062)                        | (9,923)           | (15,184)            |
| Net transfer of cash and cash equivalents to Concentrix  | —                               | (149,948)         | —                   |
| Borrowings on long-term debt   | —                               | 2,545,535         | 892,234             |
| Cash paid for debt issuance costs  | —                               | (42,254)          | (8,521)             |
| Other  | (665)                           | (3,562)           | (2,627)             |
| Net cash used in financing activities  | (275,591)                       | (392,620)         | (291,696)           |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash  | (31,354)                        | (38,776)          | 4,545               |
| Net (decrease) increase in cash, cash equivalents and restricted cash  | (472,057)                       | (573,957)         | 1,337,721           |
| Cash, cash equivalents and restricted cash at beginning of year  | 994,913                         | 1,568,870         | 231,149             |
| Cash, cash equivalents and restricted cash at end of year  | <u>\$ 522,856</u>               | <u>\$ 994,913</u> | <u>\$ 1,568,870</u> |
| <b>Supplemental disclosures of cash flow information:</b>  |                                 |                   |                     |
| Interest paid on borrowings  | \$ 220,760                      | \$ 116,983        | \$ 120,896          |
| Income taxes paid  | \$ 178,035                      | \$ 173,547        | \$ 179,707          |
| <b>Supplemental disclosure of non-cash investing and financing activities:</b>   |                                 |                   |                     |
| Issuance of stock to acquire business  | \$ —                            | \$ 5,614,400      | \$ —                |
| Net assets transferred to Concentrix   | \$ —                            | \$ 2,322,598      | \$ —                |

(Amounts may not add due to rounding)

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

**TD SYNnex CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(currency and share amounts in thousands unless otherwise noted, except per share amounts)**

**NOTE 1—ORGANIZATION AND BASIS OF PRESENTATION:**

TD SYNnex Corporation (together with its subsidiaries, herein referred to as “SYNNEX”, “TD SYNnex” or the “Company”) is a leading global distributor and solutions aggregator for the information technology (“IT”) ecosystem, headquartered in Fremont, California and Clearwater, Florida and has operations in North and South America, Europe and Asia-Pacific and Japan.

On December 1, 2020, the Company completed the previously announced separation of its customer experience services business (the “Separation”), in a tax-free transaction for federal income tax purposes, which was accomplished by the distribution of one hundred percent of the outstanding common stock of Concentrix Corporation (“Concentrix”). SYNnex stockholders received one share of Concentrix common stock for every share of SYNnex common stock held at the close of business on the record date. The Company distributed 51,602 shares of Concentrix common stock to its stockholders. Concentrix is now an independent public company trading under the symbol “CNXC” on the Nasdaq Stock Market. After the Separation, SYNnex did not beneficially own any shares of Concentrix’ common stock. Beginning December 1, 2020, the Company no longer consolidates Concentrix within its financial results or reflects the financial results of Concentrix within its continuing results of operations.

The financial results of Concentrix for the year ended November 30, 2020 are presented as income from discontinued operations, net of taxes on the Consolidated Statements of Operations. The historical statements of comprehensive income, cash flows and the balances in stockholders' equity have not been revised to reflect the effect of the Separation. For further information on discontinued operations, see [Note 5](#) – Discontinued Operations. Unless noted otherwise, discussion in the Notes to the Consolidated Financial Statements pertain to continuing operations.

In connection with the Separation, the Company and Concentrix have entered into a separation and distribution agreement as well as various other agreements that provide a framework for the relationships between the parties going forward, including among others an employee matters agreement, a tax matters agreement, and a commercial agreement, pursuant to which Concentrix will continue to provide services to SYNnex following the Separation.

On March 22, 2021, SYNnex entered into an agreement and plan of merger (the “Merger Agreement”) which provided that legacy SYNnex Corporation would acquire legacy Tech Data Corporation, a Florida corporation (“Tech Data”) through a series of mergers, which would result in Tech Data becoming an indirect subsidiary of TD SYNnex Corporation (collectively, the “Merger”). On September 1, 2021, pursuant to the terms of the Merger Agreement, the Company acquired all the outstanding shares of common stock of Tiger Parent (AP) Corporation, the parent corporation of Tech Data, for consideration of \$1.6 billion in cash (\$1.1 billion in cash after giving effect to a \$500.0 million equity contribution by Tiger Parent Holdings, L.P., Tiger Parent (AP) Corporation’s sole stockholder and an affiliate of Apollo Global Management, Inc., to Tiger Parent (AP) Corporation prior to the effective time of the Merger) and 44 million shares of common stock of SYNnex valued at approximately \$5.6 billion. The combined company is referred to as TD SYNnex. References to the “Company” indicate TD SYNnex for periods after the Merger and SYNnex for periods prior to the Merger.

Certain columns and rows may not add due to the use of rounded numbers.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (“GAAP”) in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reporting period. The Company evaluates these estimates on a regular basis and bases them on historical experience and on various assumptions that the Company believes are reasonable. Actual results could differ from the estimates.

## **Principles of consolidation**

The Consolidated Financial Statements include the accounts of the Company, its wholly-owned subsidiaries, majority-owned subsidiaries in which no substantive participating rights are held by minority stockholders and variable interest entities if the Company is the primary beneficiary. All intercompany accounts and transactions have been eliminated.

The Consolidated Financial Statements include 100% of the assets and liabilities of majority-owned subsidiaries. Investments in 20% through 50% owned affiliated companies are accounted under the equity method where the Company exercises significant influence over operating and financial affairs of the investee and is not the primary beneficiary. Investments in less than 20% owned companies, where the Company does not have significant influence, are recorded at cost or fair value based on whether the equity securities have readily determinable fair values.

## **Segment reporting**

Operating segments are based on components of the Company that engage in business activity that earn revenue and incur expenses and (a) whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resource allocation and performance and (b) for which discrete financial information is available.

Prior to the Separation, the Company had two reportable segments: Technology Solutions and Concentrix. After giving effect to the Separation of the Concentrix segment, the Company operated with one reportable segment: Technology Solutions. After completion of the Merger, the Company reviewed its reportable segments as there was a change in its chief executive officer, who is also the Company's chief operating decision maker. The Company's chief operating decision maker has a leadership structure aligned with the geographic regions of the Americas, Europe and Asia-Pacific and Japan ("APJ") and reviews and allocates resources based on these geographic regions. As a result, as of September 1, 2021 the Company began operating in three reportable segments based on its geographic regions: the Americas, Europe and APJ.

## **Cash and cash equivalents**

The Company considers all highly liquid debt instruments purchased with an original maturity or remaining maturity at the date of purchase of three months or less to be cash equivalents. Cash equivalents consist principally of money market deposit accounts and money market funds that are stated at cost, which approximates fair value. The Company is exposed to credit risk in the event of default by financial institutions to the extent that cash balances with financial institutions are in excess of amounts that are insured.

## **Accounts receivable**

The Company maintains an allowance for doubtful accounts as an estimate to cover the future expected credit losses resulting from uncertainty regarding collections from customers or original equipment manufacturer ("OEM") vendors to make payments for outstanding balances. In estimating the required allowance, the Company takes into consideration historical credit losses, current conditions and reasonable and supportable forecasts. Adjustments to historical loss information are made for differences in current conditions as well as changes in forecasted macroeconomic conditions, such as changes in unemployment rates or gross domestic product growth. Expected credit losses are estimated on a pool basis when similar risk characteristics exist using an age-based reserve model. Receivables that do not share risk characteristics are evaluated on an individual basis.

The Company has uncommitted supply-chain financing programs with global financial institutions under which trade accounts receivable of certain customers and their affiliates may be acquired, without recourse, by the financial institutions. Available capacity under these programs is dependent on the level of the Company's trade accounts receivable with these customers and the financial institutions' willingness to purchase such receivables. In addition, certain of these programs also require that the Company continue to service, administer and collect the sold accounts receivable. As of November 30, 2022, and 2021, accounts receivable sold to and held by the financial institutions under these programs were \$1.4 billion and \$759.9 million, respectively. Discount fees related to the sale of trade accounts receivable under these facilities are included in "Interest expense and finance charges, net" in the Consolidated Statements of Operations. During the fiscal years ended November 30, 2022, 2021 and 2020, discount fees were \$26.2 million, \$4.7 million and \$3.2 million, respectively.

## **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is computed based on the weighted-average method. Inventories are comprised of finished goods and work-in-process. Finished goods include products purchased for resale, system components purchased for both resale and for use in the Company's systems design and integration business and completed systems. Work-in-process inventories are not material to the Consolidated Financial Statements.

## **Derivative Financial Instruments**

The Company accounts for its derivative instruments as either assets or liabilities and carries them at fair value.

For derivative instruments that hedge the exposure to variability in expected future cash flows that are designated as cash flow hedges, the gain or loss on the derivative instrument is reported as a component of "Accumulated other comprehensive income (loss)" in stockholders' equity and reclassified into earnings in the same line associated with the hedged transactions, in the same period or periods during which the hedged transaction affects earnings. To receive hedge accounting treatment, cash flow hedges must be highly effective in offsetting changes to expected future cash flows on hedged transactions. The company classifies cash flows related to the settlement of its cash flow hedges as operating activities in the Consolidated Statements of Cash Flows.

For derivative instruments that hedge a portion of the Company's net investment in foreign-currency denominated operations that are designated as net investment hedges, the gain or loss on the derivative instrument is reported as a component of "Accumulated other comprehensive income (loss)" in stockholders' equity until the sale or substantially complete liquidation of the underlying assets of the Company's investment. The initial fair value of hedge components excluded from the assessment of effectiveness is recognized in the Consolidated Statement of Operations under a systematic and rational method over the life of the hedging instrument. The excluded component is recognized in "Interest expense and finance charges, net" on the Consolidated Statement of Operations. The Company classifies cash flows related to the settlement of its net investment hedges as investing activities in the Consolidated Statements of Cash Flows.

For derivative instruments that are not designated as hedges, gains and losses resulting from changes in fair value on derivative instruments are reported in the Consolidated Statements of Operations in the current period.

## **Property and equipment**

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method based upon the shorter of the estimated useful lives of the assets, or the lease term of the respective assets, if applicable. Maintenance and repairs are charged to expense as incurred, and improvements are capitalized. When assets are retired or otherwise disposed of, the cost and accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is reflected in operations in the period realized.

The Company's capitalized software has been obtained or developed for internal use only. Development and acquisition costs are capitalized for computer software only when management authorizes and commits to funding a computer software project through the approval of a capital expenditure requisition, and the software project is either for the development of new software, to increase the life of existing software or to add significantly to the functionality of existing software. Once these requirements have been met, capitalization would begin at the point that conceptual formulation, evaluation, design and testing of possible software project alternatives have been completed. Capitalization ceases when the software project is substantially complete and ready for its intended use.

The ranges of estimated useful lives for property and equipment categories are as follows:

|                                     |               |
|-------------------------------------|---------------|
| Equipment and Furniture             | 3 - 10 years  |
| Software                            | 3 - 10 years  |
| Leasehold Improvements              | 2 - 15 years  |
| Buildings and Building Improvements | 10 - 40 years |

## **Business Combinations**

The purchase price is allocated to the assets acquired, liabilities assumed, and noncontrolling interests in the acquired entity generally based on their fair values at the acquisition date. The excess of the fair value of purchase

consideration over the fair value of these assets acquired, liabilities assumed and noncontrolling interests in the acquired entity is recorded as goodwill. The primary items that generate goodwill include the value of the synergies between the acquired entity and the Company and the value of the acquired assembled workforce, neither of which qualify for recognition as an intangible asset. Amounts recorded in a business combination may change during the measurement period, which is a period not to exceed one year from the date of acquisition, as additional information about conditions existing at the acquisition date becomes available. The Company includes the results of operations of the acquired business in the Consolidated Financial Statements prospectively from the date of acquisition. Acquisition-related charges are recognized separately from the business combination and are expensed as incurred. These charges primarily include direct third-party professional and legal fees, and integration-related costs.

### **Goodwill and intangible assets**

The values assigned to intangible assets include estimates and judgment regarding expectations for the length of customer relationships acquired in a business combination. Included within intangible assets is an indefinite lived trade name intangible asset. The Company's indefinite lived trade name intangible asset is considered a single unit of accounting and is tested for impairment at the consolidated level annually as of September 1, and more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. Other purchased intangible assets are amortized over the useful lives based on estimates of the use of the economic benefit of the asset or on the straight-line amortization method.

The Company allocates goodwill to reporting units based on the reporting unit expected to benefit from the business combination and tests for impairment annually as of September 1, or more frequently if events or changes in circumstances indicate that it may be impaired. Goodwill is tested for impairment at the reporting unit level by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. The factors that are considered in the qualitative analysis include macroeconomic conditions, industry and market considerations, cost factors such as increases in product cost, labor, or other costs that would have a negative effect on earnings and cash flows; and other relevant entity-specific events and information. The Company also has the option to bypass the qualitative assessment for any reporting unit in any period.

If the reporting unit does not pass or the Company chooses to bypass the qualitative assessment, then the reporting unit's carrying value is compared to its fair value. The fair values of the reporting units are estimated using market and discounted cash flow approaches. The assumptions used in the market approach are based on the value of a business through an analysis of sales and other multiples of guideline companies and recent sales or offerings of a comparable entity. The assumptions used in the discounted cash flow approach are based on historical and forecasted revenue, operating costs, working capital requirements, future economic conditions, discount rates and other relevant factors. Goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value and the excess is recognized as an impairment loss. No goodwill impairment has been identified for any of the years presented.

Finite-lived intangible assets consist primarily of customer relationships, vendor lists and other intangible assets. Amortization is based on the pattern in which the economic benefits of the intangible assets will be consumed or on a straight-line basis when the consumption pattern is not apparent over the following useful lives:

|                         |              |
|-------------------------|--------------|
| Customer Relationships  | 4 - 15 years |
| Vendor Lists            | 10 years     |
| Other Intangible Assets | 1 - 10 years |

### **Impairment of long-lived assets**

The Company reviews the recoverability of its long-lived assets, including finite-lived intangible assets, property and equipment, right-of-use ("ROU") assets and certain other assets, when events or changes in circumstances occur that indicate the carrying value of the asset or asset group may not be recoverable. The assessment of possible impairment is based on the Company's ability to recover the carrying value of the asset or asset group from the expected future pre-tax cash flows, undiscounted and without interest charges, of the related operations. If these cash flows are less than the carrying value of such assets, an impairment loss is recognized for the difference between estimated fair value and carrying value.

## Leases

The Company enters into leases as a lessee for property and equipment in the ordinary course of business. When procuring goods or services, or upon entering into a contract with its customers, the Company determines whether an arrangement contains a lease at its inception. As part of that evaluation, the Company considers whether there is an implicitly or explicitly identified asset in the arrangement and whether the Company, as the lessee, or the customer, if the Company is the lessor, has the right to control the use of that asset. When the Company is the lessee, all leases with a term of more than 12 months are recognized as ROU assets and associated lease liabilities in the Consolidated Balance Sheet. Lease liabilities are recorded at the lease commencement date and determined using the present value of the lease payments not yet paid, at the Company's incremental borrowing rate, which approximates the rate at which the Company would borrow on a secured basis in the country where the lease was executed. The interest rate implicit in the lease is generally not determinable in transactions where the Company is the lessee. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid rent and lease incentives. The Company's variable lease payments generally relate to payments tied to various indexes, non-lease components and payments above a contractual minimum fixed amount.

Operating leases are included in other assets, net, other accrued liabilities and other long-term liabilities in the Consolidated Balance Sheet. Substantially all of the Company's leases are classified as operating leases and the Company's finance leases are not material. The lease term includes options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The Company made a policy election to not recognize leases with a lease term of 12 months or less in the Consolidated Balance Sheet. Lease expenses are recorded within selling, general, and administrative expenses in the Consolidated Statements of Operations. Operating lease payments are presented within "Cash flows from operating activities" in the Consolidated Statements of Cash Flows.

## Concentration of credit risk

Financial instruments that potentially subject the Company to significant concentration of credit risk consist principally of cash and cash equivalents, accounts receivable, receivables from vendors and derivative instruments.

The Company's cash and cash equivalents and derivative instruments are transacted and maintained with financial institutions with high credit standing, and their compositions and maturities are regularly monitored by management. Through November 30, 2022, the Company has not experienced any material credit losses on such deposits and derivative instruments.

Accounts receivable include amounts due from customers, including related party customers. Receivables from vendors, net, includes amounts due from OEM vendors primarily in the technology industry. The Company performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when deemed necessary, but generally requires no collateral. The Company also maintains allowances for potential credit losses. In estimating the required allowances, the Company takes into consideration the overall quality and aging of its receivable portfolio, the existence of credit insurance and specifically identified customer and vendor risks.

The following table provides revenue generated from products purchased from vendors that exceeded 10% of our consolidated revenue for the periods indicated (as a percent of consolidated revenue):

|             | Twelve Months Ended |                    |                    |
|-------------|---------------------|--------------------|--------------------|
|             | November 30, 2022   | November 30, 2021  | November 30, 2020  |
| Apple, Inc. | 11 %                | N/A <sup>(1)</sup> | N/A <sup>(1)</sup> |
| HP Inc.     | 10 %                | 12 %               | 15 %               |

<sup>(1)</sup> Revenue generated from products purchased from this vendor was less than 10% of consolidated revenue during the period presented.

One customer accounted for 10%, 17% and 23% of the Company's total revenue in fiscal years 2022, 2021 and 2020, respectively. As of November 30, 2022 and 2021, no single customer comprised more than 10% of the consolidated accounts receivable balance.

## Book overdrafts

Book overdrafts, representing checks issued in excess of balances on deposit in the applicable bank accounts and which have not been paid by the applicable bank at the balance sheet date are classified as "Borrowings, current" in the Company's Consolidated Balance Sheets. Under the terms of the Company's banking arrangements, the respective

financial institutions are not legally obligated to honor the book overdraft balances. The Company's policy is to report the change in book overdrafts as a financing activity in the Consolidated Statements of Cash Flows.

### **Revenue recognition**

The Company generates revenue primarily from the sale of various IT products.

The Company recognizes revenues from the sale of IT hardware and software as control is transferred to customers, which is at the point in time when the product is shipped or delivered. The Company accounts for a contract with a customer when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of collection. Binding purchase orders from customers together with agreement to the Company's terms and conditions of sale by way of an executed agreement or other signed documents are considered to be the contract with a customer. Products sold by the Company are delivered via shipment from the Company's facilities, drop-shipment directly from the vendor, or by electronic delivery of software products. In situations where arrangements include customer acceptance provisions, revenue is recognized when the Company can objectively verify the products comply with specifications underlying acceptance and the customer has control of the products. Revenue is presented net of taxes collected from customers and remitted to government authorities. The Company generally invoices a customer upon shipment, or in accordance with specific contractual provisions. Payments are due as per contract terms and do not contain a significant financing component. Service revenues represents less than 10% of the total revenue for the periods presented.

Provisions for sales returns and allowances are estimated based on historical data and are recorded concurrently with the recognition of revenue. A liability is recorded at the time of sale for estimated product returns based upon historical experience and an asset is recognized for the amount expected to be recorded in inventory upon product return. These provisions are reviewed and adjusted periodically by the Company. Revenue is reduced for early payment discounts and volume incentive rebates offered to customers, which are considered variable consideration, at the time of sale based on an evaluation of the contract terms and historical experience.

The Company recognizes revenue on a net basis on certain contracts, where the Company's performance obligation is to arrange for the products or services to be provided by another party or the rendering of logistics services for the delivery of inventory for which the Company does not assume the risks and rewards of ownership, by recognizing the margins earned in revenue with no associated cost of revenue. Such arrangements include supplier service contracts, post-contract software support services, cloud computing and software as a service arrangements, certain fulfillment contracts and extended warranty contracts.

The Company considers shipping and handling activities as costs to fulfill the sale of products. Shipping revenue is included in revenue when control of the product is transferred to the customer, and the related shipping and handling costs are included in cost of revenue.

The Company disaggregates its operating segment revenue by geography, which the Company believes provides a meaningful depiction of the nature of its revenue. Disaggregated revenue disclosure is presented in [Note 13](#) – Segment Information.

### **Cost of Revenue**

Cost of revenue includes the product price paid to OEM suppliers, net of any incentives, rebates, price protection and purchase discounts received from the OEM suppliers. Cost of revenue also consists of provisions for inventory losses and write-downs, shipping and handling costs and royalties due to OEM vendors. In addition, cost of revenue includes the cost of materials, labor and overhead and warranty for design and integration activities.

### **Selling, General and Administrative expenses**

Selling, general and administrative expenses are charged to income as incurred. Expenses of promoting and selling products and services are classified as selling expense and include such items as compensation, sales commissions and travel. General and administrative expenses include such items as compensation, cost of warehouse, delivery centers and other non-integration facilities, legal and professional costs, office supplies, non-income taxes, insurance and utility expenses. In addition, selling, general and administrative expenses include other operating items such as allowances for credit losses, depreciation and amortization of intangible assets.

## **OEM supplier programs**

Funds received from OEM suppliers for volume promotion programs, price protection and product rebates are recorded as adjustments to cost of revenue and/or the carrying value of inventories, as appropriate. Where there is a binding agreement, the Company tracks vendor promotional programs for volume discounts on a program-by-program basis and records them as a reduction to cost of revenue based on a systematic and rational allocation. The Company monitors the balances of vendor receivables on a quarterly basis and adjusts the balances due for differences between expected and actual sales volume. Vendor receivables are generally collected through reductions authorized by the vendor to accounts payable. Funds received for specific marketing and infrastructure reimbursements, net of related costs, are recorded as adjustments to “Selling, general and administrative expenses,” and any excess reimbursement amount is recorded as an adjustment to cost of revenue.

## **Royalties**

The Company’s software product purchases include products licensed from OEM vendors, which are subsequently distributed to resellers. Royalties to OEM vendors are accrued and recorded in cost of revenue when software products are shipped and revenue is recognized.

## **Warranties**

The Company’s OEM suppliers generally warrant the products distributed by the Company and allow returns of defective products. The Company generally does not independently warrant the products it distributes; however, the Company does warrant the following: (1) products that it builds to order from components purchased from other sources, (2) services with regard to products integrated for its customers; and (3) products sold in countries where the Company is responsible for defective product as a matter of law. The time period required by law in certain countries exceeds the warranty period provided by the manufacturer. The Company is obligated to provide warranty protection for sales of certain IT products within the European Union (“EU”) for up to two years as required under the EU directive where vendors have not affirmatively agreed to provide pass-through protection. Warranty expense and the accrual for warranty costs were not material to the Company’s Consolidated Financial Statements for any of the periods presented.

## **Advertising**

Costs related to advertising and product promotion expenditures are charged to “Selling, general and administrative expenses” as incurred and are primarily offset by OEM marketing reimbursements. Net costs related to advertising and promotion expenditures were not material to the Company’s Consolidated Financial Statements for any of the periods presented.

## **Income taxes**

The asset and liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts in the financial statements using enacted tax rates and laws that will be in effect when the difference is expected to reverse. Tax on global low-taxed intangible income is accounted for as a current expense in the period in which the income is included in a tax return using the “period cost” method. Valuation allowances are provided against deferred tax assets that are not likely to be realized.

The Company recognizes tax benefits from uncertain tax positions only if that tax position is more likely than not to be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. The Company recognizes interest and penalties related to unrecognized tax benefits in the provision for income taxes.

## **Foreign currency translations**

The financial statements of the Company’s international subsidiaries whose functional currencies are the local currencies are translated into U.S. dollars for consolidation as follows: assets and liabilities at the exchange rate as of the balance sheet date, stockholders’ equity at the historical rates of exchange, and income and expense amounts at the average exchange rate for the month. Translation adjustments resulting from the translation of the subsidiaries’ accounts are included in “Accumulated other comprehensive income (loss)” in stockholders’ equity. Transactions denominated in currencies other than the applicable functional currency are converted to the functional currency at the exchange rate on the

transaction date. At period end, monetary assets and liabilities are remeasured to the functional currency using exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are remeasured at historical exchange rates. Gains and losses resulting from foreign currency transactions are included in earnings within “Cost of revenue” and “Other (expense) income, net.”

### **Comprehensive income**

Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The primary components of comprehensive income for the Company include net income, foreign currency translation adjustments arising from the consolidation of the Company’s international subsidiaries and unrealized gains and losses on cash flow hedges.

### **Share-based compensation**

The Company accounts for share-based payment transactions in which the Company receives services in exchange for equity instruments of the Company. Share-based compensation cost for stock options, restricted stock awards and units, performance-based restricted stock units and employee stock purchase plans is determined based on the fair value at the grant date. The Company recognizes share-based compensation cost as expense for awards other than its performance-based restricted stock units ratably on a straight-line basis over the requisite service period. The Company recognizes share-based compensation cost associated with its performance-based restricted stock units over the requisite service period if it is probable that the performance conditions will be satisfied. The Company accounts for expense reductions that result from the forfeiture of unvested awards in the period that the forfeitures occur.

### **Earnings per common share**

Earnings per share is calculated using the two-class method. The two-class method is an earnings allocation proportional to the respective ownership among holders of common stock and participating securities. Basic earnings per common share is computed by dividing net income attributable to the Company’s common stockholders by the weighted-average of common shares outstanding during the period. Diluted earnings per common share also considers the dilutive effect of in-the-money stock options and restricted stock units, calculated using the treasury stock method.

### **Treasury Stock**

Repurchases of shares of common stock are accounted for at cost, which includes brokerage fees and excise taxes, and are included as a component of stockholders’ equity in the Consolidated Balance Sheets.

### **Reclassifications**

Certain reclassifications have been made to prior period amounts in the Consolidated Financial Statements to conform to the current period presentation. These reclassifications did not have a material impact on previously reported amounts.

### **Recently adopted accounting pronouncements**

In October 2021, the FASB issued new guidance which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, “*Revenue from Contracts with Customers*.” Generally, this new guidance will result in the acquirer recognizing contract assets and contract liabilities at the same amounts recorded by the acquiree. Historically, such amounts were recognized by the acquirer at fair value in acquisition accounting. The guidance is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years (the fiscal quarter ending February 29, 2024 for the Company), and should be applied prospectively to acquisitions occurring on or after the effective date. Early adoption is permitted. The Company adopted this standard during fiscal year 2022 and will apply the guidance prospectively to future acquisitions.

In December 2019, the FASB issued new guidance that simplifies the accounting for income taxes. The guidance is effective for annual reporting periods beginning after December 15, 2020, and interim periods within those reporting periods. Certain amendments should be applied prospectively, while other amendments should be applied retrospectively to all periods presented. The adoption of this new guidance did not have a material impact on the Company's Consolidated Financial Statements.

## Recently issued accounting pronouncements

In September 2022, the FASB issued an accounting standards update which will require new enhanced disclosures by the buyer in supplier finance programs. Disclosures will include key terms of the program, including payment terms, along with the amount of related obligations, the financial statement caption that includes such obligations, and a rollforward of activity related to the obligations during the period. The new accounting standard must be adopted retrospectively to the earliest comparative period presented, except for the rollforward requirement, which should be applied prospectively. The accounting standard is effective for the Company beginning with the quarter ending February 29, 2024, except for the rollforward requirement which is effective for the quarter ending February 28, 2025. Early adoption is permitted. While the new accounting standard is not expected to have an impact on the Company's financial condition, results of operations or cash flows, the Company is currently evaluating the impact the new accounting standard will have on disclosures related to its supplier finance program obligations in the notes to the consolidated financial statements.

In March 2020, the FASB issued optional guidance for a limited time to ease the potential burden in accounting for or recognizing the effects of reference rate reform, particularly, the risk of cessation of the London Interbank Offered Rate ("LIBOR") on financial reporting. The guidance provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments are elective and were effective upon issuance for all entities through December 31, 2022, which was extended through December 31, 2024 per an update the FASB issued in December 2022. The Company does not currently expect any material impacts from the adoption of this new guidance.

## NOTE 3—ACQUISITIONS:

### *Tech Data Merger*

On September 1, 2021, pursuant to the terms of the Merger Agreement, the Company acquired all the outstanding shares of common stock of Tiger Parent (AP) Corporation, the parent corporation of Tech Data, for an aggregate purchase price of \$7.2 billion, comprised of \$1.6 billion in cash (\$1.1 billion in cash after giving effect to a \$500.0 million equity contribution by Tiger Parent Holdings, L.P., Tiger Parent (AP) Corporation's sole stockholder and an affiliate of Apollo Global Management, Inc., to Tiger Parent (AP) Corporation prior to the effective time of the Merger) and 44 million shares of common stock of SYNEX, valued at approximately \$5.6 billion based on the closing price of the Company's common stock on September 1, 2021. The Merger created a leading global distributor and solutions aggregator for the IT ecosystem. The Company used the net proceeds from the issuance of new Senior Notes, borrowings under its new credit agreement and cash on hand to fund the above payments. Additionally, the Company repaid the majority of Tech Data's outstanding debt after the Merger, including approximately \$2.4 billion outstanding under Tech Data's existing Asset-Based Credit Agreement and approximately \$228.1 million of outstanding Tech Data Senior Notes.

The Company has accounted for the Merger as a business combination and allocated the purchase price to the fair values of Tiger Parent (AP) Corporation's assets acquired and liabilities assumed. As of August 31, 2022, the Company completed its evaluation of assets acquired and liabilities assumed and finalized all related estimates. During the year ended November 30, 2022, the Company updated the fair values of certain assets acquired and liabilities assumed, including an increase in goodwill of \$43.7 million, an increase in deferred tax liabilities of \$38.3 million, a decrease in net vendor receivables of \$21.0 million and an increase in inventory of \$9.4 million. As the measurement period has concluded, the impact of any future adjustments to the assets acquired and liabilities assumed will be recorded in the Consolidated Statement of Operations in the period such change occurs.

The allocation of the purchase price is as follows:

|                               |    |            |
|-------------------------------|----|------------|
| Cash and cash equivalents     | \$ | 702,907    |
| Accounts receivable, net      |    | 5,156,809  |
| Receivables from vendors, net |    | 709,629    |
| Inventories                   |    | 3,002,641  |
| Other current assets          |    | 397,807    |
| Property and equipment        |    | 347,532    |
| Goodwill                      |    | 3,588,317  |
| Intangible assets             |    | 4,933,900  |
| Other assets                  |    | 473,194    |
| Total assets                  |    | 19,312,736 |
|                               |    |            |
| Borrowings, current           |    | 493,076    |
| Accounts payable              |    | 6,613,664  |
| Other accrued liabilities     |    | 1,251,049  |
| Long-term borrowings          |    | 2,218,672  |
| Other long-term liabilities   |    | 412,526    |
| Deferred tax liabilities      |    | 1,099,349  |
| Total liabilities             |    | 12,088,336 |
|                               |    |            |
| Purchase consideration        | \$ | 7,224,400  |

The allocation of the value of identifiable intangible assets is as follows:

|                            | Fair value   | Weighted average useful life |
|----------------------------|--------------|------------------------------|
| Customer relationships     | \$ 3,860,200 | 14 years                     |
| Trade name                 | 1,073,700    | Indefinite lived             |
| Total intangibles acquired | \$ 4,933,900 |                              |

Goodwill is the excess of the consideration transferred over the net assets recognized and primarily represents future economic benefits arising from assets acquired that are not individually identified and separately recognized, including synergies inherent in the acquired business, of which approximately \$500.0 million is expected to be deductible for tax purposes.

Included within the Company's Consolidated Statement of Operations are estimated revenues for the years ended November 30, 2022 and 2021 of approximately \$38 billion and \$10 billion, respectively, from Tech Data. As the Company began integrating certain sales and other functions after the closing of the acquisition, these amounts represent an estimate of the Tech Data revenues for the fiscal years ended November 30, 2022 and 2021. It is not necessarily indicative of how the Tech Data operations would have performed on a stand-alone basis. As a result of certain integration activities subsequent to the date of acquisition, it is impracticable to disclose net income from Tech Data for the period subsequent to the acquisition date.

The following table presents unaudited supplemental pro forma information as if the Merger had occurred at the beginning of fiscal 2020, after giving effect to certain adjustments related to the transaction. The pro forma results exclude any benefits that may result from potential cost savings and certain non-recurring costs. As a result, the pro forma

information below does not purport to present what actual results would have been had the Merger been consummated on the date indicated and it is not necessarily indicative of the results of operations that may result in the future.

|  | (Unaudited)                     |               |
|--|---------------------------------|---------------|
|  | Fiscal Years Ended November 30, |               |
|  | 2021                            | 2020          |
| Revenue  | \$ 60,623,568                   | \$ 55,974,478 |
| Income from continuing operations attributable to TD SYNEX Corporation | 519,688                         | 349,356       |

Adjustments reflected in the pro forma results include the following:

- Amortization of acquired intangible assets
- Interest costs associated with the Merger
- Removal of certain non-recurring transaction costs of \$22.3 million and non-recurring financing costs of \$47.0 million
- Tax effects of adjustments based on an estimated statutory tax rate

#### NOTE 4—ACQUISITION, INTEGRATION AND RESTRUCTURING EXPENSES:

Acquisition, integration and restructuring costs are primarily comprised of costs related to the Merger, costs related to the Global Business Optimization 2 Program initiated by Tech Data prior to the Merger (the “GBO 2 Program”) and costs related to the Separation.

##### *The Merger*

The Company incurred acquisition, integration and restructuring costs related to the completion of the Merger, including professional services costs, personnel and other costs, long-lived assets charges and stock-based compensation expense. Professional services costs are primarily comprised of IT and other consulting services, as well as legal expenses. Personnel and other costs are primarily comprised of costs related to retention and other bonuses, severance and duplicative labor costs, as well as costs related to the settlement of certain outstanding long-term cash incentive awards for Tech Data upon closing of the Merger. Long-lived asset charges for fiscal year 2022 are primarily comprised of accelerated depreciation and amortization expense of \$64.4 million due to changes in asset useful lives in conjunction with the consolidation of certain IT systems, as well as impairment charges. Long-lived asset charges for fiscal year 2021 represent an impairment charge of \$22.2 million recorded for the write-off of capitalized costs associated with Tech Data’s tdONE program in conjunction with the decision to consolidate certain IT systems. Stock-based compensation expense primarily relates to costs associated with the conversion of certain Tech Data performance-based equity awards issued prior to the Merger into restricted shares of TD SYNEX (refer to [Note 6](#) – Share Based Compensation for further information) and expenses for certain restricted stock awards issued in conjunction with the Merger.

To date, acquisition and integration expenses related to the Merger were composed of the following:

|                             | Fiscal Years Ended November 30, |           |
|-----------------------------|---------------------------------|-----------|
|                             | 2022                            | 2021      |
| Professional services costs | \$ 29,352                       | \$ 22,288 |
| Personnel and other costs   | 40,220                          | 33,716    |
| Long-lived assets charges   | 69,053                          | 22,166    |
| Stock-based compensation    | 52,171                          | 20,113    |
| Total                       | \$ 190,796                      | \$ 98,283 |

##### *GBO 2 Program*

Prior to the Merger, Tech Data implemented its GBO 2 Program that includes investments to optimize and standardize processes and apply data and analytics to be more agile in a rapidly evolving environment, increasing productivity, profitability and optimizing net-working capital. TD SYNEX continued this program in conjunction with the Company’s integration activities. Acquisition, integration and restructuring expenses related to the GBO 2 Program are primarily comprised of restructuring costs and other costs. Restructuring costs are comprised of severance costs and other

associated exit costs, including certain consulting costs. Other costs are primarily comprised of personnel costs, facilities costs and certain professional services fees not related to restructuring activities.

Acquisition, integration and restructuring costs under the GBO 2 Program for fiscal 2022 and 2021 included the following:

|                     | Fiscal Years Ended November 30, |                  |
|---------------------|---------------------------------|------------------|
|                     | 2022                            | 2021             |
| Restructuring costs | \$ 21,872                       | \$ 8,709         |
| Other costs         | 9,652                           | 5,158            |
| Total               | <u>\$ 31,524</u>                | <u>\$ 13,867</u> |

Restructuring costs under the GBO 2 Program for fiscal 2022 and 2021 were composed of the following:

|                  | Fiscal Years Ended November 30, |                 |
|------------------|---------------------------------|-----------------|
|                  | 2022                            | 2021            |
| Severance        | \$ 7,445                        | \$ 2,893        |
| Other exit costs | 14,427                          | 5,816           |
| Total            | <u>\$ 21,872</u>                | <u>\$ 8,709</u> |

Restructuring costs related to the GBO 2 Program by segment are as follows:

|          | Fiscal Years Ended November 30, |                 |
|----------|---------------------------------|-----------------|
|          | 2022                            | 2021            |
| Americas | \$ 5,666                        | \$ 2,658        |
| Europe   | 15,737                          | 5,746           |
| APJ      | 469                             | 305             |
| Total    | <u>\$ 21,872</u>                | <u>\$ 8,709</u> |

Restructuring activity during fiscal years 2022 and 2021 related to the GBO 2 Program is as follows:

| Restructuring costs                     | Severance       | Other Exit Costs | Total           |
|---|-----------------|------------------|-----------------|
| Accrued Balance as of November 30, 2020 | \$ —            | \$ —             | \$ —            |
| Balance acquired related to the Merger  | 5,095           | 221              | 5,316           |
| Expenses during fiscal 2021             | 2,893           | 5,816            | 8,709           |
| Cash payments                           | (2,953)         | (4,427)          | (7,380)         |
| Foreign currency translation            | (117)           | (19)             | (136)           |
| Accrued Balance as of November 30, 2021 | 4,918           | 1,591            | 6,509           |
| Expenses during fiscal 2022             | 7,445           | 14,427           | 21,872          |
| Cash payments                           | (6,628)         | (15,064)         | (21,692)        |
| Foreign currency translation            | (56)            | (419)            | (475)           |
| Accrued Balance as of November 30, 2022 | <u>\$ 5,679</u> | <u>\$ 535</u>    | <u>\$ 6,214</u> |

### *The Separation*

During the fiscal year ended November 30, 2020, the Company incurred \$7.4 million in transaction costs related to the Separation of Concentrix.

**NOTE 5—DISCONTINUED OPERATIONS:**

The following table summarizes the financial results from discontinued operations of Concentrix included in the Consolidated Statement of Operations:

|  | <b>Fiscal Year Ended<br/>November 30,</b> |
|--|---|
|  | <b>2020</b>                               |
| Revenue  | \$ 4,719,534                              |
| Costs and expenses                                   | (4,410,773)                               |
| Interest expense and finance charges and others, net | (40,866)                                  |
| Income from discontinued operations before taxes     | 267,895                                   |
| Provision for income taxes                           | (73,273)                                  |
| Income from discontinued operations, net of taxes    | <u>\$ 194,622</u>                         |

There were no revenues earned or cost and expenses incurred of discontinued operations during the fiscal years ended November 30, 2022 or 2021. There were no non-cash items or capital expenditures of discontinued operations during the fiscal years ended November 30, 2022 or 2021. During the fiscal year ended November 30, 2020, significant non-cash items and capital expenditures of discontinued operations included in the Consolidated Statement of Cash Flows are outlined below:

|                                     | <b>Fiscal Year Ended<br/>November 30,</b> |
|-------------------------------------|---|
|                                     | <b>2020</b>                               |
| <b>Operating activities:</b>        |   |
| Depreciation and amortization       | \$ 276,566                                |
| Share-based compensation            | 15,572                                    |
| Provision for doubtful accounts     | 8,139                                     |
| Deferred income taxes               | (29,470)                                  |
| Unrealized foreign exchange losses  | 5,647                                     |
| <b>Investing activities:</b>        |   |
| Purchases of property and equipment | \$ 171,332                                |

The following table presents assets and liabilities that were transferred to Concentrix as of December 1, 2020:

|   |    |           |
|---|----|-----------|
| Cash and cash equivalents                         | \$ | 152,656   |
| Accounts receivable, net                          |    | 1,079,086 |
| Other current assets                              |    | 189,323   |
| Current assets of discontinued operations         | \$ | 1,421,065 |
| Property and equipment, net                       | \$ | 451,649   |
| Goodwill  |    | 1,836,050 |
| Intangible assets, net                            |    | 798,959   |
| Deferred tax assets                               |    | 47,423    |
| Other assets                                      |    | 620,099   |
| Noncurrent assets of discontinued operations      | \$ | 3,754,180 |
| Borrowings, current                               | \$ | 33,756    |
| Accounts payable                                  |    | 140,575   |
| Accrued compensation and benefits                 |    | 419,715   |
| Other accrued liabilities                         |    | 371,069   |
| Income taxes payable                              |    | 20,725    |
| Current liabilities of discontinued operations    | \$ | 985,840   |
| Long-term borrowings                              | \$ | 1,111,362 |
| Other long-term liabilities                       |    | 601,885   |
| Deferred tax liabilities                          |    | 153,560   |
| Noncurrent liabilities of discontinued operations | \$ | 1,866,807 |

In connection with the Separation, \$3.8 million of accumulated other comprehensive income, net of income taxes, related to foreign currency translation adjustments, cash flow hedges and pension plan obligations was transferred to Concentrix on the Separation date.

#### NOTE 6—SHARE-BASED COMPENSATION:

##### Overview of Stock Incentive Plans

The Company's stock incentive plans include plans adopted in 2020 and 2013 (the "TD SYNEX Plan(s)"). The TD SYNEX Plans, as amended, provide for the direct award or sale of shares of common stock, restricted stock awards ("RSAs"), restricted stock units ("RSUs"), the grant of options to purchase shares of common stock and the award of stock appreciation rights to employees and non-employee directors and consultants. No further grants may be made under the 2013 TD SYNEX Plan and all outstanding awards under the 2013 TD SYNEX Plan continue to be governed by their existing terms. As of November 30, 2022, there were 3.9 million shares of common stock authorized under the 2020 TD SYNEX Plan available for future grants.

Under the TD SYNEX Plans, qualified employees are eligible for the grant of incentive stock options to purchase shares of common stock. Qualified employees and outside directors and consultants are eligible for the grant of non-qualified stock options, stock appreciation rights, RSAs and RSUs. The outstanding RSAs and RSUs generally vest ratably on an annual basis over a period of three to five years, with certain awards subject to other vesting periods as defined per the grant agreement. RSAs granted to qualified non-employee directors vest one fourth on a quarterly basis over a one-year period. The holders of RSAs are entitled to the same voting, dividend and other rights as the Company's common stockholders. Certain RSUs vest subject to the achievement of individual, divisional or company-wide performance goals. The majority of the performance-based RSUs vest at the end of three-year requisite service periods, subject to the achievement of company-wide financial performance goals approved by the Compensation Committee.

The exercise price for incentive stock options will not be less than 100% of the fair market value of the stock on the date of grant and the stock options have a contractual term of ten years. The majority of outstanding stock options vest as to one fifth of the stock underlying the stock options on the first anniversary date of the grant and the remaining vest monthly over a four-year period starting one month after the first anniversary of the date of grant.

Unless terminated sooner, the 2020 TD SYNEX Plan will terminate on March 17, 2030.

The Company recognizes share-based compensation expense for all share-based awards made to employees and directors, including employee stock options, RSAs, RSUs, performance-based RSUs and employee stock purchase rights, based on estimated fair values.

A summary of share-based compensation expense in the Consolidated Statements of Operations for TD SYNEX stock incentive plans is presented below:

|   | Fiscal Years Ended November 30, |           |           |
|---|---------------------------------|-----------|-----------|
|   | 2022                            | 2021      | 2020      |
| Selling, general and administrative expenses  | \$ 38,994                       | \$ 33,078 | \$ 17,631 |
| Acquisition, integration and restructuring costs (on awards issued in connection with the Merger) | \$ 6,514                        | \$ 8,289  | \$ —      |
| Total share-based compensation expense  | \$ 45,508                       | \$ 41,367 | \$ 17,631 |

The Company settles all share-based award exercises with newly issued common shares or treasury shares.

### Valuation Assumptions

The Company estimates the fair value of share-based payment awards on the grant date and recognizes as expense over the requisite service period in the Company's Consolidated Financial Statements.

The Company uses the Black-Scholes valuation model to estimate the fair value of stock options. The Black-Scholes option-pricing model was developed for use in estimating the fair value of short-lived exchange traded options that have no vesting restrictions and are fully transferable. In addition, option-pricing models require the input of highly subjective assumptions, including the option's expected life and the price volatility of the underlying stock. The expected stock price volatility assumption was determined using historical volatility of the Company's common stock.

The fair value of stock awards is determined based on the stock price at the date of grant. For grants that do not accrue dividends or dividend equivalents, the fair value is the stock price reduced by the present value of estimated dividends over the vesting period. For performance-based RSUs, the grant-date fair value assumes that the targeted performance goals will be achieved. Over the performance period, the number of awards expected to vest will be adjusted higher or lower based on the probability of achievement of performance goals.

The Company accounts for expense reductions that result from the forfeiture of unvested awards in the period that the forfeitures occur.

### Employee Stock Options

A summary of the changes in the Company's stock options is set forth below:

| (number of shares in thousands) | Options Outstanding |   |
|---------------------------------|---------------------|---|
|                                 | Number of shares    | Weighted-average exercise price per share |
| Balances, November 30, 2021     | 689                 | \$ 66.29                                  |
| Options granted                 | 72                  | 90.16                                     |
| Options exercised               | (84)                | 38.40                                     |
| Balances, November 30, 2022     | 677                 | \$ 72.29                                  |

The Company did not grant any options during the fiscal year 2020. The following assumptions were used in the Black-Scholes valuation model in fiscal years 2022 and 2021:

|                         | Fiscal Years Ended November 30, |                 |
|-------------------------|---------------------------------|-----------------|
|                         | 2022                            | 2021            |
| Expected life (years)   | 5.5                             | 5.5 - 6.1       |
| Risk free interest rate | 1.73% - 3.92%                   | 0.72% - 1.16%   |
| Expected volatility     | 39.10% - 40.18%                 | 38.01% - 38.85% |
| Dividend yield          | 1.13% - 1.37%                   | 0.75% - 0.88%   |

The weighted-average grant-date fair values of the stock options granted during fiscal years 2022 and 2021 were \$33.57 and \$34.37, respectively. As of November 30, 2022, 677 options were outstanding with a weighted-average remaining contractual term of 7.09 years, a weighted-average exercise price of \$72.29 per option and an aggregate pre-tax intrinsic value of \$21.1 million. As of November 30, 2022, 362 options were vested and exercisable with a weighted-average remaining contractual term of 6.01 years, a weighted-average exercise price of \$60.52 per share and an aggregate pre-tax intrinsic value of \$15.3 million.

The cash received from the exercise of options and the intrinsic values of options exercised during fiscal years 2022, 2021 and 2020 were as follows:

|  | Fiscal Years Ended November 30, |           |           |
|--|---------------------------------|-----------|-----------|
|  | 2022                            | 2021      | 2020      |
| Intrinsic value of options exercised   | \$ 4,682                        | \$ 16,163 | \$ 15,746 |
| Cash received from exercise of options | \$ 3,216                        | \$ 10,541 | \$ 9,018  |

As of November 30, 2022, the unamortized share-based compensation expense related to unvested stock options under the TD SYNEX Plans was \$4.6 million which will be recognized over an estimated weighted-average amortization period of 2.49 years.

### Restricted Stock Awards and Restricted Stock Units

A summary of the changes in the Company's non-vested RSAs and RSUs during fiscal year 2022 is presented below:

|  | Number of shares | Weighted-average, grant-date fair value per share |
|--|------------------|---|
| Non-vested as of November 30, 2021               | 1,066            | \$ 100.20   |
| RSAs granted                                     | 341              | 88.64   |
| RSUs granted                                     | 350              | 99.12   |
| RSAs and RSUs vested                             | (353)            | 93.23   |
| RSAs and RSUs cancelled/forfeited <sup>(1)</sup> | (97)             | 74.87   |
| Non-vested as of November 30, 2022               | 1,307            | \$ 95.69  |

<sup>(1)</sup> For performance-based RSUs, the difference between maximum awards and the actual number of shares issued upon full vesting is included.

The weighted-average grant-date fair value of the 537 RSAs and 147 RSUs granted during fiscal year 2021 were \$100.04 and \$96.29, respectively. The weighted-average grant-date fair value of the 60 RSAs and 3 RSUs granted during fiscal year 2020 were \$97.40 and \$110.58, respectively.

As of November 30, 2022, there was \$74.1 million of total unamortized share-based compensation expense related to non-vested RSAs and RSUs granted under the TD SYNEX Plans. That cost is expected to be recognized over an estimated weighted-average amortization period of 2.06 years.

In connection with the Separation, as required by the TD SYNEX stock incentive plans, the Company made certain adjustments to outstanding employee equity awards with the intention of preserving the intrinsic value of the awards prior to the Separation. In accordance with the employee matters agreement, each exercisable and non-exercisable stock option and unvested RSA was modified into similar awards of both SYNEX and Concentrix and the exercise price of outstanding stock options was adjusted to preserve the intrinsic value of the awards. Certain RSUs and performance-contingent awards were modified to provide the holders RSUs and performance contingent awards in the company that employs such employee following the Separation. When settled wholly in the employer's shares, the ratio was based on the closing stock price of SYNEX at November 30, 2020 compared to the opening stock price of the respective entity on December 1, 2020. The options strike prices were adjusted in the same manner. The modification of these awards did not result in material incremental compensation cost.

### **Tech Data Equity Awards**

Prior to the Merger, certain of Tech Data's employees were granted performance-based equity awards in Tiger Parent Holdings L.P., a partnership entity that was the parent company of Tiger Parent (AP) Corporation and Tech Data, that were unvested at the time of the closing of the Merger. Upon closing of the Merger, the unvested performance-based equity awards were converted by Tiger Parent Holdings L.P. from shares received at closing into restricted shares of TD SYNEX that vest over 2 years.

The following table summarizes the activity related to these restricted shares during the year ended November 30, 2022:

| (in thousands)                 | <b>Restricted shares</b> |
|--------------------------------|--------------------------|
| Nonvested at November 30, 2021 | 751                      |
| Vested                         | (363)                    |
| Canceled                       | (38)                     |
| Nonvested at November 30, 2022 | <u>350</u>               |

The restricted shares had a fair value of \$127.60 per share upon closing of the Merger which is being recorded as share-based compensation expense on a straight-line basis over the vesting period in "Acquisition, integration, and restructuring costs" in the Consolidated Statements of Operations. The Company recorded \$45.7 million and \$11.8 million of share-based compensation expense related to these restricted shares in "Acquisition, integration, and restructuring costs" during fiscal years 2022 and 2021, respectively. As of November 30, 2022, there was \$35.6 million of total unamortized share-based compensation expense related to these unvested awards to be recognized over a weighted-average amortization period of 0.75 years.

### **2014 Employee Stock Purchase Plan**

On January 6, 2014, the Board of Directors approved the adoption of the 2014 Employee Stock Purchase Plan ("2014 ESPP") to succeed the Company's 2003 Employee Stock Purchase Plan. The 2014 ESPP, as amended, commenced on January 1, 2015 with 750 authorized shares, which was due to antidilution provisions in the 2014 ESPP increased by 537 authorized shares following the Separation. Under the 2014 ESPP, there are four offering periods of three months each in a calendar year. Eligible employees in the United States can choose to have a fixed percentage deducted from their bi-weekly compensation, subject to a maximum purchase limit of \$10 thousand in a calendar year, to purchase the Company's common stock at a discount of 5%. Highly compensated employees are not eligible to participate in the plan.

Share-based compensation expense related to the 2014 ESPP was immaterial during fiscal years 2022, 2021 and 2020.

### **Tax Benefit of Share-Based Compensation Expense**

During fiscal years 2022, 2021 and 2020, the Company recognized income tax benefits related to the plans discussed above of \$8.2 million, \$12.1 million, and \$4.4 million, respectively, within the provision for income taxes.

**NOTE 7—STOCKHOLDERS' EQUITY:****Share Repurchase Program**

In June 2020, the Board of Directors authorized a three-year \$400.0 million share repurchase program, effective July 1, 2020, pursuant to which the Company may repurchase its outstanding common stock from time to time in the open market or through privately negotiated transactions.

The following table presents information with respect to purchases of common stock by the Company under the share repurchase program during the year ended November 30, 2022.

|  | Shares | Weighted-average price per share |
|--|--------|----------------------------------|
| Treasury stock balance at November 30, 2021                                | 2,633  | \$ 76.40                         |
| Shares of treasury stock repurchased under share repurchase program        | 1,297  | 96.37                            |
| Shares of treasury stock repurchased for tax withholdings on equity awards | 119    | 93.14                            |
| Treasury stock balance at November 30, 2022                                | 4,049  | \$ 83.29                         |

In January 2023, the Board of Directors authorized a new three-year \$1.0 billion share repurchase program, replacing the existing \$400.0 million share repurchase program, pursuant to which the Company may repurchase its outstanding common stock from time to time in the open market or through privately negotiated transactions.

**Dividends**

The Company declared cumulative cash dividends of \$1.20, \$0.80 and \$0.40 per share during the years ended November 30, 2022, 2021 and 2020, respectively. On January 10, 2023, the Company announced a cash dividend of \$0.35 per share to stockholders of record as of January 20, 2023, payable on January 27, 2023. Dividends are subject to continued capital availability and the declaration by the Board of Directors in the best interest of the Company's stockholders.

**NOTE 8—BALANCE SHEET COMPONENTS:****Cash, cash equivalents and restricted cash:**

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Balance Sheets that sum to the total of the same amounts shown in the Consolidated Statements of Cash Flows:

|  | As of November 30, |            |
|--|--------------------|------------|
|  | 2022               | 2021       |
| Cash and cash equivalents                        | \$ 522,604         | \$ 993,973 |
| Restricted cash included in other current assets | 252                | 940        |
| Cash, cash equivalents and restricted cash       | \$ 522,856         | \$ 994,913 |

**Accounts receivable, net:**

|                                       | As of November 30, |              |
|---------------------------------------|--------------------|--------------|
|                                       | 2022               | 2021         |
| Accounts receivable                   | \$ 9,550,741       | \$ 8,424,868 |
| Less: Allowance for doubtful accounts | (129,742)          | (114,836)    |
| Accounts receivable, net              | \$ 9,420,999       | \$ 8,310,032 |

**Receivables from vendors, net:**

|                                       | As of November 30, |                     |
|---------------------------------------|--------------------|---------------------|
|                                       | 2022               | 2021                |
| Receivables from vendors              | \$ 831,539         | \$ 1,130,091        |
| Less: Allowance for doubtful accounts | (12,404)           | (11,128)            |
| Receivables from vendors, net         | <u>\$ 819,135</u>  | <u>\$ 1,118,963</u> |

**Allowance for doubtful trade receivables:**

|  |                   |
|--|-------------------|
| Balance at November 30, 2019                                   | \$ 23,865         |
| Additions  | 42,592            |
| Write-offs, reclassifications and foreign exchange translation | 904               |
| Balance at November 30, 2020                                   | 67,361            |
| Acquisitions   | 75,362            |
| Additions  | (7,544)           |
| Write-offs, reclassifications and foreign exchange translation | (20,343)          |
| Balance at November 30, 2021                                   | 114,836           |
| Additions  | 34,741            |
| Write-offs, reclassifications and foreign exchange translation | (19,835)          |
| Balance at November 30, 2022                                   | <u>\$ 129,742</u> |

**Allowance for receivables from vendors:**

|  |                  |
|--|------------------|
| Balance at November 30, 2019                                   | \$ 5,481         |
| Additions  | —                |
| Write-offs, reclassifications and foreign exchange translation | (354)            |
| Balance at November 30, 2020                                   | 5,126            |
| Acquisitions   | 7,524            |
| Additions  | 588              |
| Write-offs, reclassifications and foreign exchange translation | (2,110)          |
| Balance at November 30, 2021                                   | 11,128           |
| Additions  | 1,497            |
| Write-offs, reclassifications and foreign exchange translation | (221)            |
| Balance at November 30, 2022                                   | <u>\$ 12,404</u> |

**Property and equipment, net:**

|   | As of November 30, |                   |
|---|--------------------|-------------------|
|   | 2022               | 2021              |
| Land  | \$ 27,311          | \$ 28,409         |
| Equipment, computers and software                           | 414,359            | 406,972           |
| Furniture and fixtures                                      | 59,349             | 53,766            |
| Buildings, building improvements and leasehold improvements | 219,859            | 218,284           |
| Construction-in-progress                                    | 6,859              | 1,045             |
| Total property and equipment, gross                         | \$ 727,737         | 708,476           |
| Total accumulated depreciation                              | (306,673)          | (225,033)         |
| Property and equipment, net                                 | <u>\$ 421,064</u>  | <u>\$ 483,443</u> |

Depreciation and amortization expense for fiscal years 2022, 2021 and 2020, was \$164.2 million, \$44.2 million and \$24.9 million, respectively. Fiscal year 2022 includes accelerated depreciation and amortization expense of \$64.4 million due to changes in asset useful lives in conjunction with the consolidation of certain IT systems, which is recorded in "Acquisition, integration and restructuring expenses" in the Consolidated Statements of Operations.

**Goodwill:**

|  | Fiscal Year Ended November 30, 2022 |                     |                  |                     |
|--|-------------------------------------|---------------------|------------------|---------------------|
|  | Americas                            | Europe              | APJ              | Total               |
| Balance, beginning of year   | \$ 2,451,478                        | \$ 1,381,023        | \$ 84,775        | \$ 3,917,276        |
| Adjustments to fair value during the measurement period for the Merger | 16,619                              | 31,404              | (4,291)          | 43,732              |
| Foreign exchange translation   | (16,271)                            | (135,201)           | (5,686)          | (157,158)           |
| Balance, end of year   | <u>\$ 2,451,826</u>                 | <u>\$ 1,277,226</u> | <u>\$ 74,798</u> | <u>\$ 3,803,850</u> |

**Intangible assets, net:**

|  | As of November 30, 2022 |                          |                     | As of November 30, 2021 |                          |                     |
|--|-------------------------|--------------------------|---------------------|-------------------------|--------------------------|---------------------|
|  | Gross Amounts           | Accumulated Amortization | Net Amounts         | Gross Amounts           | Accumulated Amortization | Net Amounts         |
| Intangible assets with indefinite lives: |                         |                          |                     |                         |                          |                     |
| Trade name                               | \$ 1,003,974            | \$ —                     | \$ 1,003,974        | \$ 1,050,071            | \$ —                     | \$ 1,050,071        |
| Intangible assets with finite lives:     |                         |                          |                     |                         |                          |                     |
| Customer relationships                   | \$ 3,800,710            | \$ (453,439)             | \$ 3,347,271        | \$ 3,958,033            | \$ (186,263)             | \$ 3,771,770        |
| Vendor lists                             | 176,910                 | (115,814)                | 61,096              | 177,105                 | (98,670)                 | 78,435              |
| Other intangible assets                  | 28,215                  | (17,679)                 | 10,536              | 28,213                  | (15,365)                 | 12,848              |
|  | <u>\$ 5,009,809</u>     | <u>\$ (586,932)</u>      | <u>\$ 4,422,877</u> | <u>\$ 5,213,422</u>     | <u>\$ (300,298)</u>      | <u>\$ 4,913,124</u> |

Amortization expense for fiscal years 2022, 2021 and 2020, was \$299.2 million, \$105.3 million and \$40.1 million, respectively.

Estimated future amortization expense of the Company's intangible assets is as follows:

|                                  |                            |
|----------------------------------|----------------------------|
| Fiscal years ending November 30, |                            |
| 2023                             | \$ 288,230                 |
| 2024                             | 283,421                    |
| 2025                             | 279,994                    |
| 2026                             | 277,216                    |
| 2027                             | 274,152                    |
| Thereafter                       | 2,015,889                  |
| <b>Total</b>                     | <u><u>\$ 3,418,902</u></u> |

## Accumulated other comprehensive income (loss)

The components of accumulated other comprehensive income (loss) ("AOCI"), net of taxes, were as follows:

|   | Unrealized gains<br>(losses)<br>on<br>cash flow hedges,<br>net of<br>taxes | Foreign<br>currency<br>translation<br>adjustment and<br>other,<br>net of taxes | Total               |
|---|--|--|---------------------|
| Balance, beginning of year  | \$ (48,803)  | \$ (287,391)   | \$ (336,194)        |
| Other comprehensive income (loss) before reclassification                 | 35,046   | (438,488)  | (403,442)           |
| Reclassification of (gains) losses from other comprehensive income (loss) | 19,926   | —  | 19,926              |
| Balance, end of year  | <u>\$ 6,169</u>  | <u>\$ (725,879)</u>  | <u>\$ (719,710)</u> |

Refer to Note 9 – Derivative Instruments for the location of gains and losses reclassified from accumulated other comprehensive income (loss) to the Consolidated Statements of Operations.

## NOTE 9—DERIVATIVE INSTRUMENTS:

In the ordinary course of business, the Company is exposed to foreign currency risk, interest rate risk, equity risk, commodity price changes and credit risk. The Company enters into transactions, and owns monetary assets and liabilities, that are denominated in currencies other than the legal entity's functional currency. The Company may enter into forward contracts, option contracts, swaps, or other derivative instruments to offset a portion of the risk on expected future cash flows, earnings, net investments in certain international subsidiaries and certain existing assets and liabilities. However, the Company may choose not to hedge certain exposures for a variety of reasons including, but not limited to, accounting considerations and the prohibitive economic cost of hedging particular exposures. There can be no assurance the hedges will offset more than a portion of the financial impact resulting from movements in foreign currency exchange or interest rates. Generally, the Company does not use derivative instruments to cover equity risk and credit risk. The Company's hedging program is not used for trading or speculative purposes.

All derivatives are recognized on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded in the Consolidated Statements of Operations, or as a component of AOCI in the Consolidated Balance Sheets, as discussed below.

### Cash Flow Hedges

The Company uses interest rate swap derivative contracts to economically convert a portion of its variable-rate debt to fixed-rate debt. The swaps have maturities at various dates through October 2023. The Company terminated interest rate swaps with a notional value of \$400.0 million in December 2021. Gains and losses on cash flow hedges are recorded in AOCI until the hedged item is recognized in earnings. Deferred gains and losses associated with cash flow hedges of interest payments are recognized in "Interest expense and finance charges, net" in the Consolidated Statements of Operations in the same period as the related expense is recognized. Derivative instruments designated as cash flow hedges must be de-designated as hedges when it is probable the forecasted hedged transaction will not occur in the initially identified time period or within a subsequent two-month time period. Deferred gains and losses in AOCI associated with such derivative instruments are reclassified into earnings in the period of de-designation. Any subsequent changes in fair value of such derivative instruments are recorded in earnings unless they are re-designated as hedges of other transactions.

### Net Investment Hedges

The Company has entered into foreign currency forward contracts to hedge a portion of its net investment in euro denominated foreign operations which are designated as net investment hedges. The Company entered into the net

investment hedges to offset the risk of change in the U.S. dollar value of the Company's investment in a euro functional subsidiary due to fluctuating foreign exchange rates.

The aggregate notional values of the Company's outstanding net investment hedge contracts by year of maturity as of November 30, 2022 are as follows:

| Fiscal years ending November 30, |                   |
|----------------------------------|-------------------|
| 2023                             | \$ 7,500          |
| 2024                             | 257,500           |
| 2025                             | 4,375             |
| 2026                             | 254,375           |
| 2027                             | —                 |
| Thereafter                       | —                 |
| <b>Total</b>                     | <b>\$ 523,750</b> |

The Company had no net investment hedges outstanding as of November 30, 2021.

### Non-Designated Derivatives

The Company uses short-term forward contracts to offset the foreign exchange risk of assets and liabilities denominated in currencies other than the functional currency of the respective entities. These contracts, which are not designated as hedging instruments, mature or settle within twelve months. Derivatives that are not designated as hedging instruments are adjusted to fair value through earnings in the financial statement line item to which the derivative relates.

### Fair Values of Derivative Instruments in the Consolidated Balance Sheets

The fair values of the Company's derivative instruments are disclosed in [Note 10](#) - Fair Value Measurements and summarized in the table below:

| Balance Sheet Line Item  | Value as of       |                   |
|--|-------------------|-------------------|
|  | November 30, 2022 | November 30, 2021 |
| <b>Derivative instruments not designated as hedging instruments:</b> |                   |                   |
| Foreign exchange forward contracts (notional value)                  | \$ 1,853,188      | \$ 1,217,595      |
| Other current assets   | 9,597             | 13,764            |
| Other accrued liabilities  | 16,085            | 2,992             |
| <b>Derivative instruments designated as cash flow hedges:</b>        |                   |                   |
| Interest rate swaps (notional value)                                 | \$ 1,000,000      | \$ 1,500,000      |
| Other current assets   | 17,222            | —                 |
| Other accrued liabilities  | —                 | 38,670            |
| Other long-term liabilities  | —                 | 24,151            |
| <b>Derivative instruments designated as net investment hedges:</b>   |                   |                   |
| Foreign currency forward contracts (notional value)                  | \$ 523,750        | \$ —              |
| Other accrued liabilities  | 255               | —                 |
| Other long-term liabilities  | 16,420            | —                 |

### Volume of Activity

The notional amounts of foreign exchange forward contracts represent the gross amounts of foreign currency, including, principally, the Australian dollar, Brazilian real, British pound, Canadian dollar, Chinese yuan, Czech koruna, Danish krone, Euro, Indian rupee, Indonesian rupiah, Japanese yen, Mexican peso, Norwegian krone, Philippine peso, Polish zloty, Singapore dollar, Swedish krona, Swiss franc and Turkish lira that will be bought or sold at maturity. The notional amounts for outstanding derivative instruments provide one measure of the transaction volume outstanding and do not represent the amount of the Company's exposure to credit or market loss. The Company's exposure to credit loss and market risk will vary over time as currency and interest rates change.

## The Effect of Derivative Instruments on AOCI and the Consolidated Statements of Operations

The following table shows the gains and losses, before taxes, of the Company's derivative instruments designated as cash flow hedges and net investment hedges in Other Comprehensive Income ("OCI"), and not designated as hedging instruments in the Consolidated Statements of Operations for the periods presented:

| Location of Gains (losses)<br>in Income   |   | For the fiscal years ended November 30, |             |             |
|---|---|---|-------------|-------------|
|   |   | 2022                                    | 2021        | 2020        |
| <b>Derivative instruments designated as cash flow hedges:</b>                         |   |   |             |             |
| Gains (losses) recognized in OCI on interest rate swaps                               |   | \$ 46,502                               | \$ 10,902   | \$ (66,372) |
| Losses on interest rate swaps reclassified from AOCI into income                      | Interest expense and finance charges, net | \$ (26,443)                             | \$ (42,115) | \$ (34,443) |
| <b>Derivative instruments designated as net investment hedges:</b>                    |   |   |             |             |
| Losses recognized in OCI on foreign exchange forward contracts                        |   | \$ (18,477)                             | \$ —        | \$ —        |
| Gains recognized in income (amount excluded from effectiveness testing)               | Interest expense and finance charges, net | \$ 1,802                                | \$ —        | \$ —        |
| <b>Derivative instruments not designated as hedging instruments:</b>                  |   |   |             |             |
| Gains recognized from foreign exchange forward contracts, net <sup>(1)</sup>          | Cost of revenue                           | \$ 38,360                               | \$ 18,073   | \$ —        |
| (Losses) gains recognized from foreign exchange forward contracts, net <sup>(1)</sup> | Other (expense) income, net               | (10,504)                                | (6,878)     | 1,844       |
| Gains (losses) recognized from interest rate swaps, net                               | Interest expense and finance charges, net | —                                       | 128         | (643)       |
| Total   |   | \$ 27,856                               | \$ 11,323   | \$ 1,201    |

<sup>(1)</sup> The gains and losses largely offset the currency gains and losses that resulted from changes in the assets and liabilities denominated in nonfunctional currencies.

Except for the net investment hedge amount for fiscal 2022 shown above, there were no material gain or loss amounts excluded from the assessment of effectiveness. Existing net gains in AOCI that are expected to be reclassified into earnings in the normal course of business within the next twelve months are \$9.6 million.

Credit exposure for derivative financial instruments is limited to the amounts, if any, by which the counterparties' obligations under the contracts exceed the Company's obligations to the counterparties. The Company manages the potential risk of credit losses through careful evaluation of counterparty credit standing and selection of counterparties from a limited group of financial institutions.

### NOTE 10—FAIR VALUE MEASUREMENTS:

The Company's fair value measurements are classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The following table summarizes the valuation of the Company's investments and financial instruments that are measured at fair value on a recurring basis:

|   | As of November 30, 2022         |         |           |         | As of November 30, 2021         |         |           |         |
|---|---------------------------------|---------|-----------|---------|---------------------------------|---------|-----------|---------|
|   | Fair value measurement category |         |           |         | Fair value measurement category |         |           |         |
|   | Total                           | Level 1 | Level 2   | Level 3 | Total                           | Level 1 | Level 2   | Level 3 |
| <b>Assets:</b>  |                                 |         |           |         |                                 |         |           |         |
| Forward foreign currency exchange contracts not designated as hedges            | \$ 9,597                        | —       | \$ 9,597  | —       | \$ 13,764                       | —       | \$ 13,764 | —       |
| Interest rate swaps   | 17,222                          | —       | 17,222    | —       | —                               | —       | —         | —       |
| <b>Liabilities:</b>   |                                 |         |           |         |                                 |         |           |         |
| Forward foreign currency exchange contracts not designated as hedges            | \$ 16,085                       | —       | \$ 16,085 | —       | \$ 2,992                        | \$ —    | \$ 2,992  | \$ —    |
| Forward foreign currency exchange contracts designated as net investment hedges | 16,675                          | —       | 16,675    | —       | —                               | —       | —         | —       |
| Interest rate swaps   | —                               | —       | —         | —       | 62,821                          | —       | 62,821    | —       |

The fair values of forward exchange contracts are measured based on the foreign currency spot and forward rates quoted by the banks or foreign currency dealers. Fair values of long-term foreign currency exchange contracts are measured using valuations based upon quoted prices for similar assets and liabilities in active markets and are valued by reference to similar financial instruments, adjusted for terms specific to the contracts. Fair values of interest rate swaps are measured using standard valuation models using inputs that are readily available in public markets, or can be derived from observable market transactions, including LIBOR spot and forward rates. The effect of nonperformance risk on the fair value of derivative instruments was not material as of November 30, 2022 and 2021.

The carrying values of accounts receivable, accounts payable and short-term debt approximate fair value due to their short maturities and interest rates which are variable in nature. The carrying value of the Company's term loans approximate their fair value since they bear interest rates that are similar to existing market rates. The estimated fair value of the Senior Notes was approximately \$2.1 billion and \$2.4 billion at November 30, 2022 and 2021, respectively.

During the fiscal years ended November 30, 2022, 2021 and 2020, there were no transfers between the fair value measurement category levels.

**NOTE 11—BORROWINGS:**

Borrowings consist of the following:

|   | As of November 30,  |                     |
|---|---------------------|---------------------|
|   | 2022                | 2021                |
| Committed and uncommitted revolving credit facilities and borrowings      | \$ 193,128          | \$ 106,256          |
| Current portion of TD SYNEX term loan                                     | 75,000              | 75,000              |
| Borrowings, current   | <u>\$ 268,128</u>   | <u>\$ 181,256</u>   |
| TD SYNEX term loan  | \$ 1,350,000        | \$ 1,425,000        |
| TD SYNEX Senior Notes   | 2,500,000           | 2,500,000           |
| Other credit agreements and long-term debt                                | 9,690               | 72,258              |
| Long-term borrowings, before unamortized debt discount and issuance costs | \$ 3,859,690        | \$ 3,997,258        |
| Less: unamortized debt discount and issuance costs                        | (24,025)            | (42,082)            |
| Long-term borrowings  | <u>\$ 3,835,665</u> | <u>\$ 3,955,176</u> |

**TD SYNEX United States Accounts Receivable Securitization Arrangement**

In the United States, the Company has an accounts receivable securitization program to provide additional capital for its operations (the "U.S. AR Arrangement"). Under the terms of the U.S. AR Arrangement, the Company and its subsidiaries that are party to the U.S. AR Arrangement can borrow up to a maximum of \$1.5 billion based upon eligible trade accounts receivable. The U.S. AR Arrangement has a maturity date of December 2024. The effective borrowing cost under the U.S. AR Arrangement is a blended rate based upon the composition of the lenders, that includes prevailing dealer commercial paper rates and a rate based upon the Secured Overnight Financing Rate ("SOFR"). In addition, a program fee payable on the used portion of the lenders' commitment accrues at 0.75% per annum. A facility fee is payable on the adjusted commitment of the lenders, to accrue at different tiers ranging between 0.30% per annum and 0.40% per annum depending on the amount of outstanding advances from time to time.

Under the terms of the U.S. AR Arrangement, the Company and certain of its U.S. subsidiaries sell, on a revolving basis, their receivables to a wholly-owned, bankruptcy-remote subsidiary. Such receivables, which are recorded in the Consolidated Balance Sheet, totaled approximately \$2.9 billion as of November 30, 2022. The borrowings are funded by pledging all of the rights, title and interest in the receivables acquired by the Company's bankruptcy-remote subsidiary as security. Any amounts received under the U.S. AR Arrangement are recorded as debt on the Company's Consolidated Balance Sheets.

There were no amounts outstanding under the U.S. AR Arrangement at November 30, 2022 or 2021.

**SYNEX United States credit agreement**

Prior to the Merger, in the United States, the Company had a senior secured credit agreement (as amended, the "U.S. Credit Agreement") with a group of financial institutions. The U.S. Credit Agreement included a \$600.0 million commitment for a revolving credit facility and a term loan in the original principal amount of \$1.2 billion. Interest on borrowings under the U.S. Credit Agreement was based on LIBOR or a base rate at the Company's option, plus a margin. The margin for LIBOR loans ranged from 1.25% to 2.00% and the margin for base rate loans ranged from 0.25% to 1.00%, provided that LIBOR was not less than zero. The base rate was a variable rate which was the highest of (a) the Federal Funds Rate, plus a margin of 0.5%, (b) the rate of interest announced, from time to time, by the agent, Bank of America, N.A., as its "prime rate," and (c) the Eurodollar Rate, plus 1.0%. The unused revolving credit facility commitment fee ranged from 0.175% to 0.30% per annum. The margins above the applicable interest rates and the revolving commitment fee for revolving loans were based on the Company's consolidated leverage ratio, as calculated under the U.S. Credit Agreement. The Company's obligations under the U.S. Credit Agreement were secured by substantially all of the parent company's and its United States domestic subsidiaries' assets on a pari passu basis with the interests of the lenders under the U.S. Term Loan Credit Agreement (defined below) pursuant to an intercreditor agreement and were guaranteed by certain of the Company's United States domestic subsidiaries. The U.S. Credit Agreement was originally scheduled to mature in September 2022, however the U.S. Credit Agreement was terminated on September 1, 2021 and all outstanding balances were repaid in full as part of the Merger (see [Note 3](#) – Acquisitions for further discussion).

## **SYNNEX United States term loan credit agreement**

Prior to the Merger, in the United States the Company had a senior secured term loan credit agreement (the “U.S. Term Loan Credit Agreement”) with a group of financial institutions in the original principal amount of \$1.8 billion. The remaining outstanding principal was payable on maturity. Interest on borrowings under the U.S. Term Loan Credit Agreement were based on LIBOR or a base rate at the Company’s option, plus a margin. The margin for LIBOR loans ranged from 1.25% to 1.75% and the margin for base rate loans ranged from 0.25% to 0.75%, provided that LIBOR was not less than zero. The base rate was a variable rate which was the highest of (a) 0.5% plus the greater of (x) the Federal Funds Rate in effect on such day and (y) the overnight bank funding rate in effect on such day, (b) the Eurodollar Rate plus 1.0% per annum, and (c) the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. During the period in which the term loans were available to be drawn, the Company paid term loan commitment fees. The margins above the Company’s applicable interest rates and the term loan commitment fee were based on the Company’s consolidated leverage ratio as calculated under the U.S. Term Loan Credit Agreement. The Company’s obligations under the U.S. Term Loan Credit Agreement were secured by substantially all of the Company’s and certain of its domestic subsidiaries’ assets on a pari passu basis with the interests of the lenders under the U.S. Credit Agreement pursuant to an intercreditor agreement, and were guaranteed by certain of its domestic subsidiaries. The U.S. Term Loan Credit Agreement was originally scheduled to mature in October 2023, however the U.S. Term Loan Credit Agreement was terminated on September 1, 2021 and all outstanding balances were repaid in full as part of the Merger (see [Note 3](#) – Acquisitions for further discussion).

## **TD SYNNEX Credit Agreement**

In connection with the Merger Agreement, the Company entered into a credit agreement, dated as of April 16, 2021 (the “TD SYNNEX Credit Agreement”) with the lenders party thereto and Citibank, N.A., as agent, pursuant to which the Company received commitments for the extension of a senior unsecured revolving credit facility not to exceed an aggregate principal amount of \$3.5 billion which revolving credit facility (the “TD SYNNEX revolving credit facility”) may, at the request of the Company but subject to the lenders’ discretion, potentially be increased by up to an aggregate amount of \$500.0 million. There were no amounts outstanding under the TD SYNNEX revolving credit facility at November 30, 2022 or 2021. The TD SYNNEX Credit Agreement also includes a senior unsecured term loan (the “TD SYNNEX term loan” and, together with the TD SYNNEX revolving credit facility, the “TD SYNNEX credit facilities”) in an aggregate principal amount of \$1.5 billion, that was fully funded in connection with the closing of the Merger. The borrower under the TD SYNNEX Credit Agreement is the Company. There are no guarantors of the TD SYNNEX Credit Agreement. The maturity of the TD SYNNEX Credit Agreement is on the fifth anniversary of the September 2021 closing date, to occur in September 2026, subject in the case of the TD SYNNEX revolving credit facility, to two one-year extensions upon the Company’s prior notice to the lenders and the agreement of the lenders to extend such maturity date.

The outstanding principal amount of the TD SYNNEX term loan is payable in quarterly installments in an amount equal to 1.25% of the original \$1.5 billion principal balance, with the outstanding principal amount of the term loans due in full on the maturity date. Loans borrowed under the TD SYNNEX Credit Agreement bear interest, in the case of LIBOR (or successor) rate loans, at a per annum rate equal to the applicable LIBOR (or successor) rate, plus the applicable margin, which may range from 1.125% to 1.750%, based on the Company’s public debt rating (as defined in the TD SYNNEX Credit Agreement). The applicable margin on base rate loans is 1.00% less than the corresponding margin on LIBOR (or successor rate) based loans. In addition to these borrowing rates, there is a commitment fee that ranges from 0.125% to 0.300% on any unused commitment under the TD SYNNEX revolving credit facility based on the Company’s public debt rating. The effective interest rate for the TD SYNNEX term loan was 5.46% and 1.49% as of November 30, 2022 and 2021, respectively. The Company uses interest rate swap derivative contracts to economically convert a portion of the TD SYNNEX term loan to fixed-rate debt (see [Note 9](#) - Derivative Instruments for further discussion).

The TD SYNNEX Credit Agreement contains various loan covenants that are customary for similar facilities for similarly rated borrowers that restricts the ability of the Company and its subsidiaries to take certain actions. The TD SYNNEX Credit Agreement also contains financial covenants that require compliance with a maximum debt to EBITDA ratio and a minimum interest coverage ratio, in each case tested on the last day of each fiscal quarter. The TD SYNNEX Credit Agreement also contains various customary events of default, including with respect to a change of control of the Company.

## **TD SYNNEX Senior Notes**

On August 9, 2021, the Company completed its offering of \$2.5 billion aggregate principal amount of senior unsecured notes, consisting of \$700.0 million of 1.25% senior notes due August 9, 2024, \$700.0 million of 1.75% senior

notes due August 9, 2026, \$600.0 million of 2.375% senior notes due August 9, 2028, and \$500.0 million of 2.65% senior notes due August 9, 2031 (collectively, the “Senior Notes,” and such offering, the “Senior Notes Offering”). The Company incurred \$19.6 million towards issuance costs on the Senior Notes. The Company pays interest semi-annually on the notes on each of February 9 and August 9. The net proceeds from this offering were used to fund a portion of the aggregate cash consideration payable in connection with the Merger, refinance certain of the Company’s existing indebtedness and pay related fees and expenses and for general corporate purposes.

The interest rate payable on each series of the Senior Notes will be subject to adjustment from time to time if the credit rating assigned to such series of Senior Notes is downgraded (or downgraded and subsequently upgraded). The Company may redeem the Senior Notes, at any time in whole or from time to time in part, prior to (i) August 9, 2022 (the “2024 Par Call Date”) in the case of the 2024 Senior Notes, (ii) July 9, 2026 (the “2026 Par Call Date”) in the case of the 2026 Senior Notes, (iii) June 9, 2028 (the “2028 Par Call Date”) in the case of the 2028 Senior Notes, and (iv) May 9, 2031 in the case of the 2031 Senior Notes (the “2031 Par Call Date” and, together with the 2024 Par Call Date, the 2026 Par Call Date and the 2028 Par Call Date, each, a “Par Call Date” and together, the “Par Call Dates”), at a redemption price equal to the greater of (x) 100% of the aggregate principal amount of the applicable Senior Notes to be redeemed and (y) the sum of the present values of the remaining scheduled payments of the principal and interest on the Senior Notes, discounted to the date of redemption on a semi-annual basis at a rate equal to the sum of the applicable treasury rate plus 15 basis points for the 2024 Senior Notes, 20 basis points for the 2026 Senior Notes and 25 basis points for the 2028 Senior Notes and 2031 Senior Notes, plus in each case, accrued and unpaid interest thereon to, but excluding, the redemption date. The Company may also redeem the Senior Notes of any series at its option, at any time in whole or from time to time in part, on or after the applicable Par Call Date, at a redemption price equal to 100% of the principal amount of the Senior Notes to be redeemed.

On June 14, 2022, the Company commenced an offer to exchange (the “Exchange Offer”) its outstanding unregistered Senior Notes for new registered notes (the “Exchange Notes”). The purpose of the Exchange Offer was to fulfill the Company’s obligations under the applicable registration rights agreement entered into in connection with the issuance of the Senior Notes. The Company did not receive any proceeds from the Exchange Offer, and the aggregate principal amount of Exchange Notes that were issued was equal to the aggregate principal amount of Senior Notes that were surrendered pursuant to the Exchange Offer. The terms of the Exchange Notes are substantially identical to the terms of the respective series of the Senior Notes, except that the Exchange Notes are registered under the Securities Act, and certain transfer restrictions, registration rights, and additional interest provisions relating to the Senior Notes do not apply to the Exchange Notes. The Exchange Offer expired on July 14, 2022 and settlement occurred on July 15, 2022.

### **Other Borrowings and Term Debt**

The Company has various other committed and uncommitted lines of credit with financial institutions, accounts receivable securitization arrangements, finance leases, short-term loans, term loans, credit facilities, and book overdraft facilities, totaling approximately \$574.9 million in borrowing capacity as of November 30, 2022. Most of these facilities are provided on an unsecured, short-term basis and are reviewed periodically for renewal. Interest rates and other terms of borrowing under these lines of credit vary by country, depending on local market conditions. There was \$193.1 million outstanding on these facilities at November 30, 2022, at a weighted average interest rate of 4.69%, and there was \$106.3 million outstanding at November 30, 2021, at a weighted average interest rate of 4.59%. Borrowings under these lines of credit facilities are guaranteed by the Company or secured by eligible accounts receivable.

On March 22, 2021, the Company had entered into a debt commitment letter (the “Commitment Letter”), under which Citigroup Global Markets Inc. and certain other financing institutions joining thereto pursuant to the terms thereof committed to provide (i) a \$1.5 billion senior unsecured term bridge facility (the “Term Loan A Bridge Facility”), (ii) a \$2.5 billion senior unsecured term bridge facility (the “Bridge Facility”) and (iii) a \$3.5 billion senior unsecured revolving bridge facility (the “Bridge Revolving Facility”), subject to the satisfaction of certain customary closing conditions. On April 16, 2021, (i) the \$1.5 billion commitment with respect to the Term Loan A Bridge Facility under the Commitment Letter and (ii) the \$3.5 billion commitment with respect to the Bridge Revolving Facility under the Commitment Letter were reduced to zero, in each case, as a result of the Company entering into the TD SYNEX Credit Agreement; and on August 9, 2021 the Bridge Facility was reduced to zero as a result of the issuance of the Senior Notes.

At November 30, 2022, the Company was also contingently liable for reimbursement obligations with respect to issued standby letters of credit in the aggregate outstanding amount of \$82.5 million. These letters of credit typically act as a guarantee of payment to certain third parties in accordance with specified terms and conditions.

The maximum commitment amounts for local currency credit facilities have been translated into United States Dollars at November 30, 2022 exchange rates.

### **Future principal payments**

As of November 30, 2022, future principal payments under the above loans are as follows:

#### **Fiscal Years Ending November 30,**

|              |                     |
|--------------|---------------------|
| 2023         | \$ 268,128          |
| 2024         | 784,488             |
| 2025         | 75,202              |
| 2026         | 1,900,000           |
| 2027         | —                   |
| Thereafter   | 1,100,000           |
| <b>Total</b> | <b>\$ 4,127,818</b> |

### **Covenant compliance**

The Company's credit facilities have a number of covenants and restrictions that require the Company to maintain specified financial ratios. The covenants also limit the Company's ability to incur additional debt, create liens, enter into agreements with affiliates, modify the nature of the Company's business, and merge or consolidate. As of November 30, 2022, the Company was in compliance with the financial covenant requirements for the above arrangements.

## NOTE 12—EARNINGS PER COMMON SHARE:

The following table sets forth the computation of basic and diluted earnings per common share for the periods indicated:

|  | Fiscal Years Ended November 30, |            |            |
|--|---------------------------------|------------|------------|
|  | 2022                            | 2021       | 2020       |
| <b>Basic earnings per common share:</b>  |                                 |            |            |
| Income from continuing operations attributable to common stockholders <sup>(1)</sup>   | \$ 646,963                      | \$ 391,025 | \$ 330,780 |
| Income from discontinued operations attributable to common stockholders <sup>(1)</sup> | —                               | —          | 192,497    |
| Net income attributable to common stockholders <sup>(1)</sup>                          | \$ 646,963                      | \$ 391,025 | \$ 523,276 |
| Weighted-average number of common shares - basic                                       | 95,225                          | 62,239     | 50,900     |
| Basic earnings per common share  |                                 |            |            |
| Continuing operations  | \$ 6.79                         | \$ 6.28    | \$ 6.50    |
| Discontinued operations  | —                               | —          | 3.78       |
| Total basic earnings per common share  | \$ 6.79                         | \$ 6.28    | \$ 10.28   |
| <b>Diluted earnings per common share:</b>  |                                 |            |            |
| Income from continuing operations attributable to common stockholders <sup>(1)</sup>   | \$ 646,974                      | \$ 391,051 | \$ 330,802 |
| Income from discontinued operations attributable to common stockholders <sup>(1)</sup> | —                               | —          | 192,510    |
| Net income attributable to common stockholders <sup>(1)</sup>                          | \$ 646,974                      | \$ 391,051 | \$ 523,313 |
| Weighted-average number of common shares - basic                                       | 95,225                          | 62,239     | 50,900     |
| Effect of dilutive securities:   |                                 |            |            |
| Stock options and RSUs   | 284                             | 459        | 337        |
| Weighted-average number of common shares - diluted                                     | 95,509                          | 62,698     | 51,237     |
| Diluted earnings per common share  |                                 |            |            |
| Continuing operations  | \$ 6.77                         | \$ 6.24    | \$ 6.46    |
| Discontinued operations  | —                               | —          | 3.76       |
| Total diluted earnings per common share  | \$ 6.77                         | \$ 6.24    | \$ 10.21   |
| Anti-dilutive shares excluded from diluted earnings per share calculation              | 260                             | 16         | 63         |

<sup>(1)</sup> RSAs granted by the Company are considered participating securities. Income available to participating securities was immaterial in all periods presented.

**NOTE 13—SEGMENT INFORMATION:**

Segment results for all prior periods have been restated for comparability to the Company's current reportable segments (see [Note 1](#) – Organization and Basis of Presentation for further discussion). Summarized financial information related to the Company's reportable business segments for the periods presented is shown below:

|   | Americas      | Europe        | APJ          | Consolidated  |
|---|---------------|---------------|--------------|---------------|
| <b>Fiscal Year ended November 30, 2022</b>            |               |               |              |               |
| Revenue   | \$ 38,791,102 | \$ 20,289,211 | \$ 3,263,497 | \$ 62,343,810 |
| Operating income                                      | 734,103       | 227,249       | 89,521       | 1,050,873     |
| Depreciation and amortization expense                 | (280,113)     | (174,019)     | (9,233)      | (463,365)     |
| Purchases of property and equipment <sup>(1)</sup>    | (44,373)      | (15,754)      | (5,164)      | (65,291)      |
| Total assets  | 16,755,395    | 11,310,344    | 1,668,259    | 29,733,998    |
| <b>Fiscal Year ended November 30, 2021</b>            |               |               |              |               |
| Revenue   | \$ 23,317,274 | \$ 6,201,302  | \$ 2,095,593 | \$ 31,614,169 |
| Operating income                                      | 497,964       | 79,153        | 46,100       | 623,218       |
| Depreciation and amortization expense                 | (105,669)     | (41,333)      | (2,562)      | (149,564)     |
| Purchases of property and equipment <sup>(1)</sup>    | (32,733)      | (4,165)       | (2,789)      | (39,687)      |
| Total assets  | 15,708,483    | 10,657,886    | 1,300,011    | 27,666,380    |
| <b>Fiscal Year ended November 30, 2020</b>            |               |               |              |               |
| Revenue   | \$ 17,844,621 | \$ 700,270    | \$ 1,432,259 | \$ 19,977,150 |
| Operating income                                      | 438,667       | 43,463        | 39,211       | 521,341       |
| Depreciation and amortization expense                 | (61,545)      | (647)         | (2,879)      | (65,071)      |
| Purchases of property and equipment <sup>(1)(2)</sup> | (24,722)      | (439)         | (1,472)      | (26,633)      |

<sup>(1)</sup>Excludes purchases of capitalized software and application software.

<sup>(2)</sup>Excludes amounts related to Concentrix prior to the Separation.

The Company attributes revenues from external customers to the country from where products are delivered. Except for the United States, no other country accounted for 10% or more of the Company's revenue for the periods presented. Except for the United States and France, no other country accounted for 10% or more of the Company's property and equipment, net, less capitalized software and application software, for the periods presented:

|                           | Fiscal Years Ended November 30, |                      |                      |
|---------------------------|---------------------------------|----------------------|----------------------|
|                           | 2022                            | 2021                 | 2020                 |
| <b>Revenue:</b>           |                                 |                      |                      |
| United States             | \$ 34,104,786                   | \$ 19,923,466        | \$ 15,267,536        |
| Others                    | 28,239,024                      | 11,690,703           | 4,709,614            |
| Total                     | <u>\$ 62,343,810</u>            | <u>\$ 31,614,169</u> | <u>\$ 19,977,150</u> |
|                           | As of November 30,              |                      |                      |
|                           | 2022                            | 2021                 |                      |
| <b>Long-lived assets:</b> |                                 |                      |                      |
| United States             | \$ 197,498                      | \$ 199,209           |                      |
| France                    | 35,142                          | 38,933               |                      |
| Others                    | 75,023                          | 72,898               |                      |
| Total                     | <u>\$ 307,663</u>               | <u>\$ 311,040</u>    |                      |

**NOTE 14—RELATED PARTY TRANSACTIONS:**

The Company has a business relationship with MiTAC Holdings Corporation ("MiTAC Holdings"), a publicly-traded company in Taiwan, which began in 1992 when MiTAC Holdings became one of the Company's primary investors

through its affiliates. As of November 30, 2022 and 2021, MiTAC Holdings and its affiliates beneficially owned approximately 9.7% and 9.5% of the Company's outstanding common stock, respectively. Mr. Matthew Miao, Chairman Emeritus of the Company's Board of Directors and a director, is the Chairman of MiTAC Holdings and a director or officer of MiTAC Holdings' affiliates.

#### **Beneficial ownership of the Company's common stock by MiTAC Holdings**

As noted above, MiTAC Holdings and its affiliates in the aggregate beneficially owned approximately 9.7% of the Company's outstanding common stock as of November 30, 2022. These shares are owned by the following entities:

|  | As of November<br>30, 2022 |
|--|----------------------------|
| MiTAC Holdings <sup>(1)</sup>                        | 5,300                      |
| Synnex Technology International Corp. <sup>(2)</sup> | 3,860                      |
| Total  | <u>9,160</u>               |

<sup>(1)</sup>Shares are held as follows: 302 shares by Silver Star Developments Ltd. and 2,595 shares by MiTAC International Corp., both of which are wholly owned subsidiaries of MiTAC Holdings, along with 2,403 shares held directly by MiTAC Holdings. Excludes 194 shares held directly by Mr. Miao, 217 shares indirectly held by Mr. Miao through a charitable remainder trust, and 190 shares held by his spouse.

<sup>(2)</sup>Synnex Technology International Corp. ("Synnex Technology International") is a separate entity from the Company and is a publicly-traded corporation in Taiwan. Shares are held via Peer Development Ltd., a wholly-owned subsidiary of Synnex Technology International. MiTAC Holdings directly and indirectly owns a noncontrolling interest of 14.1% in MiTAC Incorporated, a privately-held Taiwanese company, which in turn holds a noncontrolling interest of 15.7% in Synnex Technology International. Neither MiTAC Holdings nor Mr. Miao is affiliated with any person(s), entity, or entities that hold a majority interest in MiTAC Incorporated.

The following table presents the Company's transactions with MiTAC Holdings and its affiliates for the periods indicated:

|   | Fiscal Years Ended November 30, |            |            |
|---|---------------------------------|------------|------------|
|   | 2022                            | 2021       | 2020       |
| Purchases of inventories and services   | \$ 257,726                      | \$ 199,698 | \$ 211,858 |
| Sale of products to MiTAC Holdings and affiliates   | 1,317                           | 623        | 764        |
| Payments made for rent and overhead costs for use of facilities of MiTAC Holdings and affiliates, net | 405                             | 161        | 129        |

The following table presents the Company's receivable from and payable to MiTAC Holdings and its affiliates for the periods presented:

|  | As of November 30, |           |
|--|--------------------|-----------|
|  | 2022               | 2021      |
| Receivable from related parties (included in Accounts receivable, net) | \$ 1,222           | \$ 21,841 |
| Payable to related parties (included in Accounts payable)              | 30,317             | 32,802    |

#### **NOTE 15—EMPLOYEE BENEFITS PLANS:**

The Company has 401(k) plans in the United States under which eligible co-workers may contribute up to the maximum amount as provided by law. Co-workers generally become eligible to participate in these plans on the first day of the month after their employment date. The Company may make discretionary contributions under the plans. During fiscal years 2022, 2021 and 2020, the Company contributed \$15.8 million, \$6.5 million and \$2.7 million, respectively, to these 401(k) plans. Co-workers in certain of the Company's international subsidiaries are covered by government mandated defined contribution plans, which are not material to operations. Additionally, the Company has defined benefit plans sponsored by certain international subsidiaries which are not material to its operations.

**NOTE 16—LEASES:**

The Company leases certain of its facilities and equipment under noncancellable operating lease agreements, which expire in various periods through 2037. The Company's finance leases are not material.

The following table presents the various components of lease costs.

|                                    | Fiscal Years Ended November 30, |                  |                  |
|------------------------------------|---------------------------------|------------------|------------------|
|                                    | 2022                            | 2021             | 2020             |
| Operating lease cost               | \$ 113,878                      | \$ 48,167        | \$ 24,394        |
| Short-term and variable lease cost | 13,031                          | 5,618            | 4,207            |
| Sublease income                    | (1,067)                         | (223)            | (7)              |
| Total operating lease cost         | <u>\$ 125,842</u>               | <u>\$ 53,562</u> | <u>\$ 28,594</u> |

The following table presents a maturity analysis of expected undiscounted cash flows for operating leases on an annual basis for the next five years and thereafter as of November 30, 2022:

| Fiscal Years Ending November 30,      |                   |
|---------------------------------------|-------------------|
| 2023                                  | \$ 90,560         |
| 2024                                  | 73,020            |
| 2025                                  | 61,211            |
| 2026                                  | 50,188            |
| 2027                                  | 36,432            |
| Thereafter                            | 193,591           |
| Total payments                        | <u>\$ 505,002</u> |
| Less: imputed interest*               | (82,095)          |
| Total present value of lease payments | <u>\$ 422,907</u> |

\*Imputed interest represents the difference between undiscounted cash flows and discounted cash flows.

The following amounts were recorded in the Company's Consolidated Balance Sheet as of November 30, 2022 and 2021:

| Operating leases                        | Balance sheet location      | November 30, 2022 | November 30, 2021 |
|---|-----------------------------|-------------------|-------------------|
| Operating lease ROU assets              | Other assets, net           | \$ 406,165        | \$ 447,122        |
| Current operating lease liabilities     | Other accrued liabilities   | 89,397            | 109,490           |
| Non-current operating lease liabilities | Other long-term liabilities | 333,510           | 353,153           |

The following table presents supplemental cash flow information related to the Company's operating leases for fiscal years 2022, 2021 and 2020. Cash payments related to variable lease costs and short-term leases are not included in the measurement of operating lease liabilities, and, as such, are excluded from the amounts below:

| Cash flow information   | Fiscal Years Ended November 30, |           |           |
|---|---------------------------------|-----------|-----------|
|   | 2022                            | 2021      | 2020      |
| Cash paid for amounts included in the measurement of lease liabilities                          | \$ 114,558                      | \$ 29,887 | \$ 22,954 |
| Non-cash ROU assets obtained in exchange for lease liabilities (subsequent to initial adoption) | 72,885                          | 34,179    | 25,172    |

The weighted-average remaining lease term and discount rate as of November 30, 2022 and 2021 were as follows:

| Operating lease term and discount rate        | 2022   | 2021   |
|---|--------|--------|
| Weighted-average remaining lease term (years) | 8.43   | 8.11   |
| Weighted-average discount rate                | 4.07 % | 4.05 % |

**NOTE 17—INCOME TAXES:**

The components of pretax income from continuing operations are as follows:

|               | Fiscal Years Ended November 30, |                   |                   |
|---------------|---------------------------------|-------------------|-------------------|
|               | 2022                            | 2021              | 2020              |
| United States | \$ 334,994                      | \$ 246,331        | \$ 276,237        |
| Foreign       | 492,136                         | 220,154           | 159,910           |
|               | <u>\$ 827,130</u>               | <u>\$ 466,485</u> | <u>\$ 436,146</u> |

Significant components of the provision for income taxes are as follows:

|  | Fiscal Years Ended November 30, |                  |                    |
|--|---------------------------------|------------------|--------------------|
|  | 2022                            | 2021             | 2020               |
| <b>Current tax provision:</b>            |                                 |                  |                    |
| Federal                                  | \$ 88,745                       | \$ (8,838)       | \$ 56,355          |
| State                                    | 35,320                          | 13,916           | 19,537             |
| Foreign                                  | 144,139                         | 66,660           | 42,252             |
|  | <u>\$ 268,204</u>               | <u>\$ 71,738</u> | <u>\$ 118,144</u>  |
| <b>Deferred tax provision (benefit):</b> |                                 |                  |                    |
| Federal                                  | \$ (31,143)                     | \$ 13,597        | \$ (13,449)        |
| State                                    | (9,471)                         | (675)            | (3,990)            |
| Foreign                                  | (51,767)                        | (13,244)         | 904                |
|  | <u>\$ (92,381)</u>              | <u>\$ (322)</u>  | <u>\$ (16,535)</u> |
| <b>Total tax provision</b>               | <u>\$ 175,823</u>               | <u>\$ 71,416</u> | <u>\$ 101,609</u>  |

The breakdown of net deferred tax assets and liabilities are as follows:

|   | As of November 30,  |                     |
|---|---------------------|---------------------|
|   | 2022                | 2021                |
| Deferred tax assets                         | \$ 46,523           | \$ 27,287           |
| Deferred tax liabilities                    | (942,250)           | (1,015,640)         |
| Total net deferred tax assets (liabilities) | <u>\$ (895,727)</u> | <u>\$ (988,353)</u> |

The significant components of the Company's deferred tax assets and liabilities are as follows:

|   | As of November 30,         |                            |
|---|----------------------------|----------------------------|
|   | 2022                       | 2021                       |
| <b>Assets:</b>  |                            |                            |
| Loss carryforwards  | \$ 82,192                  | \$ 98,472                  |
| Lease liabilities   | 96,236                     | 92,803                     |
| Accrued liabilities                                       | 104,370                    | 60,897                     |
| Foreign tax credit carryforwards                          | 50,090                     | 54,807                     |
| Disallowed interest expense                               | 21,271                     | 34,472                     |
| Allowance for doubtful accounts and sales return reserves | 29,046                     | 28,463                     |
| Capitalized inventory costs                               | 6,541                      | 20,527                     |
| Unrealized losses on cash flow hedges                     | 3,820                      | 17,668                     |
| Acquisition and transaction related costs                 | 10,024                     | 17,808                     |
| Share-based compensation expense                          | 15,530                     | 10,855                     |
| Deferred revenue  | 6,958                      | 5,742                      |
| Long-lived assets   | 7,461                      | 4,891                      |
| Other, net  | 2,385                      | 6,303                      |
|   | <u>435,924</u>             | <u>453,708</u>             |
| Less: valuation allowance                                 | <u>(102,891)</u>           | <u>(123,435)</u>           |
| Total deferred tax assets                                 | <u>\$ 333,033</u>          | <u>\$ 330,273</u>          |
| <b>Liabilities:</b>                                       |                            |                            |
| Long-lived assets   | \$ (1,112,041)             | \$ (1,165,400)             |
| Lease right-of-use assets                                 | (96,738)                   | (99,033)                   |
| Deferred costs  | (8,214)                    | (39,672)                   |
| Capitalized marketing program costs                       | (2,949)                    | (4,977)                    |
| Other, net  | (8,818)                    | (9,544)                    |
| Total deferred tax liabilities                            | <u>\$ (1,228,760)</u>      | <u>\$ (1,318,626)</u>      |
| <b>Net deferred tax (liability) asset</b>                 | <u><u>\$ (895,727)</u></u> | <u><u>\$ (988,353)</u></u> |

The decrease in the Company's overall deferred tax liability position is primarily due to a reversal of a portion of the Company's deferred tax liabilities. The net change in the deferred tax valuation allowances in fiscal 2022 was a decrease of \$20.5 million primarily resulting from fair value adjustments recorded during the measurement period related to the Merger.

The valuation allowance at November 30, 2022 and November 30, 2021 primarily relates to carryforwards for foreign net operating losses and foreign tax credits in the United States. The Company considers all positive and negative evidence available in determining the potential of realizing deferred tax assets. To the extent that the Company generates consistent taxable income within those operations with valuation allowances, the Company may reduce the valuation allowances, thereby reducing income tax expense and increasing net income in the period the determination is made.

The Company's net operating loss carryforwards totaled \$321.6 million at November 30, 2022. The majority of the net operating losses have an indefinite carryforward period with the remaining portion expiring in fiscal years 2023 through 2039. In addition, the Company has an immaterial net amount of state net operating losses. The Company's foreign tax credit carryforwards in the United States totaled \$50.1 million at November 30, 2022. The foreign tax credits have a ten-year carryforward period, and the majority is set to expire in fiscal year 2025.

The reconciliation of the statutory United States federal income tax rate to the Company's effective income tax rate is as follows:

|  | Fiscal Years Ended November 30, |        |        |
|--|---------------------------------|--------|--------|
|  | 2022                            | 2021   | 2020   |
| United States federal statutory income tax rate        | 21.0 %                          | 21.0 % | 21.0 % |
| State income taxes, net of federal income tax benefit  | 1.8                             | 2.5    | 2.4    |
| Global intangible low taxed income                     | 0.2                             | 0.6    | 0.3    |
| Tax on foreign earnings different than US federal rate | (2.5)                           | 1.6    | 1.7    |
| Net changes in deferred tax valuation allowances       | (0.9)                           | (0.4)  | —      |
| Interest not subject to tax, net                       | 0.3                             | 0.2    | (1.8)  |
| Capital loss carryback                                 | (1.0)                           | (9.6)  | —      |
| Net changes in reserves for uncertain tax positions    | (0.1)                           | (0.7)  | —      |
| Stock compensation related to Tech Data equity awards  | 1.4                             | —      | —      |
| Other, net   | 1.1                             | 0.1    | (0.4)  |
| Effective income tax rate                              | 21.3 %                          | 15.3 % | 23.3 % |

In connection with the Merger, the Company restructured its foreign financing structure, as well as select legal entities in anticipation of legally integrating legacy Tech Data and SYNEX foreign operations. In addition to the treasury efficiencies, these restructurings resulted in a one-time domestic capital loss which would offset certain domestic capital gains when carried back under United States tax law to tax year 2020, resulting in a tax benefit of approximately \$45.0 million during fiscal year 2021 and approximately \$8.3 million during fiscal year 2022.

The Company's United States business has sufficient cash flow and liquidity to fund its operating requirements and the Company expects and intends that profits earned outside the United States will be fully utilized and reinvested outside of the United States.

As of November 30, 2022, the Company had approximately \$1.1 billion of undistributed earnings of its non-U.S. subsidiaries for which it has not provided for non-U.S. withholding taxes and state taxes because such earnings are intended to be reinvested indefinitely in international operations. It is not practicable to determine the amount of applicable taxes that would be due if such earnings were distributed. Accordingly, the Company has not provisioned United States state taxes and foreign withholding taxes on non-U.S. subsidiaries for which the earnings are permanently reinvested.

The Company has been granted tax holidays in certain jurisdictions, primarily, China. The tax holidays provide for lower rates of taxation and require various thresholds of investment and business activities in those jurisdictions. Certain tax holidays begin to expire in fiscal year 2023. The tax benefits from the above tax holidays for fiscal years 2022, 2021 and 2020 were not material.

The estimates and assumptions used by the Company in computing the income taxes reflected in the Company's consolidated financial statements could differ from the actual results reflected in the income tax returns filed during the subsequent year. Adjustments are recorded based on filed returns when such returns are finalized or the related adjustments are identified.

The aggregate changes in the balances of gross unrecognized tax benefits, excluding accrued interest and penalties, during fiscal years 2022, 2021 and 2020 were as follows:

| For the year ended November 30:   | 2022             | 2021             | 2020             |
|---|------------------|------------------|------------------|
| Gross unrecognized tax benefits at beginning of period                  | \$ 26,330        | \$ 12,513        | \$ 22,445        |
| Increases (decreases) in tax positions for prior years and acquisitions | 1,069            | 17,579           | (880)            |
| Decreases in tax positions for prior years                              | (189)            | —                | (3,097)          |
| Increases in tax positions for current year                             | 955              | 827              | 1,999            |
| Expiration of statutes of limitation                                    | (3,074)          | (3,768)          | (7,486)          |
| Settlements   | (3,375)          | —                | —                |
| Changes due to translation of foreign currencies                        | (1,021)          | (821)            | (468)            |
| Gross unrecognized tax benefits at end of period                        | <u>\$ 20,695</u> | <u>\$ 26,330</u> | <u>\$ 12,513</u> |

As of November 30, 2022, the amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was \$20.7 million. Unrecognized tax benefits that have a reasonable possibility of significantly decreasing within the 12 months following November 30, 2022 would not have a material impact on the tax rate. The Company recognizes interest and penalties related to unrecognized tax benefits in the provision for income taxes. The Company's accrued interest and penalties at November 30, 2022, would not have a material impact on the effective tax rate if reversed. The provision for income taxes for each of the fiscal years ended November 30, 2022, 2021 and 2020 includes interest expense on unrecognized income tax benefits for current and prior years which is not significant to the Company's Consolidated Statement of Income. The change in the balance of accrued interest for fiscal 2022, 2021 and 2020, includes the current year end accrual, an interest benefit resulting from the expiration of statutes of limitation, and the translation adjustments on foreign currencies.

The Company conducts business primarily in the Americas, Europe and APJ, and as a result, one or more of its subsidiaries files income tax returns in the U.S. federal, various state, local and foreign tax jurisdictions. In the normal course of business, the Company is subject to examination by taxing authorities. The Company is no longer subject to examinations by the Internal Revenue Service for years before fiscal 2019. The Company is no longer subject to foreign or state income tax audits for returns covering years through 2005, and fiscal year 2010, respectively.

In preparation of the Separation, SYNEX entered into a Tax Matters Agreement with Concentrix effective on December 1, 2020 that governs the rights and obligations of SYNEX and Concentrix for certain pre-Separation tax liabilities. The Tax Matters Agreement provides that SYNEX and Concentrix will share certain pre-Separation income tax liabilities that arise from adjustments made by tax authorities to SYNEX and Concentrix' U.S. and certain non-U.S. income tax returns. In certain jurisdictions SYNEX and Concentrix have joint and several liability for past income tax liabilities and accordingly, SYNEX could be legally liable under applicable tax law for such liabilities and required to make additional tax payments.

In addition, if the distribution of Concentrix' common shares to the SYNEX stockholders is determined to be taxable, Concentrix and SYNEX would share the tax liability equally, unless the taxability of the distribution is the direct result of action taken by either Concentrix or SYNEX subsequent to the distribution in which case the party causing the distribution to be taxable would be responsible for any taxes imposed on the distribution.

#### **NOTE 18—COMMITMENTS AND CONTINGENCIES:**

As is customary in the technology industry, to encourage certain customers to purchase products from us, the Company also has other financing agreements with financial institutions to provide inventory financing facilities to the Company's customers and allow certain customers of the Company to finance their purchases directly with the financial institutions. The Company is contingently liable to repurchase inventory sold under these agreements in the event of any default by its customers under the agreement and such inventory being repossessed by the financial institutions. As the Company does not have access to information regarding the amount of inventory purchased from the Company still on hand with the customer at any point in time, the Company's repurchase obligations relating to inventory cannot be reasonably estimated. Losses, if any, would be the difference between the repossession cost and the resale value of the inventory. Repurchases under these arrangements have been insignificant to date and the Company is not aware of any pending customer defaults or repossession obligations. The Company believes that, based on historical experience, the likelihood of a material loss pursuant to these inventory repurchase obligations is remote.

The French Autorité de la Concurrence (“Competition Authority”) began in 2013 an investigation into the French market for certain products of Apple, Inc., (“Apple”) for which the Company is a distributor. In March 2020, the Competition Authority imposed fines on Tech Data, on another distributor, and on Apple, finding that Tech Data entered into an anticompetitive agreement with Apple regarding volume allocations of Apple products. The initial fine imposed on Tech Data was €76.1 million. The Company appealed its determination to the French courts, seeking to set aside or reduce the fine. Although the Company believed it had strong arguments on appeal, the Company determined that the best estimate of probable loss related to this matter as of November 30, 2021 was €36.0 million. Under French law, the pendency of the Company’s appeal does not suspend the obligation to pay the fine. Tech Data agreed with the French authorities to make eight equal installment payments in relation to the fine assessed for a total amount of €22.8 million on a quarterly basis from January 2021 through October 2022. Additionally, the Company provided a third-party surety bond to the Competition Authority to guarantee the payment of the amount of the fine and interest, if applicable.

On October 6, 2022, the appeals court issued a ruling that reduced the fine imposed on the Company from €76.1 million to €24.9 million. The Company continues to contest the arguments of the Competition Authority and has further appealed this matter. As a result of the appeals court ruling, the Company has determined that the best estimate of probable loss related to this matter as of November 30, 2022 is €24.9 million (approximately \$25.7 million as of November 30, 2022), which has been paid in full. The Company decreased its accrual established for this matter by \$10.8 million during fiscal year 2022 which is recorded in "Other (expense) income, net" in the Consolidated Statement of Operations. A civil lawsuit related to this matter, alleging anticompetitive actions in association with the established distribution networks for Apple, Tech Data and another distributor was filed by eBizcuss. The Company is currently evaluating this matter and cannot currently estimate the probability or amount of any potential loss.

From time to time, the Company receives notices from third parties, including customers and suppliers, seeking indemnification, payment of money or other actions in connection with claims made against them. Also, from time to time, the Company has been involved in various bankruptcy preference actions where the Company was a supplier to the companies now in bankruptcy. In addition, the Company is subject to various other claims, both asserted and unasserted, that arise in the ordinary course of business. The Company evaluates these claims and records the related liabilities. It is possible that the ultimate liabilities could differ from the amounts recorded.

Under the Separation and Distribution agreement, SYNEX agreed to indemnify Concentrix, each of its subsidiaries and each of their respective directors, officers and co-workers from and against all liabilities relating to, arising out of or resulting from, among other matters, the liabilities allocated to SYNEX as part of the Separation. Similarly, Concentrix agreed to indemnify SYNEX, each of its subsidiaries and each of their respective directors, officers and co-workers from and against all liabilities relating to, arising out of or resulting from, among other matters, the liabilities allocated to Concentrix as part of the Separation. SYNEX expects Concentrix to fully perform under the terms of the Separation and Distribution agreement.

Under the Separation and Distribution agreement, SYNEX and Concentrix agreed to cooperate with each other in managing litigation related to both companies' businesses. The Separation and Distribution agreement also included provisions that assign to each company responsibility for managing pending and future litigation related to the general corporate matters of SYNEX arising prior to the Separation.

The Company does not believe that the above commitments and contingencies will have a material adverse effect on the Company’s results of operations, financial position or cash flows.

**TD SYNnex CORPORATION**  
**SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS**  
**For the Fiscal Years Ended November 30, 2022, 2021 and 2020**  
**(in thousands)**  
**(Amounts may not add due to rounding)**

|  | Balances at<br>Beginning of<br>Fiscal Year | Charged to<br>Revenue<br>and Expense, net | Additions and<br>Measurement<br>Period<br>Adjustments<br>Related to<br>Acquisitions | Reclassifications<br>and<br>Write-offs | Balances at<br>End of<br>Fiscal Year |
|--|--|---|---|--|--------------------------------------|
| <b>Fiscal Year Ended November 30, 2020</b> |  |   |   |  |                                      |
| Allowance for sales returns-gross          | \$ 77,054                                  | \$ 17,385                                 | \$ —  | \$ 183                                 | \$ 94,622                            |
| Allowance for deferred tax assets          | 6,226                                      | (734)                                     | —   | —                                      | 5,492                                |
| <b>Fiscal Year Ended November 30, 2021</b> |  |   |   |  |                                      |
| Allowance for sales returns-gross          | \$ 94,622                                  | \$ (12,241)                               | \$ 89,321   | \$ 167                                 | \$ 171,869                           |
| Allowance for deferred tax assets          | 5,492                                      | —   | 120,411   | (2,468)                                | 123,435                              |
| <b>Fiscal Year Ended November 30, 2022</b> |  |   |   |  |                                      |
| Allowance for sales returns-gross          | \$ 171,869                                 | \$ 43,127                                 | \$ —  | \$ (9,172)                             | \$ 205,825                           |
| Allowance for deferred tax assets          | 123,435                                    | (10,837)                                  | (19,445)  | 9,738                                  | 102,891                              |

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

None.

**Item 9A. *Controls and Procedures***

**Evaluation of disclosure controls and procedures**

We maintain “disclosure controls and procedures,” as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our disclosure controls and procedures have been designed to meet reasonable assurance standards. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on their evaluation as of the end of the period covered by this Report, our Chief Executive Officer (our principal executive officer) and Chief Financial Officer (our principal financial officer) have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

**Management’s Report on Internal Control over Financial Reporting**

Management’s Report on Internal Control over Financial Reporting on page 51, and the attestation report of KPMG LLP, an independent registered public accounting firm on page 52, is incorporated herein by reference.

**Changes in internal control over financial reporting**

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) identified in connection with management's evaluation during our last quarter of fiscal 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B.            *Other Information***

None.

**Item 9C.            *Disclosure Regarding Foreign Jurisdictions that Prevent Inspections***

Not Applicable.

## **PART III**

### **Item 10.           *Directors, Executive Officers and Corporate Governance***

The information required by this item (with respect to Directors) is incorporated by reference from the information under the caption “Election of Directors” “Corporate Governance -- Organization of the Board of Directors” contained in our Proxy Statement to be filed with the Securities and Exchange Commission in connection with the solicitation of proxies for our 2023 Annual Meeting of Stockholders to be held on March 21, 2023 (the “Proxy Statement”). Certain information required by this item concerning executive officers is set forth in Part I of this Report under the caption “Information About Our Executive Officers.”

Item 405 of Regulation S-K calls for disclosure of any known late filing or failure by an insider to file a report required by Section 16(a) of the Exchange Act. To the extent disclosure for delinquent reports is being made, it can be found under the caption “Delinquent Section 16(a) Reports” in the Proxy Statement and is incorporated herein by reference.

We have adopted a code of ethics that applies to all of our co-workers, including our principal executive officer, our principal financial and accounting officer, our controllers and persons performing similar functions. This code of ethical business conduct, called "Code of Conduct - Our Shared Principles", is available free of charge on our public website ([www.tdsynnex.com](http://www.tdsynnex.com)) on the investor relations webpage. Future amendments or waivers relating to the code of ethics will be disclosed on the webpage referenced in this paragraph within five (5) business days following the date of such amendment or waiver.

### **Item 11.           *Executive Compensation***

The information required by this item is incorporated by reference from the information under the captions “Corporate Governance -- 2022 Directors’ Compensation Table,” “Corporate Governance -- Narrative to Directors’ Compensation Table,” “Executive Compensation,” and “Corporate Governance -- Compensation Committee Interlocks and Insider Participation” contained in the Proxy Statement.

### **Item 12.           *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this item with respect to security ownership of certain beneficial owners and management is incorporated by reference from the information under the caption “Security Ownership of Certain Beneficial Owners and Management” contained in the Proxy Statement.

## Equity Compensation Plan Information

The following table sets forth certain information regarding our equity compensation plans as of November 30, 2022:

| Plan Category   | Number of securities to be issued upon exercise of outstanding options (a) | Weighted-average exercise price of outstanding options (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|---|--|--|---|
| Equity compensation plan approved by security holders     | 677,466 (1)  | \$ 72.29   | 4,904,192 (2)(3)  |
| Equity compensation plan not approved by security holders | —  | —  | —   |
| <b>Total</b>  | <b>677,466 (1)</b>   | <b>\$ 72.29</b>  | <b>4,904,192 (2)(3)</b>   |

(1) Includes the number of shares to be issued under our 2013 and 2020 Plans. Please see [Note 6 - Share-Based Compensation](#) of the Notes to the Consolidated Financial Statements for further information regarding the plans.

(2) Includes the number of shares reserved for issuance under our 2020 Plan. The number of shares initially authorized for issuance under our 2020 Plan will not exceed the sum of (i) 2,493,196 shares of common stock plus (ii) any shares under the 2013 Plan that are subject to outstanding awards to the extent those awards expire, terminate or are canceled for any reason prior to exercise without the issuance or delivery of such shares, any shares subject to vesting restrictions that are subsequently forfeited, and any reserved shares not issued or subject to outstanding awards, up to a maximum of 1,443,193 shares. Due to antidilution provisions in the 2020 TD SYNEX Plan the number of authorized shares was increased by 2,620,859 shares following the Separation. Please see [Note 6 - Share-Based Compensation](#) of the Notes to the Consolidated Financial Statements for further information regarding the TD SYNEX Plans.

(3) Includes 1,018,621 shares available-for-sale pursuant to our 2014 Employee Stock Purchase Plan. Shares of common stock will be purchased at a price equal to 95% of the fair market value per share of common stock on either the first trading day of the offering period or on the last trading day of the accumulation period, whichever is lower. See [Note 6 - Share-Based Compensation](#) of the Notes to the Consolidated Financial Statements for further information regarding the 2014 Employee Stock Purchase Plan.

### Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required by this item is incorporated by reference from the information contained under the caption “Certain Relationships and Related Party Transactions” and “Election of Directors” contained in the Proxy Statement.

### Item 14. *Principal Accounting Fees and Services*

The information required by this item is incorporated by reference from the information contained under the caption “Ratification of the Appointment of Independent Registered Public Accountants” contained in the Proxy Statement.

## PART IV

### Item 15. *Exhibits and Financial Statement Schedules*

#### (a) Documents filed as part of this report:

- (1) Financial Statements

See Index under Item 8.

- (2) Financial Statements Schedule

See Index under Item 8.

- (3) Exhibits

See Item 15(b) below. Each compensatory plan required to be filed has been identified.

#### (b) Exhibits.

| Exhibit Number | Description of Document  |
|----------------|--|
| 2.1+           | <a href="#"><u>Agreement and Plan of Merger, dated as of March 22, 2021, by and among SYNEX, Spire Sub I, Inc., Spire Sub II, LLC, and Tiger Parent (AP) Corporation (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on March 22, 2021).</u></a> |
| 3(i).1         | <a href="#"><u>Restated Certificate of Incorporation, as Amended (incorporated by reference to Exhibit 3(i).1 to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2022).</u></a>   |
| 3(ii).1        | <a href="#"><u>Amended and Restated Bylaws.</u></a>  |
| 4.1            | <a href="#"><u>Description of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K for the year ended November 30, 2021).</u></a>                                       |
| 4.2            | <a href="#"><u>Indenture, dated as of August 9, 2021, by and between SYNEX Corporation and Citibank, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 9, 2021).</u></a>  |
| 4.3            | <a href="#"><u>First Supplemental Indenture, dated as of August 9, 2021, between SYNEX Corporation and Citibank, N.A., as trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on August 9, 2021).</u></a>                                    |
| 4.4            | <a href="#"><u>Second Supplemental Indenture, dated as of August 9, 2021, between SYNEX Corporation and Citibank, N.A., as trustee (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on August 9, 2021).</u></a>                                   |
| 4.5            | <a href="#"><u>Third Supplemental Indenture, dated as of August 9, 2021, between SYNEX Corporation and Citibank, N.A., as trustee (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on August 9, 2021).</u></a>                                    |
| 4.6            | <a href="#"><u>Fourth Supplemental Indenture, dated as of August 9, 2021, between SYNEX Corporation and Citibank, N.A., as trustee (incorporated by reference to Exhibit 4.5 to the Company's Current Report on Form 8-K filed on August 9, 2021).</u></a>                                   |
| 4.7            | <a href="#"><u>Form of \$700,000,000 1.250% Senior Notes due 2024 (included as Exhibit A to Exhibit 4.2) (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on August 9, 2021).</u></a>   |
| 4.8            | <a href="#"><u>Form of \$700,000,000 1.750% Senior Notes due 2026 (included as Exhibit A to Exhibit 4.3) (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on August 9, 2021).</u></a>   |

- 4.9 [Form of \\$600,000,000 2.375% Senior Notes due 2028 \(included as Exhibit A to Exhibit 4.4\) \(incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on August 9, 2021\).](#)
- 4.10 [Form of \\$500,000,000 2.650% Senior Notes due 2031 \(included as Exhibit A to Exhibit 4.5\) \(incorporated by reference to Exhibit 4.5 to the Company's Current Report on Form 8-K filed on August 9, 2021\).](#)
- 4.11 [Registration Rights Agreement, dated as of August 9, 2021, by and between SYNnex Corporation and Citigroup Global Markets Inc., as representative of the initial purchasers of the Notes \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 9, 2021\).](#)
- 4.12 [MiTAC Letter Agreement, dated as of September 3, 2021, by and between SYNnex Corporation, Silver Star Developments Ltd. And Peer Developments Ltd. \(incorporated by reference to Exhibit 4.12 to the Company's Annual Report on Form 10-K for the year ended November 30, 2021\).](#)
- 10.1# [SYNNEX Corporation 2013 Stock Incentive Plan \(incorporated by reference to the Company's 2013 Proxy Statement on Schedule 14A \(File No. 001-31892\) filed on February 22, 2013\).](#)
- 10.2# [Amendment No. 1 to the SYNnex Corporation 2013 Stock Incentive Plan \(incorporated by reference to the Company's additional definitive proxy materials to the 2013 Proxy Statement on Schedule 14A \(File No. 001-31892\) filed on March 5, 2013\).](#)
- 10.3# [Amendment No. 2 to the SYNnex Corporation 2013 Stock Incentive Plan \(incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 31, 2014\).](#)
- 10.4# [Amendment No. 3 to SYNnex Corporation 2013 Stock Incentive Plan \(incorporated by reference to Exhibit 10.53 to the Company's Annual Report on Form 10-K for the year ended November 30, 2016\).](#)
- 10.5# [Amendment No. 4 to SYNnex Corporation 2013 Stock Incentive Plan \(incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2017\).](#)
- 10.6# [Amendment No. 5 to SYNnex Corporation 2013 Stock Incentive Plan \(incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 31, 2018\).](#)
- 10.7# [Form of incentive award agreements related to the SYNnex Corporation 2013 Stock Incentive Plan \(incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2014\).](#)
- 10.8# [SYNNEX Corporation 2020 Stock Incentive Plan \(incorporated by reference to the Company's 2020 proxy statement on Schedule 14A \(File No. 001-31892\) filed on February 10, 2020\).](#)
- 10.9# [Amendment No. 1 to SYNnex Corporation's 2020 Stock Incentive Plan \(incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on April 7, 2020\).](#)
- 10.10# [Amendment No. 2 to SYNnex Corporation 2020 Stock Incentive Plan \(incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on April 8, 2021\).](#)
- 10.11# [Forms of incentive award agreements related to the 2020 SYNnex Corporation Stock Incentive Plan \(incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on October 9, 2020\).](#)
- 10.12# [SYNNEX Corporation Deferred Compensation Plan, as amended and restated effective January 1, 2005 \(incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2007\).](#)
- 10.13# [Amendment to SYNnex Corporation Deferred Compensation Plan \(incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K for the year ended November 30, 2011\).](#)
- 10.14# [TD SYNnex Corporation 2014 Employee Stock Purchase Plan, as amended \(incorporated by reference to Exhibit 10.20# to the Company's Annual Report on Form 10-K for the year ended November 30, 2021\).](#)
- 10.15# [SYNNEX Corporation 2016 Management Incentive Plan \(incorporated by reference to the Company's 2016 proxy statement on Schedule 14A \(File No. 001-31892\) filed on February 25, 2016\).](#)
- 10.16# [Offer Letter with Richard Hume dated August 31, 2021 \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 2, 2021\).](#)

- 10.17# [Employment Agreement, dated as of January 4, 2018, by and between the Company and Dennis Polk \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 9, 2018\).](#)
- 10.18# [Amendment to Offer Letter dated January 4, 2018, by and between SYNEX Corporation and Dennis Polk \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 26, 2021\).](#)
- 10.19# [Amendment No. 2 to Offer Letter dated September 28, 2021, by and between TD SYNEX and Dennis Polk \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 28, 2021\).](#)
- 10.20# [Offer Letter, dated as of April 1, 2013, by and between the Company and Marshall Witt \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 3, 2013\).](#)
- 10.21# [Offer Letter, dated as of January 1, 2019, by and between the Company and Michael Urban \(incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on April 9, 2019\).](#)
- 10.22# [Manager's Agreement Between TS Europe Executive BVBA and Mr. Patrick Zammit, dated as of February 1, 2017 \(incorporated by reference to Exhibit 10-20 to Tech Data Corporation's Form 10-K filed on March 25, 2020\).](#)
- 10.23# [Addendum to the Manager's Agreement Between TS Europe Executive BVBA and Mr. Patrick Zammit, dated as of February 28, 2017 \(incorporated by reference to Exhibit 10-21 to Tech Data Corporation's Form 10-K filed on March 25, 2020\).](#)
- 10.24# [Offer Letter dated January 25, 2021, by and between SYNEX Corporation and Peter Larocque \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on January 26, 2021\).](#)
- 10.25# [Advisor Agreement with Dwight Steffensen dated August 31, 2021 \(incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on October 5, 2021\).](#)
- 10.26# [Form of Change of Control Severance Plan \(incorporated by reference to Exhibit 10.13 to Amendment No. 1 to the Company's Registration Statement on Form S-1 \(File No. 333-108543\)\).](#)
- 10.27# [Amendment to SYNEX Corporation Change of Control Severance Plan \(incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2007\).](#)
- 10.28# [Form of Indemnification Agreement between the Company and its officers and directors \(incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1 \(File No. 333-108543\)\).](#)
- 10.29 [Master HP Partner Agreement, dated as of March 1, 2011, by and between the Company and Hewlett-Packard Company \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 7, 2011\).](#)
- 10.30 [Joint Sales and Marketing Agreement, dated as of May 6, 2002, by and between the Company and MiTAC International Corporation \(incorporated by reference to Exhibit 10.16 to Amendment No. 2 to the Company's Registration Statement on Form S-1 \(File No. 333-108543\)\).](#)
- 10.31 [Separation and Distribution Agreement between SYNEX Corporation and Concentrix Corporation, dated as of November 30, 2020 \(incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on December 2, 2020\).](#)
- 10.32 [Employee Matters Agreement between SYNEX Corporation and Concentrix Corporation, dated as of November 30, 2020 \(incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed on December 2, 2020\).](#)
- 10.33 [Tax Matters Agreement between SYNEX Corporation and Concentrix Corporation, dated as of November 30, 2020 \(incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed on December 2, 2020\).](#)

- 10.34 [Master Commercial Agreement between SYNnex Corporation and Concentrix Corporation, dated as of December 1, 2020 \(incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed on December 2, 2020\).](#)
- 10.35 [Investor Rights Agreement dated September 1, 2021 between SYNnex and Tiger Parent Holdings, L.P. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 2, 2021\).](#)
- 10.36 [Credit Agreement dated as of April 16, 2021 among SYNnex Corporation and named Initial Lenders and Citibank, N.A. as administrative agent \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 20, 2021\).](#)
- 10.37 [Fifth Amended and Restated Receivables Funding and Administration Agreement, dated as of December 22, 2021, by and among SIT Funding Corporation, TD SYNnex Corporation, the lenders party thereto and The Toronto-Dominion Bank, as agent \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 29, 2021\).](#)
- 10.38 [Twentieth Amendment to Third Amended and Restated Receivables Sale and Servicing Agreement, dated as of December 22, 2021, by and among TD SYNnex Corporation, SIT Funding Corporation, Westcon Group North America, Inc., the originators party thereto, the lenders party thereto, and The Toronto-Dominion Bank, as agent \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 29, 2021\).](#)
- 10.39# [TD SYNnex Corporation 2020 Stock Incentive Plan \(incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2022\).](#)
- 10.40# [Amendment No. 3 to Offer Letter dated January 4, 2023, by and between TD SYNnex and Dennis Polk \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 10, 2023\).](#)
- 10.41# [Form of Notice of Stock Option Grant and Stock Option Agreement \(U.S.\) \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 19, 2022\).](#)
- 10.42# [Form of Notice of Stock Option Grant and Stock Option Agreement \(non-U.S.\) \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 19, 2022\).](#)
- 10.43# [Form of Notice of Restricted Stock Award and Restricted Stock Agreement \(U.S.\) \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on September 19, 2022\).](#)
- 10.44# [Form of Notice of Restricted Stock Award and Restricted Stock Agreement \(non-U.S.\) \(incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on September 19, 2022\).](#)
- 10.45# [Form of Notice of Restricted Stock Unit Award and Restricted Stock Unit Agreement \(time-based\) \(U.S.\) \(incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on September 19, 2022\).](#)
- 10.46# [Form of Notice of Restricted Stock Unit Award and Restricted Stock Unit Agreement \(time-based\) \(non-U.S.\) \(incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed on September 19, 2022\).](#)
- 10.47# [Form of Notice of Performance-Based Restricted Stock Unit Award and Performance-Based Restricted Stock Unit Agreement \(U.S.\) \(incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed on September 19, 2022\).](#)
- 10.48# [Form of Notice of Performance-Based Restricted Stock Unit Award and Performance-Based Restricted Stock Unit Agreement \(non-U.S.\) \(incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed on September 19, 2022\).](#)
- 10.49 [First Omnibus Amendment to the Fifth Amended and Restated Receivables Funding and Administration Agreement, dated as of August 22, 2022 by and among SIT Funding Corporation, TD SYNnex Corporation, the lenders party thereto and The Toronto-Dominion Bank, as agent \(incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 31, 2022\).](#)
- 21.1 [Subsidiaries of the Company.](#)
- 23.1 [Consent of KPMG LLP, Independent Registered Public Accounting Firm.](#)

|         |  |
|---------|--|
| 24.1    | <a href="#">Power of Attorney (see the signature page of this Report).</a>   |
| 31.1    | <a href="#">Rule 13a-14(a) Certification of Chief Executive Officer.</a>   |
| 31.2    | <a href="#">Rule 13a-14(a) Certification of Chief Financial Officer.</a>   |
| 32.1*   | <a href="#">Statement of the Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).</a>     |
| 101.INS | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document.  |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document.  |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document.   |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document.  |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document.   |
| 104     | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)   |

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|   |   |
|---|---|
| # | Indicates management contract or compensatory plan or arrangement.  |
| * | In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management’s Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Form 10-K and will not be deemed “filed” for purpose of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. |
| + | The schedules and exhibits to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the Securities and Exchange Commission upon request.  |

**(c) Financial Statement Schedules.**

See Index under Item 8.

**Item 16. *Form 10-K Summary***

None.

## SIGNATURES

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

Date: January 23, 2023

TD SYNnex CORPORATION

By:                     /s/ Richard T. Hume                      
**Richard T. Hume**  
**Chief Executive Officer**

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Richard T. Hume and Marshall W. Witt, and each of them, his true and lawful attorneys-in-fact, each with full power of substitution, for him or her in any and all capacities, to sign any amendments to this report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact or their substitute or substitutes may do or cause to be done by virtue hereof.

**Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.**

| <b>Name</b>  | <b>Title</b>   | <b>Date</b>             |
|--|--|-------------------------|
| <u>/s/ Richard T. Hume</u><br><b>Richard T. Hume</b>         | Chief Executive Officer (Principal Executive Officer) and Director             | <u>January 23, 2023</u> |
| <u>/s/ Marshall W. Witt</u><br><b>Marshall W. Witt</b>       | Chief Financial Officer (Principal Financial and Principal Accounting Officer) | <u>January 23, 2023</u> |
| <u>/s/ Dennis Polk</u><br><b>Dennis Polk</b>                 | Executive Chair of the Board   | <u>January 23, 2023</u> |
| <u>/s/ Robert Kalsow-Ramos</u><br><b>Robert Kalsow-Ramos</b> | Vice Chair of the Board  | <u>January 23, 2023</u> |
| <u>/s/ Matthew F.C. Miao</u><br><b>Matthew F.C. Miao</b>     | Chairman Emeritus of the Board   | <u>January 23, 2023</u> |
| <u>/s/ Ann F. Vezina</u><br><b>Ann F. Vezina</b>             | Lead Independent Director  | <u>January 23, 2023</u> |
| <u>/s/ Merline Saintil</u><br><b>Merline Saintil</b>         | Director   | <u>January 23, 2023</u> |
| <u>/s/ Nayaki Nayyar</u><br><b>Nayaki Nayyar</b>             | Director   | <u>January 23, 2023</u> |
| <u>/s/ Fred A. Breidenbach</u><br><b>Fred A. Breidenbach</b> | Director   | <u>January 23, 2023</u> |
| <u>/s/ Matthew Nord</u><br><b>Matthew Nord</b>               | Director   | <u>January 23, 2023</u> |
| <u>/s/ Hau Lee</u><br><b>Hau Lee</b>                         | Director   | <u>January 23, 2023</u> |
| <u>/s/ Duane E. Zitzner</u><br><b>Duane E. Zitzner</b>       | Director   | <u>January 23, 2023</u> |

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February 6, 2023

To our Stockholders:

On behalf of the Board of Directors, it is our pleasure to invite you to the 2023 Annual Meeting of Stockholders for TD SYNEX. The meeting will be held on March 21, 2023 at 1:00 p.m. Eastern Daylight Time, at 39 Pelham Ridge Drive, Greenville, SC 29615.



Pursuant to rules and regulations adopted by the Securities and Exchange Commission, we have elected to provide access to our proxy materials online. On or about February 6, 2023, we mailed to our stockholders a notice containing instructions on how to access our 2023 Proxy Statement and Annual Report and how to vote online.

The Notice of the 2023 Annual Meeting of Stockholders and this Proxy Statement contain details of the business to be conducted during the Annual Meeting.

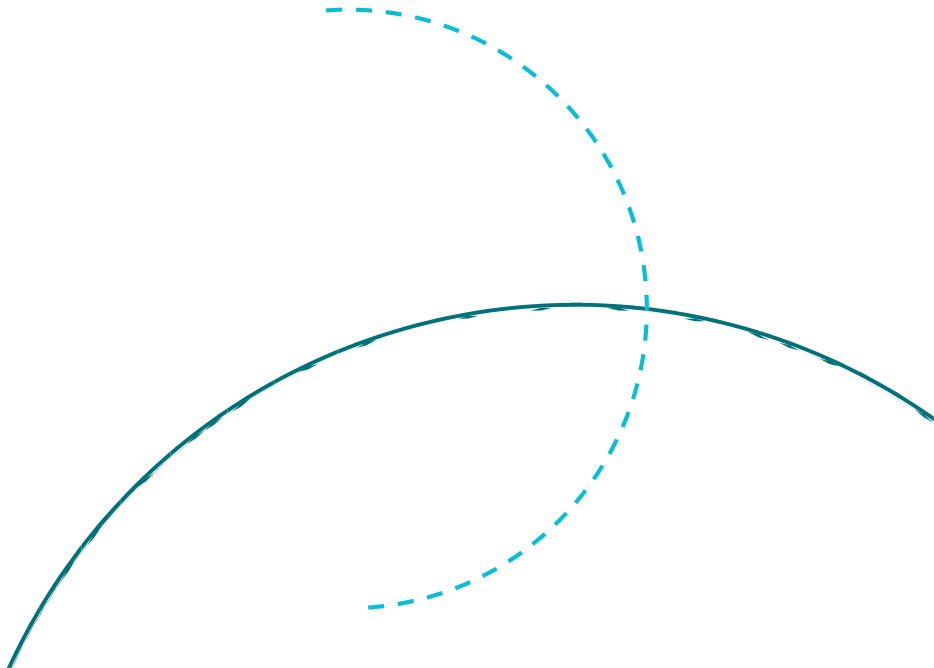
Your vote is very important. Whether or not you plan to attend the meeting in person, please take the time to cast your vote. You may vote online, by telephone, or (if you have requested a paper copy of our proxy materials) by mail, and, in doing so, you will ensure your representation at the Annual Meeting.

We appreciate your continued support and investment in TD SYNEX.

Sincerely,

A handwritten signature in blue ink that reads "Richard T. Hume". The signature is stylized, with the first letters of the first and last names being prominent.

Richard T. Hume  
*Chief Executive Officer*



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## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held March 21, 2023

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To our Stockholders:

TD SYNEX Corporation will hold its Annual Meeting of Stockholders ("Annual Meeting") at 1:00 pm Eastern Daylight Time, on March 21, 2023, at our office at 39 Pelham Ridge Drive, Greenville SC, 29615, for the following purposes:

- to elect eleven directors to serve until the 2024 Annual Meeting or until their successors are duly elected and qualified;
- to hold an advisory vote on named executive officer compensation;
- to hold an advisory vote on the frequency of holding an advisory vote on Executive Compensation;
- to ratify the appointment of KPMG LLP as our independent registered public accountants; and
- to transact such other business as may properly come before the Annual Meeting and any adjournments or postponements of the Annual Meeting.

Only stockholders of record at the close of business on January 23, 2023 are entitled to notice of, and to vote at this Annual Meeting and any adjournments or postponements thereof. For ten days prior to the Annual Meeting, a complete list of stockholders entitled to vote will be available at our office at 44201 Nobel Drive, Fremont, California 94538.

**It is important that your shares are represented at the Annual Meeting. Even if you plan to attend, we encourage you to vote your shares of TD SYNEX common stock on the Internet, by toll-free telephone call or, if you have requested a paper copy of our proxy materials, by signing, dating and returning the proxy card in the envelope provided. This will not limit your rights to attend or vote at the Annual Meeting.**

By Order of the Board of Directors,

A handwritten signature in blue ink, appearing to read "David Vetter".

David Vetter  
Chief Legal Officer and Corporate Secretary

Fremont, California  
February 6, 2023

### **Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on March 21, 2023**

Under rules adopted by the Securities and Exchange Commission, the Company is making this Proxy Statement and the Company's Annual Report to Stockholders available on the Internet instead of mailing a printed copy of these materials to each stockholder. Stockholders who received a Notice of Internet Availability of Proxy Materials (the "Notice") by mail will not receive a printed copy of these materials other than as described below. Instead, the Notice contains instructions as to how stockholders may access and review all of the important information contained in the materials on the Internet, including how stockholders may submit proxies. **If you received the Notice by mail and would prefer to receive a printed copy of the Company's proxy materials, please follow the instructions for requesting printed copies included in the Notice.**

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## PROXY SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement and does not contain all of the information that you should consider. You should read the entire Proxy Statement carefully before voting.

### Annual Meeting

- Date and Time March 21, 2023 at 1:00 pm Eastern Daylight Time
- Place 39 Pelham Ridge Drive, Greenville, SC 29615
- Record Date and Voting January 23, 2023  
Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on.

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### Meeting Agenda and Voting Matters

Proposal (1) *Election of Directors*. Each director nominee is elected annually by a plurality vote. We are asking stockholders to vote FOR each director nominee. All of our director nominees have experience or qualifications in, among other areas, people/talent/culture and mergers and acquisitions; their additional experience and qualifications are listed below.

| Name and Principal Occupation   | Director Since | Experience/ Qualifications  | Independent | Committee Membership |
|---|----------------|---|-------------|----------------------|
| <b>Dennis Polk</b><br><i>Executive Chair</i><br>TD SYNEX Corporation  | 2012           | Accounting/Financial, Strategic Planning, International, Additional Board Membership, IT Distribution or Related Industry, Information Technology, Risk Management, Sales and Marketing Management, Emerging Technology |             |                      |
| <b>Robert Kalsow-Ramos</b><br><i>Vice Chair</i><br>Partner in Private Equity Apollo Global Management, Inc. | 2021           | Accounting/Financial, Strategic Planning, International, Additional Board Membership, IT Distribution or Related Industry, Information Technology, Risk Management  |             |                      |

| Name and Principal Occupation  | Director Since | Experience/ Qualifications  | Independent | Committee Membership            |
|--|----------------|---|-------------|---------------------------------|
| <b>Ann Vezina</b><br><i>Lead Independent Director</i><br>Former Corporate Vice President, Human Resources<br>Xerox Business Services, LLC                  | 2017           | Accounting/Financial, Strategic Planning, International, Additional Board Membership, Information Technology, Risk Management, Sales and Marketing Management   | X           | Audit                           |
| <b>Richard Hume</b><br><i>President and CEO Director</i><br>TD SYNnex Corporation  | 2021           | Accounting/Financial, Strategic Planning, International, Additional Board Membership, IT Distribution or Related Industry, Information Technology, Risk Management, Sales and Marketing Management, Emerging Technology |             |                                 |
| <b>Fred Breidenbach</b><br><i>Director</i><br>Principal, FA Breidenbach & Associates, LLC and Former President and COO of Gulfstream Aerospace Corporation | 2003           | Accounting/Financial, Strategic Planning, International, Risk Management, Sales and Marketing Management  | X           | Compensation Nominating         |
| <b>Hau Lee</b><br><i>Director</i><br>Professor of Operations, Information and Technology,  | 2012           | Accounting/Financial, International, Additional Board Membership, IT Distribution or Related Industry, Information Technology, Risk   | X           | Compensation (Chair) Nominating |

| Name and Principal Occupation   | Director Since | Experience/ Qualifications  | Independent | Committee Membership               |
|---|----------------|---|-------------|------------------------------------|
| Stanford University Graduate School of Business   |                | Management, Emerging Technology   |             |                                    |
| <b>Matthew Miao</b><br><i>Director</i><br>Chairman, MiTAC Holdings Corporation, Synnex Technology International Corp., UPC Technology Corp., and Lien Hwa Industrial Holdings Corp. | 1992           | Accounting/Financial, Strategic Planning, International, Additional Board Membership, IT Distribution or Related Industry, Information Technology, Risk Management, Sales and Marketing Management, Emerging Technology |             |                                    |
| <b>Nayaki Nayyar</b><br><i>Director</i><br>Chief Executive Officer Securonix, Inc.  | 2021           | Accounting/Financial, Strategic Planning, Additional Board Membership, IT Distribution or Related Industry, Information Technology, Risk Management, Sales and Marketing Management, Emerging Technology, Cybersecurity | X           | Nominating (Chair)<br>Compensation |
| <b>Matthew Nord</b><br><i>Director</i><br>Partner and Co-Head of Private Equity Apollo Global Management, Inc.  | 2021           | Accounting/Financial, Strategic Planning, Additional Board Membership, IT Distribution or Related Industry  |             |                                    |

| Name and Principal Occupation  | Director Since | Experience/ Qualifications  | Independent | Committee Membership |
|--|----------------|---|-------------|----------------------|
| <b>Merline Saintil</b><br><i>Director</i><br>Lead Independent Director<br>Rocket Lab USA, Inc. and Former Tech COO                           | 2021           | Strategic Planning, Additional Board Membership, Information Technology, Risk Management, Emerging Technology, Cybersecurity  | X           | Audit                |
| <b>Duane Zitzner</b><br><i>Director</i><br>Consultant and Former Executive Vice President, Personal Systems Group<br>Hewlett-Packard Company | 2007           | Accounting/Financial Expert, Strategic Planning, International, IT Distribution or Related Industry, Information Technology, Risk Management, Sales and Marketing Management, Emerging Technology | X           | Audit (Chair)        |

Proposal (2) *Advisory Vote on Executive Compensation*. We are asking stockholders to approve on an advisory basis our named executive officer compensation. The Board recommends a FOR vote because it believes that our compensation policies and practices are effective in achieving our goals of recognizing sustained financial and operating performance and leadership excellence.

## 2022 Executive Officer Compensation Elements

| Type   | Form  | Terms   |
|--------|---|---|
| Equity | • Stock Options   | Options generally vest 33% on the first anniversary of the grant date and 1/36th per month thereafter while employed.   |
|        | • Restricted Stock Awards and Time-Based Restricted Stock Units | RSAs and time-based RSUs generally vest 33% per year, or 25%-25%-50% over the course of three years, while employed.  |
|        | • Performance-Based Restricted Stock Units                      | Long-term incentive RSUs generally cliff vest after three years, contingent upon achievement of three-year Company performance measures and continuous employment during the three-year period. |
| Cash   | • Salary  | Generally eligible for annual increases.  |
|        | • Management Incentive Plan Bonus                               | Based on achievement of Company fiscal year performance goals and individual performance.   |

Other • Benefits

Medical, dental and vision insurance, life insurance, 401(k) contributions.

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Proposal (3) *Advisory Vote on the Frequency of an Advisory Vote on Executive Compensation*. We are asking xstockholders to approve on an advisory basis an annual advisory vote on executive compensation. The Board recommends a FOR vote because it believes that an annual advisory vote on our executive compensation will provide our management and our Board of Directors with regular and direct input from our stockholders.

Proposal (4) *Ratification of Auditors*. As a matter of good corporate governance, we are asking our stockholders to vote FOR the ratification of the selection of KPMG LLP as our independent auditors for 2023.

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## TD SYNnex CORPORATION

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### PROXY STATEMENT

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#### INFORMATION CONCERNING VOTING AND SOLICITATION

This Proxy Statement is being furnished to you in connection with the solicitation by the Board of Directors (the “Board”) of TD SYNnex Corporation, a Delaware corporation, of proxies to be used at our 2023 Annual Meeting of Stockholders (the “Annual Meeting”) and any adjournments or postponements thereof.

Our Annual Meeting will be held at our office at 39 Pelham Ridge Drive, Greenville, SC 29615 at 1:00 pm Eastern Daylight Time, on March 21, 2023. The Notice is being mailed to stockholders on or about February 6, 2023.

#### **Appointment of Proxy Holders**

The Board asks you to appoint Richard Hume and David Vetter as your proxy holders to vote your shares at the Annual Meeting. You make this appointment by using one of the voting methods described below.

If appointed by you, the proxy holders will vote your shares as you direct on the matters described in this Proxy Statement. In the absence of your direction, they will vote your shares as recommended by the Board.

Unless you otherwise indicate, you also authorize your proxy holders to vote your shares on any matters not known by the Board at the time this Proxy Statement was distributed and which, under our Bylaws, may be properly presented for action at the Annual Meeting.

#### **Who Can Vote**

Only stockholders who owned shares of our common stock at the close of business on January 23, 2023, the record date for the Annual Meeting, can vote at the Annual Meeting. As of the close of business on the record date, we had 95,368,991 shares of common stock outstanding and entitled to vote. Each holder of common stock is entitled to one vote for each share held as of the record date. There is no cumulative voting in the election of directors.

#### **How You Can Vote**

You may vote your shares at the Annual Meeting in one of several ways, depending on how you own your shares.

*By Internet.* Stockholders of record may vote or submit proxies by following the Internet voting instructions described in the proxy materials. Most stockholders who hold shares beneficially in street name may provide voting instructions by accessing the website specified on the voting instruction form provided by their brokers, banks or nominees rather than following the instructions on the proxy materials. Please check the voting instruction form for Internet voting availability. The deadline for Internet voting is 11:59 p.m., Eastern Daylight Time, the day before the meeting date.

*Voting by Telephone.* Stockholders of record may vote or submit proxies by following the telephone voting instructions described in the proxy materials. Most stockholders who hold shares beneficially in street name may provide voting instructions by telephone by calling the number specified on the voting instruction form provided by their brokers, banks or nominees rather than following instructions in the proxy materials. Please check the voting instruction form for telephone voting availability. Please be aware that if you submit voting instructions by telephone,

you may incur costs such as telephone access charges for which you will be responsible. The deadline for telephone voting is 11:59 p.m., Eastern Daylight Time, the day before the meeting date.

*Voting by Mail.* If you have requested and receive paper copies of our proxy materials by mail, you may vote by dating, signing and returning your proxy card in the postage-prepaid return envelope provided. Sign your name exactly as it appears on the proxy. Stockholders who hold shares beneficially in street name may provide voting instructions by mail by completing, signing and dating the voting instruction forms provided by their brokers, banks or other nominees.

*Voting at the Annual Meeting.* You may vote in person at the Annual Meeting. If you hold shares through a bank or broker, you must obtain a proxy, executed in your favor, from the bank or broker to be able to vote at the Annual Meeting. Voting by mail, telephone or Internet will not limit your right to vote at the Annual Meeting, if you decide to attend in person.

The Board recommends that you vote by Internet, telephone or by mail, as it is not practical for most stockholders to attend the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you also submit your proxy or vote online or by telephone so that your vote will be counted if you later decide not to attend the Annual Meeting. Giving a proxy will not affect your right to vote your shares if you attend the Annual Meeting and want to vote in person.

If you properly complete your proxy via the telephone or Internet, or by mail, then your shares will be voted as you direct. If you properly complete your proxy but do not mark your voting preference, the proxy holders will vote your shares **FOR** the election of the nominees for director, **FOR** the approval of our executive compensation, **FOR** the approval of an annual advisory vote on our executive compensation, and **FOR** the ratification of the appointment of independent registered public accountants.

### **Revocation of Proxies**

Stockholders of record can revoke their proxies or change their vote at any time before they are exercised in any of three ways:

- by submitting written notice of revocation to the Corporate Secretary prior to the Annual Meeting;
- by submitting a later-dated vote or another properly executed proxy of a later date prior to the Annual Meeting; or
- by voting in person at the Annual Meeting.

Beneficial stockholders can revoke any prior voting instructions by contacting the broker, bank, or other nominee that holds their shares or by voting in person at the Annual Meeting.

### **Required Vote**

Directors are elected by a plurality vote with stockholders having the option to either vote “for” each director or to “withhold” their vote. Under the plurality vote standard, the eleven nominees receiving the most “for” votes will be elected; however, the Board has adopted a policy for director elections whereby if a director receives a greater number of votes “withheld” than votes “for”, the Board will review the outcome and make a determination as to the proper remedy. In its review, the Board will consider the totality of the circumstances surrounding the vote to evaluate the situation, and is authorized to remedy the situation as it deems appropriate, including requesting that the affected director resign from the Board. A “withhold” vote as to any director nominee will have no effect on the vote’s outcome because the candidates who receive the highest number of affirmative votes are elected; however, “withhold” votes

may prevent a director from obtaining a majority of “for” votes, which would trigger the aforementioned additional Board scrutiny.

All other matters submitted for stockholder approval require the affirmative vote of the holders of a majority of the votes cast, meaning the number of shares voted “for” the proposals must exceed the number of shares voted “against” the proposals for them to be approved. Abstentions on these other matters will have no effect on the outcome of the vote because abstentions will not count as votes cast.

A quorum, which is a majority of the outstanding shares as of the record date, must be present to hold the Annual Meeting. A quorum is calculated based on the number of shares issued and outstanding and entitled to vote which are represented by the stockholders attending in person and by their proxy holders. If you indicate an abstention as your voting preference, your shares will be counted toward a quorum but they will not be voted on the matter.

A broker non-vote with respect to TD SYNEX common stock occurs when (i) shares of TD SYNEX common stock held by a broker or other nominee are represented, in person or by proxy, at a meeting of TD SYNEX’ stockholders, (ii) the bank, broker or other nominee has not received voting instructions from the beneficial owner on a particular proposal and (iii) the bank, broker or other nominee does not have the discretion to direct the voting of the shares of TD SYNEX common stock on a particular proposal but has discretionary voting power on other proposals. A bank, broker, trust or other nominee may exercise discretion in voting on routine matters but may not exercise discretion and therefore will not vote on non-routine matters if instructions are not given. Under applicable stock exchange rules, only the ratification of the appointment of KPMG LLP as auditor for 2023 is a routine matter. Therefore, a bank, broker, trust, or other nominee may vote for the ratification of the appointment of auditors and would not be considered a broker non-vote. Accordingly, we encourage you to provide voting instructions to your broker, whether or not you plan to attend the Annual Meeting.

If a broker indicates that such broker does not have discretionary authority to direct the voting on a particular matter, resulting in a broker non-vote, those shares will be considered as present for purposes of determining the presence of a quorum but will not be treated as shares entitled to vote on that matter.

Because directors who receive the most “for” votes are elected under the plurality vote standard, the failure to provide your bank, broker, trust or other nominee with voting instructions will have no effect on the election of nominees.

Because the advisory vote on the compensation for our executive officers requires the majority of the votes cast and because your bank, broker, trust or other nominee does not have discretionary authority to vote on such proposal, the failure to provide your bank, broker, trust or other nominee with voting instructions will have no effect on approval of those proposals because broker non-votes will not count as votes cast.

### **Solicitation of Proxies**

We are paying the cost of printing and mailing the Notice and any proxy materials requested by stockholders in accordance with the Notice. In addition, solicitation may be made by our directors, officers and other co-workers by personal interview, telephone, facsimile or electronic mail. No additional compensation will be paid to these persons for solicitation. At this time we have not engaged a proxy solicitor. If we do engage a proxy solicitor, we will pay the customary costs associated with such engagement. We will reimburse brokerage firms and others for their reasonable expenses in forwarding any solicitation materials to beneficial owners of our common stock.

## PROPOSAL 1

### ELECTION OF DIRECTORS

#### Directors and Nominees

Our Bylaws currently provide that the number of directors which shall constitute the whole Board shall be fixed from time to time by the Board or our stockholders. We currently have authorized eleven directors. At the Annual Meeting, eleven persons have been nominated to be elected as members of the Board, each for a one-year term or until their successors are duly elected and qualified. The Nominating and Corporate Governance Committee of the Board has nominated, and the Board has designated, the eleven persons set forth below for election at the Annual Meeting. All of the nominees were elected for their current term at our 2022 Annual Meeting of Stockholders held on March 15, 2022. The proxies given to the proxy holders will be voted as directed and, if no direction is given, will be voted FOR the eleven nominees. The Board knows of no reason why any of these nominees should be unable or unwilling to serve. However, if for any reason any nominee should be unable or unwilling to serve, the proxies will be voted for any nominee designated by the Board to fill the vacancy.

#### General

Pursuant to the New York Stock Exchange (“NYSE”) listing standards, a majority of the members serving on the Board must be independent directors. The Board has determined that Messrs. Breidenbach, Lee, and Zitzner and Ms. Nayyar, Saintil, and Vezina have no material relationship with us and that each of these directors is an independent director. The Board currently has five racially diverse directors and three women directors. Certain additional information with respect to each nominee appears on the following pages, including their age (as of February 6, 2023), position (if any) with TD SYNEX, business experience during at least the past five years, directorships of other publicly-owned corporations, and agreements pursuant to which certain of our directors are nominated.

#### Business Experience of Nominees



*Dennis Polk*, 56, has served as Executive Chair of our Board since September 2021 and as a member of the Board since February 2012. He previously served as our President and Chief Executive Officer from March 2018 until September 2021. Mr. Polk joined TD SYNEX in 2002 as Senior Vice President of Corporate Finance and in the same year became Chief Financial Officer. In 2006, he was promoted to Chief Operating Officer and served in that capacity until he became our President and Chief Executive Officer. Mr. Polk serves on the boards of directors of Concentrix Corporation (“Concentrix”) (Nasdaq: CNXC), a business services company, and Terreno Realty Corporation (“Terreno”) (NYSE: TRNO), a real estate company. He joined the board of directors of Concentrix in December 2020 as part of the spin-off of the Concentrix business from TD SYNEX which was completed on December 1, 2020. At Terreno, he serves as Chair of the Compensation Committee. As our President and Chief Executive Officer from March 2018 until September 2021, an executive of our Company since 2002, and a prior distribution and contract manufacturer executive, we believe that Mr. Polk contributes his leadership skills, distribution and operations knowledge, finance background, and business experience to the Board. In addition, we believe that Mr. Polk’s membership on the Board helps to achieve the objective that its membership be composed of

experienced and dedicated individuals with diversity of backgrounds, perspectives, skills and other individual qualities that contribute to Board perspective and effectiveness.



*Robert Kalsow-Ramos, 36*, has served as a member of our Board since September 2021. He is Partner, Private Equity, at Apollo Global Management, Inc. (“Apollo”), a global private-equity firm, where he primarily focuses on investments in the services and technology sectors. He serves on the board of directors of West Technology Group (formerly known as Intrado Corporation), a technology-enabled services company, Ingenico, a payment technology and services business, and EmployBridge, a workforce solutions business. Mr. Kalsow-Ramos previously served on the board of directors of Hexion Holdings LLC, a chemical company, from October 2014 to July 2019, MPM Holdings Inc., a chemical company, from October 2014 to May 2019, Alorica, Inc., a business process outsourcing company, from December 2020 to November 2022, and Noranda Aluminum Holding Corporation, an aluminum company, and was also involved in the firm’s investment in Evertec, Inc. (NYSE: EVTC), a full-service transaction processing business. Prior to joining Apollo in 2010, Mr. Kalsow-Ramos was a member of the Investment Banking group at Morgan Stanley (NYSE: MS), an investment management company. Mr. Kalsow-Ramos received his Bachelor of Business Administration degree from the Stephen M. Ross School of Business at the University of Michigan, where he graduated with high distinction. We believe that Mr. Kalsow-Ramos contributes his leadership skills, finance and technology background, and business experience to the Board. In addition, we believe that Mr. Kalsow-Ramos’s membership on the Board helps to achieve the objective that its membership be composed of experienced and dedicated individuals with diversity of backgrounds, perspectives, skills and other individual qualities that contribute to Board perspective and effectiveness. Finally, Apollo affiliates as of February 6, 2023 hold approximately 40% of our common stock, and, for this reason, we believe that Mr. Kalsow-Ramos brings a unique ownership and stockholder representative perspective to the Board.



*Ann Vezina, 59*, has served as Lead Independent Director since September 2021 and as a member of the Board since February 2017. From July 2013 to August 2015, she was Corporate Vice President, Human Resources for Xerox Business Services, LLC and from February 2010 to July 2013, she was Corporate Vice President and Chief Operations Officer for Xerox Business Services, LLC, a workplace solutions and document management company. Previously, she served as Executive Vice President and Group President, Commercial Solutions for Affiliated Computer Services, Inc. (“ACS”), an IT service company, before the acquisition of ACS by Xerox Holdings Corporation (Nasdaq: XRX), a workplace solutions and document management company, in 2010. She began her career with Electronic Data Systems Corporation, an information

technology equipment and services company, taking on roles of increasing responsibility during her 18 years there. She serves on the board of directors of Concentrix, where she is the Chair of the Nominating and Corporate Governance Committee and a member of the Compensation Committee. Ms. Vezina graduated with a Bachelor of Science degree in Business Administration from Central Michigan University. As an executive with over 30 years of experience in the global BPO industry, and most recently in a human resources role, we believe that Ms. Vezina contributes her leadership skills, large-scale personnel management background, and business experience to the Board. In addition, we believe that Ms. Vezina's membership on the Board helps to achieve the objective that its membership be composed of experienced and dedicated individuals with diversity of backgrounds, perspectives, skills and other individual qualities that contribute to Board perspective and effectiveness.



*Richard Hume*, 63, has served as our President and Chief Executive Officer and as a member of the Board since September 2021. Immediately before that, he served as Chief Executive Officer and as a director of Tech Data Corporation ("Tech Data"), a distribution company specializing in IT products and services, since June 2018, and prior to that served as its Executive Vice President, Chief Operating Officer from March 2016. Before joining Tech Data, Mr. Hume was with International Business Machines Corporation (NYSE: IBM), a technology corporation, for more than 30 years, most recently serving as General Manager and COO, Global Technology Services. Mr. Hume serves on the board of directors of The Allstate Corporation (NYSE: ALL), an insurance company. Mr. Hume holds a Bachelor of Science degree in Accounting from the Pennsylvania State University. As our President and Chief Executive Officer, and as a former executive officer of Tech Data, we believe that Mr. Hume contributes his leadership skills, industry knowledge, technology background, and business experience to the Board. In addition, we believe that Mr. Hume's membership on the Board helps to achieve the objective that its membership be composed of experienced and dedicated individuals with diversity of backgrounds, perspectives, skills and other individual qualities that contribute to Board perspective and effectiveness. We also believe it is important that our Chief Executive Officer serves on our Board.



*Fred Breidenbach*, 76, has served as a member of the Board since February 2003. Mr. Breidenbach has had his own consulting firm of FA Breidenbach & Associates, LLC since November 1997. Prior to that, he served as the President and Chief Operating Officer of Gulfstream Aerospace Corporation ("Gulfstream"), an aviation company, from 1993 to 1997. Prior to joining Gulfstream, Mr. Breidenbach spent 25 years in various positions at General Electric Company (NYSE: GE), an industrial conglomerate, including five years as an officer of the General Electric Company and two years as President, GE Aerospace Asia Pacific, responsible for business development and Asian operations. Mr.

Breidenbach received a Bachelor of Science degree in Industrial Engineering from Pennsylvania State University and a Master of Business Administration from Xavier University. As a former executive officer of Gulfstream and General Electric Company, we believe that Mr. Breidenbach contributes his leadership skills, corporate discipline, Asia Pacific knowledge, technology background, and business experience to the Board. In addition, we believe that Mr. Breidenbach's membership on the Board helps to achieve the objective that its membership be composed of experienced and dedicated individuals with diversity of backgrounds, perspectives, skills and other individual qualities that contribute to Board perspective and effectiveness.



*Hau Lee*, 70, has served as a member of the Board since February 2012. Mr. Lee has been the Thoma Professor of Operations, Information and Technology at the Graduate School of Business at Stanford University since 2002, where he has been a professor since 1983. He is the Co-Director of the Stanford Value Chain Innovation Initiative. Mr. Lee was elected to the National Academy of Engineering of the U.S.; Fellow of Manufacturing and Service Operations Management; Production and Operations Management Society; and INFORMS. He is a co-founder of DemandTec, Inc., a retail pricing technology company. Mr. Lee received his Bachelor of Social Science degree in Economics and Statistics from the University of Hong Kong, his Master of Science degree in Operational Research from the London School of Economics, and his Master of Science and Doctor of Philosophy degrees in Operations Research from the Wharton School of the University of Pennsylvania. As a professor in supply chain management, we believe that Mr. Lee contributes his leadership skills, supply chain and technology background, and business experience to the Board. In addition, we believe that his membership on the Board helps to achieve the objective that its membership be composed of experienced and dedicated individuals with diversity of backgrounds, perspectives, skills and other individual qualities that contribute to Board perspective and effectiveness.



*Matthew Miao*, 76, has served as a member of the Board since 1992 and served as the chair of our Board from 1992 to 2008. Mr. Miao assumed the position of Chairman Emeritus of the Board in December 2008. He is on the boards of directors of MiTAC Holdings Corporation, a design and electronic manufacturing services company, Synnex Technology International Corporation, a technology solutions company, UPC Technology Corporation, a chemical products company, Lien Hwa Industrial Holdings Corporation, a food-based company, and Getac Holdings Corporation, a computer hardware manufacturing company. These directorships are all MiTAC group-related. He also serves on the board of Cathay Financial Holdings. Regarding board committees, he serves as a member of the audit committee of Cathay Financial Holdings, which does not trade on a US stock exchange. With the exception of TD SYNEX, the

aforementioned companies for which Mr. Miao serves as a director are all located in Taiwan. TD SYNEX is the only company for which Mr. Miao serves as a director that is US-publicly traded or that is subject to the periodic reporting requirements of the SEC. Our Board has reviewed Mr. Miao's past Board service and his unique position as a long-term and significant stockholder and has considered the level of time commitment required by Mr. Miao's other public company boards. The Board believes that Mr. Miao is able to make an important and full contribution to the Board notwithstanding other board commitments.

Mr. Miao received a Bachelor of Science degree in Electrical Engineering/Computer Science from the University of California, Berkeley and a Master of Business Administration degree from Santa Clara University. As the Chairman of the board of directors of MiTAC Holdings Corporation, we believe that Mr. Miao contributes his leadership skills, distribution, contract manufacturing and Asia Pacific knowledge, finance and technology background, and business experience to the Board. In addition, we believe that Mr. Miao's membership on the Board helps to achieve the objective that its membership be composed of experienced and dedicated individuals with diversity of backgrounds, perspectives, skills and other individual qualities that contribute to Board perspective and effectiveness. Finally, since our IPO in 2003, affiliates of MiTAC Holdings Corporation's holdings of our common stock ranged from approximately 75% following our IPO to approximately 20% until the Mergers, and they currently hold approximately 10% of our common stock. For this reason, we believe that Mr. Miao brings a unique ownership and stockholder representative perspective to the Board.



*Nayaki Nayyar*, 52, has served as a member of our Board since September 2021. She is Chief Executive Officer of Securonix, Inc., a privately held cybersecurity company, since December 2022. Prior to Securonix, she was President and Chief Product Officer of Ivanti, Inc., a leading supplier of enterprise IT security solutions, from May 2020 to October 2022. Prior to her joining Ivanti, Inc., from October 2016 to July 2020, Ms. Nayyar served as President of Digital Service and Operations Management at BMC Software, Inc., a leading enterprise software solutions provider. Prior to joining BMC Software, Inc., Ms. Nayyar served as General Manager and Global Head of the Internet of Things (IoT) division of SAP SE (NYSE: SAP), a leading provider of enterprise application software, from January 2016 to October 2016. She joined SAP SE in 2011, holding the positions of Senior Vice President, Corporate Strategy, from March 2011 to December 2011, and Senior Vice President, SAP Cloud for Customer Engagement, from January 2012 to December 2015. Ms. Nayyar also served as Vice President and Chief Technical Officer, Enterprise Architecture and Application Services, at Valero Energy Corporation (NYSE: VLO), an international petroleum company, from August 2000 to February 2011. Ms. Nayyar currently serves on the boards of directors of Corteva, Inc. (NYSE: CTVA), a publicly traded

agriculture company, and privately held Securonix, Inc. Ms. Nayyar received a Bachelor of Engineering degree in Mechanical Engineering from Osmania University and a Master of Science in Computer Science from University of Houston. As an executive with several years of experience in the technology industry, we believe that Ms. Nayyar contributes her leadership skills and business experience to the Board. In addition, we believe that Ms. Nayyar's membership on the Board helps to achieve the objective that its membership be composed of experienced and dedicated individuals with diversity of backgrounds, perspectives, skills and other individual qualities that contribute to Board perspective and effectiveness.



*Matthew Nord*, 43, has served as a member of our Board since September 2021. He is Partner and Co-Head of Private Equity at Apollo, having joined in 2003. Previously, Mr. Nord was a member of the Investment Banking division of Salomon Smith Barney Inc., an investment bank. Mr. Nord serves on the board of directors of Tenneco Inc., a company that designs, manufactures and markets automotive products, West Technology Group, a technology-enabled services company, ScionHealth, a hospital solutions provider, and LifePoint Health, a healthcare provider. Mr. Nord also serves on the board of trustees of Montefiore Health System, the board of overseers of the University of Pennsylvania's Weitzman School of Design and the board of directors of the Rock & Roll Hall of Fame Foundation. Mr. Nord previously served on the board of directors of ADT Inc. (NYSE: ADT), a company that provides electronic security and monitoring services, from April 2016 to June 2022, Exela Technologies, Inc. (Nasdaq: XELA), a business process automation company, from July 2017 to October 2019, where he was on the Nominating and Governance Committees, and Presidio, Inc. (Nasdaq: PSDO), a global digital solutions and services provider, from November 2014 to December 2019, where he was on the Compensation and Nomination Committees. Mr. Nord graduated summa cum laude with a Bachelor of Science degree in Economics from the Wharton School of the University of Pennsylvania. We believe that Mr. Nord contributes his leadership skills, finance and technology background, and business experience to the Board. In addition, we believe that Mr. Nord's membership on the Board helps to achieve the objective that its membership be composed of experienced and dedicated individuals with diversity of backgrounds, perspectives, skills and other individual qualities that contribute to Board perspective and effectiveness. Finally, Apollo affiliates, as of February 6, 2023, hold approximately 40% of our common stock, and, for this reason, we believe that Mr. Nord brings a unique ownership and stockholder representative perspective to the Board.



*Merline Saintil*, 46, has served as a member of our Board since September 2021. She has served as a technology and business executive at Fortune 500 and privately-held companies, including Intuit Inc. (Nasdaq: INTU), a financial software company, Yahoo! Inc., a web services provider, PayPal Holdings, Inc. (Nasdaq: PYPL), a financial technology company, Adobe Inc. (Nasdaq: ADBE), a computer software company, Joyent Inc., a cloud computing software company, and Sun Microsystems, Inc., a technology company. From April 2019 to February 2020, she was the Chief Operating Officer, R&D-IT of Change Healthcare Inc. (Nasdaq: CHNG), a healthcare technology company. Prior to that, she held the position of Head of Operations, Product & Technology with Intuit Inc., from November 2014 until August 2018. Ms. Saintil currently serves on the boards of directors of Rocket Lab USA, Inc. (Nasdaq: RKLB), a space exploration company, since June 2021, GitLab, Inc. (Nasdaq: GTLB), a DevOps company, since October 2020, Symbotic, Inc. (Nasdaq: SYM), a robotics and automation platform company, since June 2022, and Evolv Technologies Holdings, Inc. (Nasdaq: EVLV), an AI security solutions

company, since January 2021. Ms. Saintil is Lead Independent Director and Chair of the Compensation Committee at Rocket Lab USA, Inc. and is the Chair of the Nominating and Governance Committees of Symbotic, Inc. and EvolvTechnologies Holdings, Inc. Ms. Saintil served on the boards of directors of Banner Corporation (Nasdaq: BANR), a bank holding company, from March 2017 to May 2022, Alkami Technology, Inc. (Nasdaq: ALKT), a digital banking software solutions company, from October 2020 to December 2022, and Lightspeed Commerce Inc. (NYSE: LSPD), an e-commerce software provider, from August 2020 to December 2022. She is certified in Cybersecurity Oversight by the National Association of Corporate Directors and the Carnegie Mellon Software Engineering Institute. Ms. Saintil holds a Bachelor of Science degree in Computer Science from Florida A&M University and a Master of Science degree in Software Engineering Management from Carnegie Mellon University, and has completed Stanford Directors' College and Harvard Business School's executive education program. Due to her significant experience in product, technology, and business operations, we believe that Ms. Saintil contributes her leadership skills and business experience to the Board. In addition, we believe that Ms. Saintil's membership on the Board helps to achieve the objective that its membership be composed of experienced and dedicated individuals with diversity of backgrounds, perspectives, skills and other individual qualities that contribute to Board perspective and effectiveness.



*Duane E. Zitzner*, 75, has served as a member of the Board since May 2007. Mr. Zitzner served as Interim Chief Executive Officer of National ICT Australia Limited (NICTA), Australia's information and communications technology research center, from December 2014 to June 2015. He also has had his own consulting firm since January 2005. Prior to that, he served as the Executive Vice President of the Personal Systems Group at Hewlett-Packard Company (NYSE: HPQ), an information technology company, from 2002 until his retirement in December 2004. Prior to his appointment as Executive Vice President at Hewlett-Packard Company, Mr. Zitzner spent several years in various executive positions at Hewlett-Packard Company, including three years as President of Computing Systems and three years as Vice President and General Manager of the Personal Systems Group. Mr. Zitzner received a Bachelor of Science degree in Mathematics from the University of Wisconsin—Madison and did advanced studies in Computer Science at the University of Minnesota—Twin Cities. As a former executive officer of Hewlett-Packard Company, we believe that Mr. Zitzner contributes his leadership skills, industry knowledge, technology background, and business experience to the Board. In addition, we believe that Mr. Zitzner's membership on the Board helps to achieve the objective that its membership be composed of experienced and dedicated individuals with diversity of backgrounds, perspectives, skills and other individual qualities that contribute to Board perspective and effectiveness.

### **Additional Information Regarding the Directors and Director Nominees**

There are no family relationships among any of our directors or executive officers.

Robert Kalsow-Ramos, Nayaki Nayyar, Matthew Nord, and Merline Saintil were nominated for election to the Board by the Apollo Entities (as defined in “Certain Relationships and Related Party Transactions”) pursuant to the Investor Rights Agreement that we entered into in connection with the completion of our acquisition of Tech Data in September 2021. For more information about the terms of the Investor Rights Agreement, see the section entitled “Certain Relationships and Related Party Transactions—Transactions Entered Into in Connection with the Mergers—Related Agreements.” The Apollo Entities hold greater than 5% of our outstanding common stock.

### **Required Vote**

The eleven nominees for director receiving the highest number of affirmative votes will be elected as directors with stockholders having the option to either vote “for” each director or to “withhold” their vote. However, the Board has adopted a policy for director elections whereby if a director receives a greater number of votes “withheld” than votes “for”, the Board will review the outcome and make a determination as to the proper remedy. In its review, the Board will consider the totality of the circumstances surrounding the vote to evaluate the situation, and is authorized to remedy the situation as it deems appropriate, including requesting that the affected director resign from the Board. A “withhold” vote as to any director nominee will have no effect on the vote’s outcome because the candidates who receive the highest number of affirmative “for” votes are elected; however, “withhold” votes may prevent a director from obtaining a majority of “for” votes, which would trigger the aforementioned additional Board scrutiny. Unless marked to the contrary, proxies received will be voted “FOR” the nominees.

**The Board recommends a vote “FOR” the election of the nominees set forth above as directors of TD SYNEX.**

## CORPORATE GOVERNANCE

### Organization of the Board of Directors

The Board held four meetings during the fiscal year ended November 30, 2022. Each director serving during our 2022 fiscal year attended at least 75% of the meetings held by the Board and the committees on which such director served during the last completed fiscal year. We do not have a policy regarding directors' attendance at the Annual Meeting. However, all members of the Board serving at the time attended the 2022 Annual Meeting.

Our non-management directors meet in regularly scheduled executive sessions without the presence of management. The Lead Independent Director presides over each such executive session.

The Board has established three standing committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. In addition, from time to time, the Board establishes non-standing committees to address matters that may arise during periods between regularly scheduled meetings and/or specific issues not fully applicable to one of the standing committees. The Board has determined that all members of the Audit, Compensation, and Nominating and Corporate Governance Committees meet the independence standards of the NYSE and rules and regulations of the Securities and Exchange Commission (the "SEC"). In addition, each member of the Audit Committee is financially literate as defined by the Board and each member of the Audit and Compensation Committees meets the heightened independence standards of the NYSE and rules and regulations of the SEC applicable to members of these committees. The Board has approved a charter for each of these standing committees, which can be found on our website at [www.tdsynnex.com](http://www.tdsynnex.com). Our Corporate Governance Guidelines and Code of Conduct, which are applicable to our principal executive, financial and accounting officers, directors and co-workers, are also available on or through our website at [www.tdsynnex.com](http://www.tdsynnex.com) and are available in print to any stockholder upon request. We intend to post any amendments to the Corporate Governance Guidelines or Code of Conduct on our website.

The following lists the three standing committees and their current members.

| Audit Committee   |   |
|---|---|
| <i>Number of Members:</i>   | 3   |
| <i>Members:</i>   | Duane Zitzner, Chair and Audit Committee Financial Expert<br>Merline Saintil<br>Ann Vezina  |
| <i>Number of Meetings in fiscal year ended November 30, 2022:</i> | 8   |
| <i>Functions:</i>   | <ul style="list-style-type: none"><li>Provides assistance to the Board in fulfilling its legal and fiduciary obligations in matters involving our accounting, auditing, financial reporting, internal control and legal compliance functions by approving the services performed by our independent registered public accountants and reviewing their reports regarding our accounting practices and systems of internal accounting controls.</li><li>Oversees the audit efforts of our independent registered public accountants and takes those actions as it deems necessary to satisfy itself that the accountants are independent of management.</li></ul> |



- Responsible for reviewing the framework by which management discusses our risk profile and risk exposures with the full Board and its committees.
- Meets regularly with our President and Chief Executive Officer, Chief Financial Officer, Corporate Vice President of Internal Audit, independent auditor, Chief Legal Officer, Chief Ethics and Compliance Officer, Chief Accounting Officer, and other members of senior management to discuss our major financial risk exposures, financial reporting, internal controls, credit and liquidity risk, compliance risk, and key operational risks. Assist Board oversight of our IT security controls and privacy controls.
- At least annually reviews the implementation and effectiveness of our compliance and ethics program and reviews as necessary our business continuity plan and results.
- Meets regularly in separate executive session with the Corporate Vice President of Internal Audit, Chief Financial Officer, and independent auditor, as well as with committee members only, to facilitate a full and candid discussion of risk and other matters.
- Reviews potential related party transactions.

#### Compensation Committee

*Number of Members:* 3

*Members:* Hau Lee, Chair  
Fred Breidenbach  
Nayaki Nayyar

*Number of Meetings in fiscal year ended November 30, 2022:* 5



*Functions:*

- Reviews and determines our general compensation policies and the compensation provided to our officers, including targets for annual and long-term bonus plans.
- Reviews, determines and approves bonuses for our officers.
- Reviews, administers and approves equity-based compensation for our officers and co-workers and administers our stock plans and employee stock purchase plan.
- Reviews the development and implementation of practices, strategies, and policies used for recruiting, managing, and developing employees (i.e., human capital management). These practices, strategies, and

policies focus on diversity, equity, and inclusion, workplace environment and safety, and corporate culture. Discusses with management, as appropriate, their progress regarding such practices, strategies, and policies.

- Responsible for overseeing human capital and compensation risks, including evaluating and assessing risks arising from our compensation policies and practices for all co-workers and ensuring executive compensation is aligned with performance.
- Retains its own compensation consultant and meets regularly with management to understand the financial, human resources and stockholder implications of compensation decisions being made.
- Charged with monitoring our incentive and equity-based compensation plans.
- Responsible for making recommendations to the Board regarding director compensation, including director equity compensation.

#### Nominating and Corporate Governance Committee

*Number of Members:*

3

*Members:*

Nayaki Nayyar, Chair  
Fred Breidenbach  
Hau Lee

*Number of Meetings in fiscal year ended November 30, 2022:*

4



*Functions:*

- Responsible for making recommendations to the Board regarding candidates for directorships and the size, director qualifications, and composition of the Board, and for overseeing our corporate governance guidelines and reporting and making recommendations to the Board concerning corporate governance matters.
- Responsible for considering nominations by stockholders.
- Oversees risks related to our overall corporate governance, including board and committee composition, board size and structure, director independence, board diversity and tenure, and our corporate governance profile and ratings.
- Assists the Board in its review of the development, oversight, and implementation of the Environmental,

Social and Governance (“ESG”) policies, programs, and practices, and discusses with management such ESG matters, including sustainability, environmental protection, community and social responsibility, and human rights.

- Actively engaged in overseeing risks associated with succession planning for the Board and management.

### **The Board of Directors’ Role in Risk Oversight**

The Board recognizes the importance of effective risk oversight in running a successful business and in fulfilling its fiduciary responsibilities to TD SYNEX and our stockholders. While the Chief Executive Officer and other members of our senior management team are responsible for the day-to-day management of risk, the Board is responsible for ensuring that an appropriate culture of risk management exists within our company and for setting the right “tone at the top,” overseeing our aggregate risk profile, and assisting management in addressing specific risks, such as strategic and competitive risks, financial risks, brand and reputation risks, legal risks, regulatory risks, and operational risks.

The Company’s Executive Chair of the Board presides at all meetings of the Board and of the Company’s stockholders. The Executive Chair also manages the relationships between the Board and the Company’s management and stockholders. Currently, the Company’s Executive Chair is Dennis Polk. As Executive Chair, Mr. Polk’s duties include those of Executive Chair set forth above plus the following additional duties as an employee: (i) overseeing our Hyve Solutions business; (ii) providing advice and counsel to the Chief Executive Officer on a regular basis; (iii) at the request and direction of the Chief Executive Officer, engaging in critical vendor and customer relationships and community involvement; and (iv) at the request and direction of the Chief Executive Officer or the Board, being involved in specified special projects.

In addition to an Executive Chair, the Board has a lead independent director designated by the Nominating and Corporate Governance Committee, which is comprised solely of independent directors. Ann Vezina is the Lead Independent Director. The Lead Independent Director chairs the meetings of the independent directors and is responsible for consolidating and expressing the views of the independent directors to the Board. The Lead Independent Director’s other functions and responsibilities include: (i) serving as a liaison between the Executive Chair and the independent directors, (ii) discussing with the Executive Chair and CEO, the nature and type of information to be sent to the Board, (iii) approving meeting schedules to ensure that there is sufficient time for discussion of all agenda items, (iv) calling meetings of the independent directors, and (v) if requested by major stockholders, ensuring that she is available for consultation and direct communication.

The Board’s current leadership structure allows the Board to benefit from the leadership and direct participation of the Company’s current Chief Executive Officer and former Chief Executive Officer. At the same time, the leadership structure provides for a strong lead independent director with defined duties and responsibilities to enable the independent directors to provide independent and cohesive oversight and guidance. The Board exercises

its oversight responsibility for risk both directly and through three of its standing committees. Throughout the year, the Board and each committee spend a portion of their time reviewing and discussing specific risk topics. The full Board is kept informed of each committee's risk oversight and related activities through regular oral reports from the committee chairs, and committee meeting minutes and materials are available for review by all directors. Strategic, operational, financial and competitive risks also are presented and discussed at the Board's quarterly meetings, and more often as needed. On at least an annual basis, the Board conducts a review of our long-term strategic plans and members of senior management report on our top risks and the steps management has taken or will take to mitigate these risks. In addition, at each quarterly meeting, or more often as necessary, our Chief Legal Officer updates the Board on material legal and regulatory matters. Our Chief Legal Officer and Chief Ethics and Compliance Officer regularly update the Audit Committee regarding our periodic ethical business conduct training and Code of Conduct. On a regular basis between Board meetings, our Chief Executive Officer and/or other executive officers provide reports to the Board on the critical issues we face and recent developments in our principal operating areas. These reports may include a discussion of business risks as well as a discussion regarding enterprise risk.

### **Cybersecurity**

The maintenance of privacy and a security culture and the prevention of cybercrimes is a core focus that is addressed by the Board during security briefings on cybersecurity matters. Our prioritization of our cybersecurity risk management strategy is critical to maintaining the trust of our stakeholders.

Our cybersecurity program is led by a dedicated team and includes protocols for detecting, addressing, and responding to cybersecurity incidents. Business continuity, disaster recovery planning and testing, and security vulnerability assessments are frequently conducted. Our security strategy has been assessed by several independent security firms and is in compliance with industry best practices. As part of our information security training program, we provide cybersecurity awareness training and emphasize ethical spear-phishing simulations. Our cybersecurity insurance thresholds and deductibles align with industry expectations.

### **Environmental, Social and Governance (ESG)**

We hold ourselves to the highest standards every day, and our stakeholders do, too. We are committed to being a good corporate citizen with clear commitments because we believe in playing a role in building a vibrant, interconnected world and a more sustainable future. We have a Global Responsibility Steering Committee composed of a cross-functional group of senior leaders from around the world. During fiscal year 2022, we completed our first materiality assessment, based on feedback from key internal and external stakeholders and introduced our ESG strategy and goals.

#### **Environmental**

Our vision for a vibrant, interconnected world remains focused on protecting our environment. We are committed to lowering our global carbon footprint, setting targets for emission reductions, increasing our sustainability initiatives, and supporting our customers and vendors to achieve their environmental goals. Our facilities teams are constantly searching for new ways to reduce carbon emissions, cut down on energy usage, and improve energy efficiency.

Some highlights of our efforts include:

- Committed to the Science Based Targets Business Ambition Pledge and announced net zero commitment by 2045
- Launched a Sustainability Badge training program where co-workers and partners can earn a certification badge on topics such as Sustainability Essentials and Circular Economy

- Established a Sustainability Working Group and launched two towers of specialization in Circular Economy and Sustainable Transportation and Logistics
- Completed EcoVadis assessment and achieved a Bronze badge
- Implemented carbon accounting tool for Sustainability data tracking
- Completed CDP report to disclose carbon footprint and achieved a "C" (Awareness) score
- Maintained 12 LEED locations globally
- Achieved certifications at over 50 TD SYNEX locations for ISO 9001, ISO 14001, or both
- To reduce our energy impact, we have invested in five transformative solar projects in Aalst, Belgium; Maplewood, U.K.; Swedesboro, New Jersey; Tempe, Arizona; and in one of our co-headquarters locations of Fremont, California, which has generated more than 9,800 MWh of electricity since the system began operations in 2013
- Launched a partnership with the University of South Florida (USF) bringing students together to engage on a sustainability project focused on making sustainable recommendations for our Clearwater, Florida co-headquarters location
- Earned an excellence-level WastewiSe Certificate in China via Hong Kong Green Organization Certification (HKGOC), a top award for waste reduction and recycling

## **Social**

Our commitment to social responsibility starts with our co-workers, and we are proud to be recognized as a great place to work, a leader in the promotion and practice of diversity, equity and inclusion ("DEI"), and an active member in our local communities. Our philanthropic initiatives reflect our values and we support our co-workers in giving back – whether through monetary donations, volunteer efforts, or fundraising.

Some highlights of our efforts include:

- Established a DEI Executive Council chaired by our Chief Executive Officer and composed of our executive leadership team, and created four regional DEI Councils (APJ, Europe, Latin America and North America)
- Named a "Best Place to Work for LGBTQ Equality" after scoring 100% on the U.N. Global Standards and Human Rights Campaign's Corporate Equality Index
- Recognized among the "Best Employers for Diversity" by Forbes
- Funded, supported and grew our seven Business Resource Groups (BRGs). These co-worker-led communities are focused on specific underrepresented affinities and identities, and are tasked with the creation and execution of goals to improve and support our corporate DEI initiatives
- Established a Community Relations Program that focuses on charitable giving, volunteerism and fundraising and aligns with our three pillars; digital divide, children and wellness.

## **Governance**

We have a history of strong corporate governance based on best practices, local requirements, and the needs of our co-workers, customers, vendors, and stockholders. We are committed to having a diverse Board of Directors, with members coming from a variety of industries and backgrounds. Fifty-five percent (55%) of our current Board of Directors identifies as female or of a minority ethnicity.

Some highlights of our efforts include:

- Launched our Purpose, Mission, Vision and Values statements and fostered one culture under a Servant Leadership in Action model
- Designated the Nominating and Corporate Governance Committee as primarily responsible for oversight of ESG issues at our company, with formal updates provided annually to the full Board regarding the company's ESG performance and disclosure
- Established our corporate citizenship goals after reviewing the materiality assessment process and ranking
- Designed and implemented a comprehensive ethics and compliance program to support our value of integrity and promote a culture of ethical leadership and decision-making in our business.
- Established a broad compliance policy library that is actionable, accessible to our co-workers, and focused on the needs of our co-workers, while providing clear standards for accountability and enforcement when behavior deviates from our collective expectations
- Maintained a reporting hotline, providing a means to anonymously report behavior inconsistent with our Code of Conduct 24 hours a day, 365 days a year
- Created ethics and compliance toolkits, containing key points and steps that can be taken in specific situations and delivered in short and simple packages
- Introduced policy pathway modules, helping co-workers to get answers to compliance-related questions digitally and efficiently by leveraging technology tools

## **Director Orientation and Continuing Education**

We provide directors with an orientation and education program to familiarize them with our business operations and plans, industry trends and corporate governance practices, as well as ongoing education on issues facing us and on subjects that would assist the directors in discharging their duties. The program includes, among other things, biannual visits to different company locations to foster more director interaction with co-workers and familiarity with various company sites and businesses. Directors also are encouraged to attend courses provided by outside organizations covering various governance matters, best practices, and issues of concern to directors of publicly-traded companies. It is our policy that directors are to share with the Board or fellow committee members what they have learned.

## Director Nominations

The Board nominates directors for election at each Annual Meeting and elects new directors to fill vacancies when they arise. The Nominating and Corporate Governance Committee has the responsibility to identify, evaluate, recruit and recommend qualified candidates to the Board for nomination or election.

The Nominating and Corporate Governance Committee has a policy and process regarding consideration of director candidates recommended by stockholders. The Nominating and Corporate Governance Committee reviews suggestions for director candidates recommended by stockholders and considers such candidates for recommendation based upon an appropriate balance of knowledge, experience and capability. The assessment of candidates include the candidates' relevant industry experience, general business experience, relevant financial experience, interpersonal and communication skills, as well as the candidates' roles and contributions that are valuable to the business community, personal qualities of leadership, character, judgment and whether the candidate possesses and maintains throughout service on the Board a reputation in the community at large of integrity, trust, respect, competence and adherence to the highest ethical standards. In addition to considering an appropriate balance of knowledge, experience and capability, the Board has as an objective that its membership be composed of experienced and dedicated individuals with diversity of backgrounds, perspectives, skills and other individual qualities that contribute to Board perspective and effectiveness. The Nominating and Corporate Governance Committee selects candidates for director based on their character, judgment, diversity of experience and backgrounds, relevance of experience, business acumen, interpersonal and communication skills, and ability to act on behalf of all stockholders. The Nominating and Corporate Governance Committee believes that nominees for director should have experience, such as experience in management or accounting and finance, or industry and technology knowledge, that may be useful to TD SYNEX and the Board, high personal and professional ethics, and the willingness and ability to devote sufficient time to effectively carry out his or her duties as a director. The Nominating and Corporate Governance Committee believes it is appropriate for at least one member of the Board to meet the criteria for an "audit committee financial expert" as defined by SEC rules, and for a majority of the members of the Board to meet the definition of "independent director" under the rules of the NYSE. The Nominating and Corporate Governance Committee also believes it appropriate for certain key members of our management to participate as members of the Board.

The Nominating and Corporate Governance Committee is aware that some corporate governance groups have set a maximum on the number of public company boards on which a public company director should sit regardless of the individual circumstances of the director or nature of the companies involved. The Board recognizes the concern of overboarding, where a director sits on an excessive number of boards, and, has set a limit requiring directors to sit on no more than four boards of companies (in addition to our Board) that are publicly traded on any U.S. stock exchange without express approval of the Board. In nominating candidates for director the Nominating and Corporate Governance Committee has considered the following factors, among others, in looking at the time availability of each prospective director nominee on an individual basis: (1) the size and location of the other companies, (2) the director's board duties at those companies and extent of board committee service; (3) the extent of service on large private company boards, (4) board tenure, and (5) board meeting attendance. Based on these factors, the Nominating and Corporate Governance Committee determined no director nominee should be removed from consideration due to the number of public company boards on which the director nominee serves.

Prior to each Annual Meeting, the Nominating and Corporate Governance Committee identifies nominees first by reviewing the current directors. Pursuant to the Investor Rights Agreement (as defined below), the Nominating and Corporate Governance Committee also considers the nominees proposed by the Apollo Entities. All candidates, however nominated, are evaluated based on the criteria described above, including each candidate's demonstrated prior service as a director, and the needs of the Board with respect to the particular talents and experience of its directors. In the event that a director does not wish to continue in service, the Nominating and Corporate Governance Committee determines not to nominate the director, or a vacancy is created on the Board as a result of a resignation, an increase in the size of the Board or other event, subject to the terms of the Investor Rights Agreement, the Nominating and Corporate Governance Committee will consider various candidates for Board membership, including those suggested by the Nominating and Corporate Governance Committee members, by other Board members, by any executive search firm engaged by the Nominating and Corporate Governance Committee and by stockholders. A

stockholder who wishes to suggest a prospective nominee for the Board should notify our Corporate Secretary, any member of the Nominating and Corporate Governance Committee, or the persons referenced below in “Communications with the Board of Directors” in writing with any supporting material the stockholder considers appropriate. For more information about the Investor Rights Agreement, see the section entitled “Certain Relationships and Related Party Transactions—Transactions Entered Into in Connection with the Mergers—Related Agreements.”

In addition, our Bylaws contain provisions that address the process by which a stockholder may nominate an individual to stand for election to the Board at an Annual Meeting. In order to nominate a candidate for director, a stockholder must give timely notice in writing to our Corporate Secretary and otherwise comply with the provisions of our Bylaws. To be timely, our Bylaws provide that the stockholder's notice must be delivered to, or mailed and received, not more than 120 days nor less than 90 days in advance of the anniversary of the date the proxy statement was provided to the stockholders in connection with the previous year's Annual Meeting. However, in the event that no Annual Meeting was held in the previous year or the Annual Meeting is called for a date that is more than 30 days before or after the anniversary date of the previous year's Annual Meeting, notice by the stockholder must be received by the Corporate Secretary no later than the close of business on the later of (i) the 90th day prior to such Annual Meeting and (ii) the 10th day following the day on which public announcement of the date of such meeting is first made. Information required by our Bylaws to be in the notice include, among other requirements, the name and contact information for the candidate and the person making the nomination and other information about the nominee that must be disclosed in proxy solicitations under Section 14 of the Securities Exchange Act of 1934 and the related rules and regulations under that Section. The nominee must also complete a signed questionnaire, representation and agreement as described in our Bylaws.

Stockholder nominations must be made in accordance with the procedures outlined in, and include the information required by, our Bylaws and must be addressed to: TD SYNEX Corporation, 44201 Nobel Drive, Fremont, California 94538, Attention: Corporate Secretary. You can obtain a copy of our Bylaws by writing to the Corporate Secretary at this address.

### **Communications with the Board of Directors**

The Board has a process for stockholders and other interested persons to send communications to directors. If you wish to communicate with the Board as a whole or to non-management directors, you may send your communication in writing to: David Vetter, Corporate Secretary or Duane Zitzner at 44201 Nobel Drive, Fremont, California 94538, Audit Committee Chair or Allison Leopold Tilley at Pillsbury Winthrop Shaw Pittman LLP, 2550 Hanover Street, Palo Alto, California 94304. You must include your name and address in the written communication and indicate whether you are a stockholder of TD SYNEX or other interested person. Mr. Vetter, Mr. Zitzner or Ms. Leopold Tilley will review any communication received from a stockholder or other interested person, and all material communications from stockholders or other interested persons will be forwarded to the appropriate director or directors or Board committee based on the subject matter.

## 2022 Directors' Compensation Table

The following tables set forth the compensation amounts paid to each person who served as a non-executive director during the fiscal year ended November 30, 2022 for their service in such fiscal year. The table does not include the compensation amounts paid to Mr. Polk, who currently is Executive Chair and an employee of the Company, as well as to Mr. Hume, who currently is President and Chief Executive Officer, as both are named in the Summary Compensation Table.

| Name                       | Fees Earned<br>or Paid in<br>Cash (\$) | Stock<br>Awards<br>(\$)(1)(2) | Option Awards<br>(\$)(1) | All Other<br>Compensation<br>(\$)(3) | Total (\$) |
|----------------------------|--|-------------------------------|--------------------------|--------------------------------------|------------|
| Fred Breidenbach .....     | 92,500                                 | 184,952                       | —                        | 1,319                                | 278,771    |
| Robert Kalsow-Ramos(4).... | —                                      | —                             | —                        | —                                    | —          |
| Hau Lee .....              | 112,500                                | 184,952                       | —                        | 1,319                                | 298,771    |
| Matthew Miao .....         | 92,500                                 | 184,952                       | —                        | 1,588                                | 279,040    |
| Nayaki Nayyar.....         | 108,750                                | 184,952                       | —                        | 1,555                                | 295,257    |
| Matthew Nord (4).....      | —                                      | —                             | —                        | —                                    | —          |
| Merline Saintil.....       | 92,500                                 | 184,952                       | —                        | 1,555                                | 279,007    |
| Ann Vezina.....            | 116,250                                | 184,952                       | —                        | 1,319                                | 302,521    |
| Duane Zitzner.....         | 127,500                                | 184,952                       | —                        | 1,319                                | 313,771    |

- (1) Amounts listed in these columns represent the grant date fair value of stock awards recognized by us under FASB ASC Topic 718 for the fiscal year ended November 30, 2022 rather than the amounts realized by the named individuals. See Note 6 “Share-Based Compensation” for valuation assumptions used to calculate the fair value included in our Annual Report on Form 10-K for fiscal year ended November 30, 2022.
- (2) The table below sets forth the aggregate number of stock awards that have not vested that are outstanding held by our non-executive directors as of November 30, 2022.

| Name                      | Stock<br>Awards |
|---------------------------|-----------------|
| Fred Breidenbach .....    | 448             |
| Robert Kalsow-Ramos ..... | —               |
| Hau Lee .....             | 448             |
| Matthew Miao .....        | 448             |
| Nayaki Nayyar .....       | 448             |
| Matthew Nord .....        | —               |
| Merline Saintil.....      | 448             |
| Ann Vezina .....          | 448             |
| Duane Zitzner.....        | 448             |

- (3) The amounts in this column represent the dollar value of dividends paid during the fiscal year ended November 30, 2022 (as part of a dividend paid to all of our stockholders) on unvested restricted stock awards; such dividends were not factored into the grant date fair value of stock awards required to be reported in the stock awards column of the table.
- (4) Board members representing Apollo are uncompensated. Therefore, Mr. Nord and Mr. Kalsow-Ramos do not receive any compensation from the Company for their service as director during the fiscal year ended November 30, 2022.

## **Narrative to Directors' Compensation Table**

The compensation and benefit program for our non-executive directors is designed to achieve the following goals: (1) compensation should fairly pay directors for work required of directors serving an entity of our size and scope; (2) compensation should align directors' interests with the long-term interests of stockholders; and (3) the structure of compensation should be transparent and easy for stockholders to understand. We review director compensation every year.

For the fiscal year ended November 30, 2022, other than Matthew Nord and Robert Kalsow-Ramos, each non-executive director received an annual retainer of \$100,000 payable quarterly and an annual restricted stock grant under the 2020 Stock Incentive Plan valued at approximately \$185,000. The annual retainer was increased from \$85,000 effective upon the 2022 Annual Meeting. The annual grant is prorated based upon the expected service period between the director's service commencement date and the immediately following Annual Meeting. The valuation of the stock price in determining the number of shares of restricted stock is based upon the closing price on the first trading day following the director's appointment or election (or, if during a trading blackout period, upon the expiration of the third trading day following the opening of the trading window that follows the quarterly earnings call) and vests quarterly based upon our fiscal quarters.

Additionally, for the fiscal year ended November 30, 2022, the chairs of each of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee received cash retainers payable quarterly in advance. These retainer amounts are reviewed and revised from time to time to reflect compensation practices among our peers based on information provided by our compensation consultant Compensia, Inc. ("Compensia"). The chair of the Audit Committee receives a retainer of \$35,000. The chair of the Compensation Committee receives a retainer of \$20,000. The chair of the Nominating and Corporate Governance Committee receives a retainer of \$20,000, which was increased from \$12,500 effective upon the 2022 Annual Meeting. The Lead Independent Director receives an additional cash retainer of \$35,000. Also, all directors are reimbursed for their reasonable out-of-pocket expenses in serving on the Board or any committee of the Board.

We request each current member of the Board, other than the uncompensated Apollo Directors, to hold an equity position in TD SYNEX of the equivalent value of at least five times the annual base retainer (excluding committee chair retainers) in common stock, whether vested or unvested, or vested in-the-money stock options on the date of each Annual Meeting, commencing with the 2023 Annual Meeting. For any director initially elected after the 2020 Annual Meeting, we provide a five-year period within which to meet the equity ownership request.

In the fiscal year ended November 30, 2022, Matthew Miao received the same standard retainer and equity compensation as the other outside directors, as approved by the Nominating and Corporate Governance Committee, which had responsibility for review of director compensation. Any future compensation payable to Mr. Miao will be based upon the approval of the Compensation Committee, which is composed of disinterested members of the Board and since September 2022 has had responsibility for review of director compensation.

## **Compensation Committee Interlocks and Insider Participation**

Fred Breidenbach, Hau Lee, and Nayaki Nayyar, served as members of the Compensation Committee during the fiscal year ended November 30, 2022. None of the members who served on the Compensation Committee during the fiscal year ended November 30, 2022 has served as an officer or been an employee of TD SYNEX and we do not have any related person transactions with any of the members of the Compensation Committee. In addition, the Board has determined that these members, including nominees Ms. Nayyar and Messrs. Breidenbach and Lee, have no material relationship with us, that each of these directors is an independent director and that each of these directors meets the heightened independence standards applicable to members of the Compensation Committee. None of our executive officers currently serves, or in the past year has served, on the board of directors or compensation committee of any entity that has one or more executive officers serving, or proposed to serve, that are a member of our Board or Compensation Committee.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### **Policies and Procedures for Review of Related Party Transactions**

A “Related Party Transaction” is a transaction, arrangement or relationship in which we or any of our subsidiaries was, is or will be a participant, the amount of which involved exceeds \$120,000, and in which any Related Person had, has or will have a direct or indirect material interest. A “Related Person” means:

- any person who is, or at any time during the applicable period was, one of our executive officers or directors or a director nominee;
- any person who is known by us to be the beneficial owner of more than 5% of any class of our voting securities;
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of an executive officer, director, director nominee or a beneficial owner of more than 5% of any class of our voting securities, and any person (other than a tenant or employee) sharing the household of such executive officer, director, director nominee or beneficial owner of more than 5% of any class of our voting securities; or
- any firm, corporation or other entity in which any of the foregoing persons is a partner or principal or in a similar position of control or in which such person has a 10% or greater beneficial ownership interest

We have adopted a written policy requiring material transactions relating to related party transactions to be approved by the Audit Committee, which is composed of disinterested members of the Board. The Audit Committee will review such Related Person Transactions at its regularly scheduled meetings or at special meetings called for that purpose. The Audit Committee will approve, ratify or disapprove a Related Person Transaction, and will decide if any amendments, modifications, remedies, or conditions to ensure the Related Person Transaction is conducted in a fair manner should be made. The Audit Committee will review and consider the relevant facts and circumstances of a Related Person Transaction and whether the Related Person Transaction has an impact on any other regulatory or listing standards, or policy of the Company. Transactions will be approved or ratified if the Audit Committee determines, in its business judgment based on the review of the available information, that the Related Person Transaction is fair, reasonable and consistent with the best interests of the Company.

### **Transactions Related to the Acquisition of Tech Data**

#### ***The Mergers***

On September 1, 2021, legacy SYNnex Corporation acquired legacy Tech Data Corporation through a series of two mergers, which are described below, and such acquisition is described herein as the “Mergers”. As a result of the Mergers, Tech Data became an indirect subsidiary of TD SYNnex Corporation. The acquisition was completed pursuant to the terms and conditions of the Agreement and Plan of Merger (the “Merger Agreement”), dated March 22, 2021 by and among the Company, Spire Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of the Company (“Merger Sub I”), Spire Sub II, LLC, a Delaware limited liability company and a wholly owned subsidiary of the Company (“Merger Sub II”), and Tiger Parent (AP) Corporation, a Delaware corporation (“Tiger Parent”), which is the parent corporation of Tech Data, pursuant to which, subject to the terms and conditions of the Merger Agreement, Merger Sub I merged with and into Tiger Parent (the “Initial Merger”), with Tiger Parent surviving the Initial Merger as a wholly owned subsidiary of the Company (such surviving corporation, the “Surviving Corporation”), followed immediately by the merger of the Surviving Corporation with and into Merger Sub II (the “Subsequent Merger” and together with the Initial Merger, the “Mergers”), with Merger Sub II surviving the Subsequent Merger as a wholly owned subsidiary of the Company.

Pursuant to the Merger Agreement at the effective time of the Initial Merger and in consideration for all the issued and outstanding common shares of Tiger Parent, we paid to Tiger Parent Holdings, L.P. (“Tiger Holdings”), an affiliate of Apollo Management IX, L.P. and Tiger Parent’s sole stockholder, consideration of \$1,610,000,000 in cash (\$1,110,000,000 in cash after giving effect to the \$500,000,000 equity contribution by Tiger Holdings to Tiger Parent prior to the effective time) and 44,000,000 shares of our common stock. As a result of the Mergers, Tiger Holdings became the holder of approximately 46% of our common stock at the time.

Following the closing of the Mergers, Tiger Holdings distributed or transferred an aggregate of 43,248,620 shares of our common stock to various individuals and entities. As part of these distributions and transfers, Tiger Holdings transferred an aggregate of 42,601,585 shares of our common stock to entities affiliated with Apollo Management IX, L.P. as follows: 26,651,552 shares to AP IX Tiger Holdings, L.P., 10,309,583 shares to AP IX Tiger Coinvest (ML), L.P. and 5,640,450 shares to AP IX Tiger Coinvest L.P. (these funds, collectively with Tiger Holdings, the “Apollo Entities”) and also transferred initially to Mr. Hume 45,727 shares, Mr. Zammit 22,824 shares, Mr. Vetter 12,334 shares and Ms. Nayyar 1,729 shares. Apollo subsequently restructured its holdings among its affiliates and also sold a portion of its holdings.

### ***Related Agreements***

#### **Investor Rights Agreement**

In connection with the completion of the Mergers, we entered into an Investor Rights Agreement with Tiger Holdings dated as of September 1, 2021 (the “Investor Rights Agreement”). The Investor Rights Agreement includes certain rights and obligations as set forth below.

#### ***Board of Directors***

Pursuant to the Investor Rights Agreement, the Apollo Entities have the right to nominate a certain number of directors for our Board, depending on the percentage of the outstanding shares of our common stock held by the Apollo Entities. Specifically, the Apollo Entities have the right to nominate:

- (i) up to four directors, if the Apollo Entities collectively own 30% or more of the outstanding shares of our common stock, two of which must be “independent” directors, within the meaning of the New York Stock Exchange;
- (ii) up to three directors, if the Apollo Entities collectively own between 20% and 30% of the outstanding shares of our common stock, one of which must be an independent director;
- (iii) up to two directors, if the Apollo Entities collectively own between 10% and 20% of the outstanding shares of our common stock; and
- (iv) up to one director, if the Apollo Entities collectively own between 5% and 10% of the outstanding shares of our common stock.

The directors nominated by the Apollo Entities shall be referred to herein as “Apollo Directors.” The initial Apollo Directors are Robert Kalsow-Ramos, Nayaki Nayyar, Matthew Nord, and Merline Saintil. Pursuant to the Investor Rights Agreement, any replacement Apollo Director must be approved by a majority of the directors on the Board that are not Apollo Directors.

The Investor Rights Agreement also provides that, of the remaining directors who are not Apollo Directors, one director shall be the then-serving Chief Executive Officer of the Company, currently Richard Hume, and the other directors will be nominated in accordance with the provisions of our bylaws and Certificate of Incorporation, currently Dennis Polk, Fred Breidenbach, Hau Lee, Matthew Miao, Ann Vezina and Duane Zitzner. In the event the size of the Board is increased or decreased to other than eleven directors, the number of Apollo Directors will be proportionately increased or decreased to most closely equal the percentage of the Board originally consisting of Apollo Directors. The Board may determine the composition and makeup of any committees of the Board. The Lead Independent

Director will also be selected by the Board. Apollo Directors must fulfill their pro rata portion of any diversity requirements pursuant to law, stock exchange rules, or other regulatory requirements based on the percentage of the Board consisting of Apollo Directors.

#### *Directors' and Officers' Insurance*

Under the Investor Rights Agreement, we must maintain directors' and officers' liability insurance as determined by the Board, with the Company serving as the primary indemnitor for all directors, including the Apollo Directors.

#### *Information Rights*

Under the Investor Rights Agreement, for so long as the Apollo Entities own at least 10% of our common stock, the Apollo Entities have certain inspection and information rights, including, among other things, access to our or our material subsidiaries' books and records, access to our auditors and officers, access to quarter-ends reports, and information on significant corporate actions.

#### *Certain Actions Requiring Approvals*

Under the Investor Rights Agreement, we or our material subsidiaries may not, without approval of a majority of the directors on the Board, which must include the approval of a majority of the Apollo Directors, amend any provision of our charter, bylaws or similar organizational documents in a way that adversely affects the Apollo Entities.

#### *Restricted Activities; Voting*

Under the Investor Rights Agreement, the Apollo Entities may not, without our prior written consent:

- make any statement or proposal to the Board or our stockholders with respect to any business combination, tender offer, or sale of substantially all assets;
- form any voting groups with any of our stockholders other than solely among affiliates of the Apollo Entities;
- seek to control or change the management of the Board or the Company;
- acquire any additional shares of our stock entitled to vote; or
- publicly disclose any arrangement relating to the foregoing or knowingly facilitate any of the foregoing.

These restrictions will automatically terminate on the first date following the 90th day after the Apollo Entities collectively beneficially own less than 5% of the outstanding shares of our common stock.

#### *Corporate Opportunity Waiver*

Under the Investor Rights Agreement, we have waived the corporate opportunity doctrine to the extent permitted under the Delaware General Corporation Law with respect to the Apollo Directors and Apollo Entities, so long as such person is not an employee of the Company or our subsidiaries (the "Covered Persons"). Specifically, we agreed that the Covered Persons do not have a duty to refrain from: (i) investing in or conducting any business of any kind, (ii) doing business with our or any of our affiliates' clients, customers, vendors or lessors, or (iii) making any investments in any kind of property in which we may make investments. Further, we agreed, among other things, subject to any express agreement otherwise that may from time to time be in effect, that if a Covered Person acquires knowledge of a potential transaction which may constitute a corporate opportunity for both (a) the Covered Person outside of his or her capacity as a member of the Board and (b) the Company, then the Covered Person shall not have any duty to offer or communicate information regarding such corporate opportunity to us, and we renounced any interest or expectancy in any potential transaction or matter of which the Covered Person acquires knowledge, except

for any corporate opportunity which is expressly offered to a Covered Person in writing solely in his or her capacity as a member of the Board, or as expressly agreed otherwise.

### *Registration Rights*

Pursuant to the Investor Rights Agreement, we filed an automatically effective registration statement registering the resale of the Registrable Securities (as defined below) on September 2, 2021. Additionally, pursuant to the Investor Rights Agreement, the Apollo Entities have the right to require us to register a sale of any Registrable Securities held by the Apollo Entities with a dollar value of \$100 million or greater. The Apollo Entities are entitled to make up to two registration demands in any rolling twelve-month period, including short form registration demands, that we register such securities for sale under the Securities Act of 1933. We also agreed that the Apollo Entities will have “piggy-back” registration rights to include their Registrable Securities in certain other registration statements filed by us.

For purposes of the Investor Rights Agreement, “Registrable Securities” means shares of our common stock; provided that any Registrable Securities shall cease to be Registrable Securities when (a) a registration statement with respect to the sale of such Registrable Securities has been declared effective under the Securities Act and such Registrable Securities have been disposed of in accordance with the plan of distribution set forth in such registration statement, (b) such Registrable Securities are distributed pursuant to Rule 144 or (c) such Registrable Securities shall have been otherwise transferred and new certificates for them not bearing a legend restricting further transfer under the Securities Act shall have been delivered by us; and provided, further, that any securities that have ceased to be Registrable Securities shall not thereafter become Registrable Securities and any security that is issued or distributed in respect of securities that have ceased to be Registrable Securities is not a Registrable Security.

### **Interests of the Company’s Directors and Executive Officers in the Mergers**

In connection with the Mergers, on September 1, 2021, we issued common stock to Tiger Parent as part of the Merger Consideration. The general partner of Tiger Holdings had adopted resolutions prior to the Mergers, pursuant to which, immediately following the effectiveness of the Mergers, all profits interests of Tiger Holdings, all of which were held by certain members of management of Tech Data Corporation, were cancelled and exchanged for the right to receive an aggregate of 1,206,549 shares of our common stock. On September 9, 2021, Tiger Holdings transferred 455,207 shares of that common stock to those management members and placed in an escrow account administered by Tiger GP the other 751,342 shares, which would be distributed to those management members pending satisfaction of certain time-based vesting requirements by them. Fifty percent of the escrowed shares vested one year following the closing date of the Mergers; therefore, during our fiscal year 2022 Tiger Parent transferred a certain number of shares of our common stock to certain of our officers and directors, as indicated below:

| <b>Name</b>    | <b>Number of Shares (1)</b> | <b>Approximate Value of Shares(2)</b> |
|----------------|-----------------------------|---------------------------------------|
| Richard Hume   | 81,195                      | \$8,963,116                           |
| David Vetter   | 16,896                      | \$1,865,149                           |
| Patrick Zammit | 35,200                      | \$3,885,728                           |

(1) Does not include shares held in an escrow account administered by Tiger GP, for Mr. Hume 81,194 shares, for Mr. Zammit 35,200 shares, and for Mr. Vetter 16,896 shares will vest on the second anniversary of the closing date so long as the management member remains employed by TD SYNEX for the period. If the management member’s employment terminates as a result of a not-for-cause termination by TD SYNEX or as a

result of a good reason departure by the management member, then the escrowed shares vest pro rata based upon the number of days since the closing date or the last anniversary over 365 days.

(2) Based on the closing price of our common stock on January 23, 2023, \$110.39.

### **MiTAC Transactions Overview**

We have a business relationship with MiTAC International Corporation (“MiTAC International”), a publicly-traded company in Taiwan that began in 1992 when it became our primary investor through its affiliates. In September 2013, MiTAC Holdings Corporation (“MiTAC Holdings”) was established through a stock swap from MiTAC International and became a publicly traded company on the Taiwan Stock Exchange. MiTAC International is now a wholly owned subsidiary of MiTAC Holdings. As of January 23, 2023, and as detailed in the table below, MiTAC Holdings and its affiliates (companies listed in the table below) beneficially owned approximately 9.7% of our common stock. Matthew Miao, our Chair Emeritus of the Board and a director, is the Chairman of MiTAC Holdings and a director of MiTAC Holdings’ affiliates.

Until July 31, 2010, we worked with MiTAC Holdings on OEM outsourcing and jointly marketed MiTAC Holdings’ design and electronic manufacturing services and our contract assembly capabilities. On July 31, 2010, MiTAC Holdings purchased certain assets related to the contract assembly business including inventory and customer contracts, primarily related to customers then being jointly serviced by MiTAC Holdings and us. We made payments of \$0.4 million and \$0.2 million to MiTAC Holdings and its affiliates for reimbursement of rent and overhead costs for facilities used by us during fiscal years ended November 30, 2022 and 2021, respectively.

We purchased inventories and services from MiTAC Holdings and its affiliates totaling \$257.7 million and \$199.7 million during fiscal years 2022 and 2021, respectively. Our sales to MiTAC Holdings, and its affiliates during fiscal years 2022 and 2021 totaled \$1.3 million and \$0.6 million, respectively. Most of the purchases and sales in 2022 and 2021 were pursuant to the agreements mentioned under the heading “Agreements with MiTAC Holdings and Affiliates” below.

Our business relationship with MiTAC Holdings and its affiliates has been informal and is not governed by long-term commitments or arrangements with respect to pricing terms, revenue or capacity commitments.

We negotiate pricing and other material terms on a case-by-case basis with MiTAC Holdings and its affiliates. We have adopted a policy requiring that material transactions with MiTAC Holdings or its related parties be approved by the Audit Committee, which is composed solely of independent directors. In addition, Matthew Miao’s compensation was approved by the Nominating and Corporate Governance Committee and will be approved by the Compensation Committee going forward, which are also composed solely of independent directors.

### **Beneficial Ownership of our Common Stock by MiTAC Holdings**

As noted above, MiTAC Holdings and its affiliates in the aggregate beneficially owned approximately 9.7% of our common stock as of January 23, 2023. These shares are owned by the following MiTAC affiliates:

| MiTAC Affiliate                                | Shares    |
|--|-----------|
| MiTAC Holdings(1)                              | 5,299,980 |
| Synnex Technology International Corporation(2) | 3,859,888 |
| Total  | 9,159,868 |

- (1) Represents 2,403,229 shares held via MiTAC Holdings, 2,594,649 shares held via MiTAC International, a wholly owned subsidiary of MiTAC Holdings, and 302,102 shares held via Silver Star Developments Ltd., a wholly-owned subsidiary of MiTAC International. Excludes 193,567 shares directly held by Matthew Miao, 217,050 shares indirectly held by Mathew Miao through a charitable remainder trust, and 189,603 shares indirectly held through his wife.
- (2) Synnex Technology International Corp. (Synnex Technology International) is a separate entity from us and is a publicly-traded corporation in Taiwan. Shares are held via Peer Development Ltd., a wholly-owned subsidiary of Synnex Technology International. MiTAC Holdings owns a noncontrolling interest of 14.06% in MiTAC Incorporated, a privately-held Taiwanese company, which in turn holds a noncontrolling interest of 15.65% in Synnex Technology International. Neither MiTAC Holdings nor Mr. Miao is affiliated with any person, entity, or entities that hold a majority interest in MiTAC Incorporated.

While the ownership structure of MiTAC Holdings and its affiliates is complex, it has not had a material adverse effect on our business in the past, and we do not expect it to do so in the future.

Synnex Technology International is a separate entity from us and is a publicly-traded corporation in Taiwan that currently provides distribution and fulfillment services to various markets in Asia and Australia, and is also our competitor. Neither MiTAC Holdings nor Synnex Technology International is restricted from competing with us.

#### **Agreements with MiTAC Holdings and Affiliates**

We have entered into several additional agreements with affiliates of MiTAC Holdings. These agreements do not constitute contracts or obligations by any party to purchase products or services from the other parties, nor do they restrict our ability to conduct our business, except where so noted below. Accordingly, we do not believe that the termination of any of these agreements would have a material adverse effect on our business. Pursuant to these agreements, the terms for contracted services or purchased products are individually negotiated and, if agreed upon by the parties, such terms are included in a purchase order. In the fiscal year ended November 30, 2022, we paid an aggregate of approximately \$257.7 million to MiTAC Holdings and its affiliates, most of which was paid pursuant to the distribution and supply agreements described below.

*Distribution Agreement.* In April 2009, we entered into a distribution agreement with MiTAC Digital Corp. Pursuant to the agreement, we may purchase certain MiTAC Digital products for distribution in the United States. The agreement had an initial term of one year and automatically renews for subsequent one year terms. The agreement may be terminated without cause by either party upon 90 days prior written notice of termination to the other party.

*Logistics Services Agreements.* In March 2010, we entered into a logistical services agreement with MiTAC Digital Corp. Pursuant to the agreement, we provide certain reverse logistics services related to products returned by MiTAC Digital's customers in Canada. The agreement had an initial term of two years and automatically renews for subsequent one year terms. The agreement may be terminated without cause either by the mutual written agreement of the parties or, following the initial two year term, by either party without cause upon 90 days prior written notice of termination to the other party.

*Distribution Agreement—Stocking.* In October 2006, we entered into a distribution and stocking agreement with MiTAC International. Pursuant to the agreement, we may purchase certain MiTAC International products for distribution in the United States. The agreement had an initial term of one year and automatically renews for subsequent one year terms. The agreement may be terminated without cause either by the mutual written agreement of both parties or by either party without cause upon 30 days prior written notice of termination to the other party.

*Manufacturing Supply Agreement.* In October 2014, our subsidiary Hyve Solutions Corporation and its affiliates and subsidiaries entered into a manufacturing supply agreement with MiTAC Computing Technology

Corporation. Pursuant to the agreement, Hyve Solutions may purchase and use certain MiTAC Computing Technology products to fulfill manufacturing contracts for third party customers worldwide. The agreement had an initial term of one year and automatically renews for subsequent one year terms. The agreement may be terminated without cause by the mutual written agreement of both parties or by either party without cause upon 30 days prior written notice of termination to the other party. During fiscal 2019, we also embarked upon a collaboration with MiTAC Computing Technology Corporation in furtherance of our design and supply program. During fiscal 2022 we began steps to cease the collaboration, but MiTAC Computing Technology continues to provide support to Hyve Solutions Corporation's design and supply program under existing agreements.

*Logistics Services Agreement.* In November 2011, we entered into a logistics services agreement with Getac, Inc., a subsidiary of Getac Technology Corporation, where we provide integration services and pick, pack and ship services for Getac. The agreement had an initial term of two years and automatically renews for subsequent one year terms. The agreement may be terminated without cause by the mutual written agreement of both parties or by either party without cause upon 90 days prior written notice of termination to the other party.

*Distribution Agreement.* In February 2012, we entered into a distribution agreement with Getac, Inc. Pursuant to the agreement, we may purchase certain Getac products for distribution in the United States and Canada. The agreement has an initial term of one year and automatically renews for subsequent one year terms. The agreement may be terminated without cause by either party upon 30 days prior written notice of termination to the other party.

*Strategic Distribution Agreement-Non-Consignment.* In January 2018, we entered into a strategic distribution agreement-non-consignment with Getac Video Solutions, Inc., a subsidiary of Getac Technology Corporation. Pursuant to this Agreement, we may purchase certain Getac Video Solutions Products for distribution in the United States and Canada. The agreement had an initial term of one year and automatically renews for subsequent one-year terms. The agreement may be terminated without cause by the mutual written agreement of both parties or by either party without cause upon 30 days prior written notice of termination to the other party.

*Letter Agreement.* In connection with the Mergers and the Investor Rights Agreement, we entered into a letter agreement (the "Letter Agreement") with Silver Star Developments Ltd., Peer Developments Ltd., and any of their affiliates that becomes an owner of TD SYNEX common stock (the "MiTAC Stockholders"). Under the Letter Agreement, we have agreed that, in the event we file a registration statement with respect to an underwritten offering or a shelf registration statement, whether on our own account or otherwise, or we receive an underwritten shelf take-down notice, then the MiTAC Stockholders shall be given notice thereof, and shall be entitled to include in such filings the shares of TD SYNEX common stock held by them, subject to certain underwriter cutbacks.

## **Agreement with Concentrix**

*Commercial Agreement.* We entered into a master Commercial Agreement with Concentrix Solutions Corporation ("Concentrix Solutions"), a subsidiary of Concentrix, which we spun-off in December 2020. The Commercial Agreement and its related statements of work do not constitute contracts or obligations by any party to purchase products or services from the other parties, nor do they restrict our ability to conduct our business. Accordingly, we do not believe that the termination of any of the Commercial Agreement would have a material adverse effect on our business. Pursuant to the agreement, the terms for contracted services or purchased products are individually negotiated and, if agreed upon by the parties, such terms are included in an SOW (with respect to services provided by Concentrix Solutions) or sales order/invoice (with respect to purchases made by Concentrix Solutions). In the fiscal year ended November 30, 2022, we paid an aggregate of approximately \$27.8 million to Concentrix and its affiliates.

## **Indemnification Agreements**

We entered into indemnification agreements with directors and executive officers. These agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise

by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We also may enter into indemnification agreements with our future directors and executive officers.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information as of January 23, 2023, the record date, as to shares of our common stock beneficially owned by: (i) each person who is known by us to own beneficially more than 5% of our common stock, (ii) each of our executive officers listed in the 2022 Summary Compensation Table on page 49, (iii) each of our directors and (iv) all our current directors and executive officers as a group. Unless otherwise stated below, the address of each beneficial owner listed on the table is c/o TD SYNEX Corporation, 44201 Nobel Drive, Fremont, California 94538. Subsequent to the record date, and as previously reported on a Form 8-K filed by us on January 30, 2023, Tiger Holdings (as defined below) sold shares of our common stock subsequent to the record date, which reduced the percentage beneficially owned by Tiger Holdings to approximately 40% of our outstanding shares immediately following such sale. The percentage of common stock beneficially owned in the table below is based on 95,368,991 shares outstanding as of January 23, 2023.

| Name and Address of Beneficial Owner   | Amount and Nature of Beneficial Ownership |   |            | Percentage Beneficially Owned (1)(2) |
|--|---|---|------------|--------------------------------------|
|  | Shares Beneficially Owned(1)              | Right To Acquire Beneficial Ownership within 60 days of January 23, 2023(2) | Total      |                                      |
| 5% Stockholders:   |   |   |            |                                      |
| Tiger Parent Holdings, L.P. (“Tiger Holdings”) and related parties (3)<br>See note (3) for address | 42,977,877 (3)                            | —   | 42,977,877 | 45%                                  |
| MiTAC International Corporation and related parties(4)<br>See note (4) for address                 | 9,760,088                                 | —   | 9,760,088  | 10%                                  |
| FMR LLC(5)<br>245 Summer Street<br>Boston, MA 02210  | 5,321,699                                 | —   | 5,321,699  | 6%                                   |
| Directors and Named Executive Officers:  |   |   |            |                                      |
| Fred Breidenbach   | 20,022                                    | —   | 20,022     | *                                    |
| Richard Hume   | 223,150                                   | 21,318  | 244,468    | *                                    |
| Robert Kalsow-Ramos  | —   | —   | —          | *                                    |
| Hau Lee  | 27,151                                    | —   | 27,151     | *                                    |
| Matthew Miao (4)(6)  | 600,220                                   | —   | 600,220    | *                                    |
| Nayaki Nayyar  | 4,289                                     | —   | 4,289      | *                                    |
| Matthew Nord   | —   | —   | —          | *                                    |
| Dennis Polk  | 126,510                                   | 150,322   | 276,832    | *                                    |
| Merline Saintil  | 2,560                                     | —   | 2,560      | *                                    |
| Michael Urban  | 35,930                                    | 43,211  | 79,141     | *                                    |
| Ann Vezina   | 5,711                                     | —   | 5,711      | *                                    |
| Marshall Witt  | 50,893                                    | 63,968  | 114,861    | *                                    |
| Patrick Zammit   | 101,463                                   | —   | 101,463    | *                                    |
| Duane Zitzner (7)  | 26,641                                    | —   | 26,641     | *                                    |
| All current directors and executive officers as a group (16 persons)                               | 1,324,080                                 | 299,583   | 1,623,663  | 1.7%                                 |

\* Amount represents less than 1% of our common stock.

(1) We have determined beneficial ownership in accordance with the SEC rules. To our knowledge, the persons named in the table have sole voting and investment power with respect to all shares of common stock shown

as beneficially owned by them, subject to community property laws, where applicable, and the information contained in the footnotes to this table.

- (2) For purposes of computing the percentage of outstanding shares held by each person or group of persons named above, shares which such person or group has the right to acquire upon exercise of stock options within 60 days of January 23, 2023 are deemed to be outstanding, but are not deemed to be outstanding for the purposes of computing the percentage ownership of any other person.
- (3) Based on information reported on Amendment No. 2 to Schedule 13D filed with the SEC on March 4, 2022 and subsequent Form 4 filed with the SEC on January 13, 2023 by Tiger Parent Holdings, L.P. and the other Reporting Persons therein.

The following is based on information reported on Form 4 filed with the SEC on January 13, 2023 by Tiger Parent Holdings, L.P. ("Tiger Holdings") and the other Reporting Persons therein.

Tiger Holdings, AP IX Tiger Holdings, L.P. ("AP IX Tiger"), AP IX Tiger Co-Invest II, L.P. ("Tiger Co-Invest II") and AP IX Tiger Co-Invest (ML), L.P. ("Tiger Co-Invest ML") each hold the shares. Tiger Parent Holdings GP, LLC ("Tiger GP") is the general partner of Tiger Holdings. AP IX Tiger is the sole member of Tiger GP. AP IX Tiger Co-Invest (ML) GP, LLC ("Tiger Co-Invest ML GP") is the general partner of Tiger Co-Invest ML. AP IX Tiger Holdings GP, LLC ("AP IX Tiger GP") is the general partner of AP IX Tiger, and Tiger Co-Invest II, and the sole member of Tiger Co-Invest ML GP. Apollo Management IX, L.P. ("Management IX") is the non-member manager of AP IX Tiger GP. The general partner of Management IX is AIF IX Management, LLC ("AIF IX LLC"). Apollo Management, L.P. ("Apollo LP") is the sole member and manager of AIF IX LLC. Apollo Management GP, LLC ("Management GP") is the general partner of Apollo LP. Apollo Management Holdings, L.P. ("Management Holdings") is the sole member of Management GP. Apollo Management Holdings GP, LLC ("Management Holdings GP") is the general partner of Management Holdings. Each of the entities listed herein, other than Tiger Holdings, AP IX Tiger, Tiger Co-Invest II and Tiger Co-Invest ML, disclaims beneficial ownership of any shares of the common stock owned of record by Tiger Holdings, AP IX Tiger, Tiger Co-Invest II and Tiger Co-Invest ML, except to the extent of any pecuniary interest therein.

The following is based on information reported on Amendment No. 2 to Schedule 13D filed with the SEC on March 4, 2022 by Tiger Parent Holdings, L.P. ("Tiger Holdings") and the other Reporting Persons therein.

- (a) Tiger Parent Holdings, L.P. shares dispositive and voting power as to 38 of the shares.
- (b) Tiger Parent Holdings GP, LLC shares dispositive and voting power as to 751,108 of the shares.
- (c) AP IX Tiger Holdings, L.P. shares dispositive and voting power as to 27,402,660 of the shares.
- (d) AP IX Tiger Co-Invest, L.P. shares dispositive and voting power as to 0 of the shares.
- (e) AP IX Tiger Co-Invest II, L.P. shares dispositive and voting power as to 5,867,658 of the shares.
- (f) AP IX Tiger Co-Invest (ML), L.P. shares dispositive and voting power as to 10,082,375 of the shares.
- (g) AP IX Tiger Co-Invest (ML) GP, LLC shares dispositive and voting power as to 10,082,375 of the shares.
- (h) AP IX Tiger Holdings GP, LLC shares dispositive and voting power as to 43,352,693 of the shares.
- (i) Apollo Management IX, L.P. shares dispositive and voting power as to 43,352,693 of the shares.
- (j) AIF IX Management, LLC shares dispositive and voting power as to 43,352,693 of the shares.
- (k) Apollo Management, L.P. shares dispositive and voting power as to 43,352,693 of the shares.
- (l) Apollo Management GP, LLC shares dispositive and voting power as to 43,352,693 of the shares.
- (m) Apollo Management Holdings, L.P. shares dispositive and voting power as to 43,352,693 of the shares.
- (n) Apollo Management Holdings GP, LLC shares dispositive and voting power as to 43,352,693 of the shares.

Tiger Holdings, AP IX Tiger Holdings, L.P. (“AP IX Tiger”), AP IX Tiger Co-Invest, L.P. (“Tiger Co-Invest”), AP IX Tiger Co-Invest II, L.P. (“Tiger Co-Invest II”) and AP IX Tiger Co-Invest (ML), L.P. (“Tiger Co-Invest ML”) each hold the shares. Tiger Parent Holdings GP, LLC (“Tiger GP”) is the general partner of Tiger Holdings. AP IX Tiger is the sole member of Tiger GP. AP IX Tiger Co-Invest (ML) GP, LLC (“Tiger Co-Invest ML GP”) is the general partner of Tiger Co-Invest ML. AP IX Tiger Holdings GP, LLC (“AP IX Tiger GP”) is the general partner of AP IX Tiger, Tiger Co-Invest and Tiger Co-Invest II, and the sole member of Tiger Co-Invest ML GP. Apollo Management IX, L.P. (“Management IX”) is the non-member manager of AP IX Tiger GP. The general partner of Management IX is AIF IX Management, LLC (“AIF IX LLC”). Apollo Management, L.P. (“Apollo LP”) is the sole member and manager of AIF IX LLC. Apollo Management GP, LLC (“Management GP”) is the general partner of Apollo LP. Apollo Management Holdings, L.P. (“Management Holdings”) is the sole member of Management GP. Apollo Management Holdings GP, LLC (“Management Holdings GP”) is the general partner of Management Holdings. Each of the entities listed herein, other than Tiger Holdings, AP IX Tiger, Tiger Co-Invest, Tiger Co-Invest II and Tiger Co-Invest ML, disclaims beneficial ownership of any shares of the common stock owned of record by Tiger Holdings, AP IX Tiger, Tiger Co-Invest, Tiger Co-Invest II and Tiger Co-Invest ML, except to the extent of any pecuniary interest therein.

The address of the principal office of Tiger GP, Tiger Co-Invest ML GP, and AP IX Tiger GP is One Manhattanville Road, Suite 201, Purchase, New York 10577. The address of the principal office of Tiger Holdings, AP IX Tiger, Tiger Co-Invest, Tiger Co-Invest II, Tiger Co-Invest ML, Management IX, AIF IX LLC, Apollo LP, Management GP, Management Holdings, and Management Holdings GP is 9 West 57th Street, New York, NY 10019.

- (4) Based on information reported on a Schedule 13G/A filed with the SEC on February 14, 2022 and subsequent Form 4s filed with the SEC on October 6, 2022, the amount includes 2,594,649 shares held by MiTAC International Corporation, 2,403,229 shares held by MiTAC Holdings Corporation, 302,102 shares held by Silver Star Developments Ltd. and 3,859,888 shares held by Peer Developments Ltd. Silver Star Developments Ltd. is a wholly-owned subsidiary of MiTAC International Corporation. MiTAC International Corporation is a wholly owned subsidiary of MiTAC Holdings Corporation. The principal business office for MiTAC International Corporation and Silver Star Developments Ltd. is No. 200 Wenhua 2<sup>nd</sup> Road, Guishan Dist., Taoyuan City 333, Taiwan (R.O.C.). Jhi-Wu Ho and Hsiang-Yun Yang, the directors of Silver Star Developments Ltd., hold shared voting and dispositive power over the shares held by Silver Star Developments Ltd. Peer Developments Ltd. is a wholly-owned subsidiary of Synnex Technology International Corporation. The principal business office for Synnex Technology International Corporation and Peer Developments Ltd. is 4<sup>th</sup> Floor, No. 75 Sec. 3, Minsheng East Road, Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.). Matthew F.C. Miao and Shu-Wu Tu, the directors of Peer Developments Ltd., hold shared voting and dispositive power over the shares held by Peer Developments Ltd. Matthew F.C. Miao is the Chairman of the board of directors of MiTAC International Corporation and Synnex Technology International Corp. and a director of TD SYNEX. Each of the reporting persons disclaims membership in a group. The beneficial ownership of the 600,220 shares Matthew F.C. Miao claims, and which is included in the amount reported above, includes 193,567 shares directly held by Mr. Miao, 217,050 shares indirectly held by MASJ Holding Charitable Remainder Trust, and 189,603 shares indirectly held by Mr. Miao’s spouse. In addition, MiTAC International Corporation disclaims beneficial ownership of the 3,859,888 shares directly held by Peer Developments Ltd. and disclaims beneficial ownership of the 600,220 shares by Mr. Miao. Synnex Technology International Corporation disclaims beneficial ownership of the 302,102 shares directly held by Silver Star Developments Ltd. and disclaims beneficial ownership of the 600,220 shares by Mr. Miao. Mr. Miao disclaims beneficial ownership of the 2,594,649 shares directly held by MiTAC International Corporation, 2,403,229 shares directly held by MiTAC Holdings Corporation, 302,102 shares directly held by Silver Star Developments Ltd. and disclaims beneficial ownership of the 3,859,888 shares directly held by Peer Developments Ltd.

- (5) Based solely on information reported on a Schedule 13G/A filed with the SEC on February 9, 2022 by FMR LLC, this amount reflects securities beneficially owned, or that may be deemed to be beneficially owned, by FMR LLC, certain of its subsidiaries and affiliates, and other companies. Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act advised by Fidelity Management & Research Company, a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees. FMR reports sole voting power with respect to 542,970 shares and sole dispositive power with respect to 5,321,699.
- (6) Mr. Miao's share ownership total includes indirect beneficial ownership of 217,050 shares held by MASJ Holding Charitable Remainder Trust, for which his wife serves as trustee, and 189,603 shares held by his wife.
- (7) Mr. Zitzner's share ownership total includes indirect beneficial ownership of 3,000 shares held by the Zitzner 1998 Revocable Trust.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The Compensation Committee has overall responsibility for TD SYNEX' executive compensation policies as provided in a written charter adopted by the Board. The Compensation Committee is empowered to review and approve the compensation and compensation procedures for our executive officers. In addition, in June 2017, the Board determined that, consistent with the stockholders' advisory vote in March 2017, it will include in our proxy materials a stockholder vote on executive compensation every year until the next required stockholder vote on the frequency of stockholder votes concerning executive compensation.

At last year's Annual Meeting, our stockholders approved our executive compensation programs, as disclosed in last year's proxy statement, in an advisory "say on pay" vote, with 83,023,832 votes cast in favor of approval and approximately 6,861,467 votes cast against. As the Compensation Committee evaluated our compensation principles and policies during fiscal 2022, it was mindful of this favorable outcome and the stockholders' strong support of our compensation objectives and compensation programs.

The Compensation Committee has maintained its general approach to executive compensation of legacy SYNEX executive officers (including Dennis Polk, Marshall Witt, and Michael Urban) and, due to the timing of the Mergers during the fourth quarter of fiscal 2021, has continued legacy Tech Data executive compensation programs for legacy Tech Data executive officers (including Patrick Zammit). The Compensation Committee has taken a blended approach for our Chief Executive Officer due to the nature of the role and per the terms of his employment agreement. The Compensation Committee has reviewed both legacy executive compensation programs as well as current market and competitive trends with the support of its independent compensation advisor, Compensia, to implement an integrated approach to compensation starting with our fiscal year 2023.

#### *Objectives and Philosophy of Our Compensation Program*

Our compensation philosophy is to pay for performance as well as to offer competitive compensation in order to attract and retain talented executive officers. Our program is designed to align the interests of our executive officers with those of our stockholders, for whom they work. A significant portion of an executive officer's total compensation depends on the executive officer's performance relative to operational and financial objectives. In particular, in determining total compensation, we stress a compensation philosophy that is performance-driven, with relatively moderate base salaries, bonuses through our Management Incentive Plan that are performance-based, and equity compensation where value depends on stock price performance.

We believe that the compensation of our executive officers should reflect their success as a management team, as well as on an individual basis, in attaining key operating objectives, such as growth of sales, growth of operating earnings and earnings per share, return on invested capital, growth or maintenance of market share, long-term competitive advantage, and, ultimately, an increased market price for our common stock. We believe that the performance of our executive officers in managing TD SYNEX, considered in light of general economic conditions, our company and industry, and competitive conditions, should be the basis for determining their overall compensation.

We also believe that their compensation should not be based on the short-term performance of our stock, whether favorable or unfavorable, as we expect the long-term performance of our stock to be reflective of our operating performance and the management of TD SYNEX by our executive officers. We seek to have the long-term performance of our stock be a factor in our executive compensation through our restricted stock, restricted stock unit, stock option, and other equity incentive programs.

Competitive compensation is important if we are to attract and retain the talent necessary to lead TD SYNEX in the competitive and changing business environment in which we operate. In this regard, we are mindful

of the median level of compensation of our competitors as well as of the median level of compensation in the local area in which the executive is located. We strive for internal equity among co-workers according to job responsibilities, experience, capability, and individual performance. Our executive compensation program impacts all co-workers by setting general levels of compensation and helping to create an environment of goals, rewards and expectations. As we believe the performance of every co-worker is important to our success, we are mindful of the effect that our executive compensation and incentive program has on all of our co-workers.

The differences in compensation among the various executive officers are based primarily upon individual differences in job responsibility, contribution, performance, increase in the global scope of the business and complexity, and demands of understanding, managing and influencing global operations and integrated success. An executive with responsibility over a broader, more difficult or more profitable business unit or corporate division will have potential for greater compensation than an executive with responsibility over a narrower, less complex or less profitable business unit or corporate division.

Our compensation philosophy emphasizing performance permeates total compensation for both executive officers and non-executive co-workers. While we do not have an exact formula for allocating between cash and non-cash compensation, we try to balance long-term equity versus short-term cash compensation and variable compensation versus fixed compensation. As noted above, executive officers who have greater ability to influence the overall performance of TD SYNEX receive more long-term equity as a percentage of total compensation than non-executive co-workers who have less ability to influence the overall performance of TD SYNEX. Similarly, performance-related cash compensation for such executive officers as a percentage of total compensation is greater than performance-related cash compensation of non-executive co-workers. The goal is to create a balanced culture of high performance without undue risk assumption.

#### The Mergers and Legacy Tech Data Executive Compensation.

Pursuant to the terms of the Mergers agreements, during fiscal years 2021 and 2022, we continued the pre-merger base salaries of legacy Tech Data executive officers and continued the pre-merger Tech Data annual cash bonus program for executive officers who were legacy Tech Data executive officers. We also agreed to continue certain legacy benefits, such as the Executive Choice program until March 2022 when the opportunity was rolled into the officers' total target cash opportunity, as well as basic health and welfare benefits that are generally the same as those made available to other salaried employees located in the same jurisdiction.

#### Elements of Our Compensation Program

Last year, following review by our Compensation Committee, we continued a compensation program for executive officers that consists primarily of four compensation components:

- (1) base salary;
- (2) Management Incentive Plan bonus;
- (3) equity grants; and
- (4) performance-based, long-term incentives (LTI).

For fiscal 2022, we also paid special bonuses to certain officers for their efforts associated with the integration work related to the Mergers.

We and the Compensation Committee believe that the LTI program ties executive compensation to long-term business performance and also aligns total compensation closer to the market comparatives in value and in form.

The compensation elements are usually administered in four cycles. Merit raises for base salaries are generally considered and implemented in the April-May period. Annual equity grants in the form of stock options, restricted stock awards or restricted stock units (RSUs), other than LTI awards, are generally awarded in the September-October period. During fiscal 2022, as part of our transition towards an integrated annual equity program for our co-workers, we made equity grants to legacy Tech Data co-workers during March, as had been customary practice for legacy Tech Data, with remainder transition awards in October 2022 that aligned with our typical cycle. Management Incentive Plan bonuses are generally paid in the December-January period and LTI awards in the form of performance-based RSUs are generally granted in the January-February period. However, all of the above elements are reviewed and determined on at least an annual basis by the Compensation Committee.

The components of the compensation program are described as follows:

*Base Salary.* Base salaries are designed to provide a consistent cash flow throughout the year as compensation for day-to-day responsibilities. Base salaries generally remain near the 25th percentile for the Chief Executive Officer position and near the 50th-75th percentile for the other comparable positions in our peer group.

Base salaries for our executive officers are reviewed, and, if deemed appropriate, adjusted, on an annual basis. Merit increases are based on, among other things, individual performance, any new responsibilities assumed and the overall financial forecast that helps define the ability to provide a merit increase budget for the year. With respect to each executive's individual performance, we assess the breadth and complexity of the area of responsibility and the individual contributions and seek to quantify the same. Determination of base salary is not made in accordance with a strict formula that measures weighted qualitative and quantitative factors, but rather is based on objective data synthesized to competitive ranges and to internal policies and practices.

*Bonuses.* We made special, one-time bonuses to certain senior executives for those executives' extraordinary efforts associated with integration work related to the Mergers during fiscal 2022, in areas (for example, United States operations) where unique coordination work was required due to the significant extent of each legacy company's operations in those areas prior to the Mergers. As a result, the following named executive officers were granted special one-time bonuses:

| Name          | Special One-Time Bonuses |
|---------------|--------------------------|
| Michael Urban | \$330,000                |
| Marshall Witt | \$139,599                |

*Management Incentive Plan.* The Management Incentive Plan bonuses reward individuals for achieving operating and financial goals, in keeping with a performance-driven environment conducive to increasing stockholder value. Bonuses granted to executive officers under our Management Incentive Plan are determined by the Compensation Committee based upon both qualitative and quantitative considerations. The Compensation Committee establishes in writing specific performance goals for each participant, which must be achieved in order for an award to be earned under our Management Incentive Plan for that fiscal year. Performance goals under the Management Incentive Plan may be based upon any one or more of the following: net income per share, revenue, cash flow, earnings per share, return on equity, total stockholder return, share price performance, return on capital, return on assets or net assets, income or net income, operating income or net operating income, operating profit or net operating profit, operating margin or profit margin, return on operating revenue, return on invested capital, sales productivity, sales growth, market segment share or similar financial performance measures as may be determined by the Compensation Committee. The Compensation Committee sets reasonably stringent minimum Management Incentive Plan hurdles

and performance metrics. The Compensation Committee is also authorized to recoup any bonuses or portion thereof to mitigate the potential for undue risk assumption.

The selected performance measures and weightings for Management Incentive Plan bonuses for fiscal year 2022 to the executive officers were as follows:

| Name           | Worldwide Non-GAAP Net Income | Worldwide Non-GAAP Operating Income | Worldwide Next Gen Direct CM | Regional Non-GAAP Operating Income | Regional Return on Working Capital | Worldwide Return on Invested Capital |
|----------------|-------------------------------|-------------------------------------|------------------------------|------------------------------------|------------------------------------|--------------------------------------|
| Richard Hume   | 60%                           |                                     | 20%                          |                                    |                                    | 20%                                  |
| Dennis Polk    | 60%                           |                                     | 20%                          |                                    |                                    | 20%                                  |
| Marshall Witt  | 60%                           |                                     | 20%                          |                                    |                                    | 20%                                  |
| Michael Urban  |                               | 30%                                 | 20%                          | 30%                                | 20%                                |                                      |
| Patrick Zammit |                               | 30%                                 | 20%                          | 30%                                | 20%                                |                                      |

For legacy SYNEX executive officers and Mr. Hume, the minimum threshold target performance percentage is 75% and the maximum target performance percentage is 133.3%. For legacy Tech Data executive officers, the minimum threshold target performance percentage is 70% and the maximum target performance percentage is 110%.

The actual bonus payable, if the applicable minimum threshold percentages are met, is paid on a sliding scale of the target performance actually achieved and dollar limits pre-established by the Compensation Committee for each individual executive officer. In addition, the Compensation Committee may decrease bonuses for executive officers.

If the minimum threshold target performance percentage is not achieved, no bonuses are paid to the executive officers. If the maximum target performance percentage is exceeded, no incremental bonuses beyond the maximum award is paid to the executive officers.

The Management Incentive Plan bonus for each executive officer generally is based upon a certain percentage of the officer's annual base salary for the applicable fiscal year. With respect to Mr. Polk's bonus, the amount of the target is equal to \$1,812,500, as stated in Mr. Polk's September 2021 amended offer letter, with the same performance metrics as the Chief Executive Officer's performance metrics. In the event that the minimum threshold performance target is met, then our executive officers receive a bonus based on the following approximate percentage of base salary for fiscal 2022, as applicable:

| Name           | Minimum Payment (if Threshold is Met) as Percentage of Base Salary(1)(%) | Target Payment as Percentage of Base Salary(1)(%) | Maximum Payment as Percentage of Base Salary(1)(%) |
|----------------|--|---|--|
| Richard Hume   | 125  | 250   | 375 (2)  |
| Marshall Witt  | 62.5   | 125   | 187.5  |
| Michael Urban  | 100  | 200   | 300  |
| Patrick Zammit | 30   | 100   | 200  |

(1) The applicable base salary is each officer's then-current base salary at the end of the fiscal year.

(2) Management Incentive Plan maximum payout is capped at \$3.5 million.

There is potential for actual awards under the Management Incentive Plan to be less than such minimum targets depending upon corporate performance, as well as the executive officer's performance of certain individual goals that were predetermined by our President and Chief Executive Officer. In addition, the Compensation Committee has discretion to decrease the bonus for all executive officers. The Compensation Committee's discretion is exercised based upon discussions with our President and Chief Executive Officer, taking into account his ability to manage and monitor the performance of the other named executive officers.

For the fiscal year ended November 30, 2022, we met or exceeded performance metric targets and as a result the following executive officers received the following bonuses:

| Name           | Management Incentive Plan Bonuses |
|----------------|-----------------------------------|
| Richard Hume   | \$ 2,179,104                      |
| Dennis Polk    | \$ 1,974,813                      |
| Marshall Witt  | \$ 697,994                        |
| Michael Urban  | \$ 1,011,297                      |
| Patrick Zammit | \$ 553,032                        |

Based on comparable peer companies, the total cash compensation targets, including both base salary and Management Incentive Plan bonus, excluding any recommended adjustments by the Compensation Committee, for our executive officers for comparable positions in our peer group for fiscal year 2022 were as follows:

| Name           | Total Cash Compensation Target Percentile |
|----------------|---|
| Richard Hume   | Near 50 <sup>th</sup> Percentile          |
| Dennis Polk    | Near 50 <sup>th</sup> Percentile          |
| Marshall Witt  | Below 25 <sup>th</sup> Percentile         |
| Michael Urban  | Above 75 <sup>th</sup> Percentile         |
| Patrick Zammit | Above 75 <sup>th</sup> Percentile         |

*Equity Grants.* Long-term incentives involve equity grants and performance grants, including restricted stock awards, RSUs and stock options. Restricted stock and RSUs help us to retain key personnel, whereas stock options provide incentive for creating incremental stockholder value. The value of equity grants and performance grants derives from stock price, which aligns executive compensation with stockholder value.

Equity grants are based on a number of considerations. The Compensation Committee considered the following principal elements:

- corporate performance;
- dilution to stockholders;
- related expense to our company;

- job responsibilities and past performance of the executive officer;
- likely future contributions by the executive officer;
- potential reward to the executive officer if the stock price appreciates in the public market;
- management tier classification;
- equity grants made by competitors; and
- existing vested and unvested equity holdings.

Determination of equity grant amounts is based on objective data synthesized to competitive ranges and to internal policies and practices, including an overall review of both employee and corporate performance and the value of equity grants of comparable officers at comparable companies. We evaluate our corporate performance objective primarily by our financial performance, including growth, return on equity, ROIC, and diluted earnings per share, or EPS. Equity grants may also be made to new executive officers upon commencement of employment and, on occasion, to executive officers in connection with a significant change in job responsibility. We also distinguish between equity grants of stock options, restricted stock awards or RSUs based upon the officer's position.

To further ensure that the long-term interests of executive officers are closely aligned with those of stockholders, we request that they, except our President and Chief Executive Officer, hold an equity position in TD SYNEX of the lesser of the following: (1) at least two times annual base salary or (2) \$1,000,000. This equity position can be satisfied by holding shares of common stock, whether vested or unvested, or vested in-the-money stock options. With respect to our President and Chief Executive Officer, we request that he hold an equity position in TD SYNEX of the lesser of the following: (1) at least two times the sum of annual base salary plus target bonus as in effect from time to time or (2) \$2,000,000. Stock ownership for our President and Chief Executive Officer includes common stock owned personally or in trust for his benefit but does not include unvested restricted stock or stock units, or stock options that are not vested in-the-money.

In addition, to avoid any impropriety or even the appearance of such, the Compensation Committee in most cases times the equity grants to be valued only during open trading windows. If the date of an equity grant falls within a trading black-out period, then the effective grant date is upon the expiration of the third trading day after the trading black-out period ends. The exceptions to this standard procedure are the granting of long-term incentive RSUs, as discussed below, which are valued as of the first business day of the fiscal year. The exercise price for all stock option grants is the market closing price of our common stock on the effective grant date. In addition, annual equity grants to executive officers are generally awarded each year in the September-October period. As part of our harmonization of legacy SYNEX and legacy Tech Data equity programs, we followed the legacy Tech Data program of annual equity grants following the legacy Tech Data fiscal year, and therefore annual equity grants to legacy Tech Data management, including executive officers other than Rich Hume, were made in March 2022 with remainder grants made in October 2022.

*Performance-Based, Long-Term Equity Incentives.* Our annual long-term incentive ("LTI") program, currently implemented through our 2020 Stock Incentive Plan, is designed to provide long-term retention incentives for our executive officers, and also to create an alignment between the interests of our executive officers and those of our stockholders because appreciation in the stock price of our shares will benefit both our executive officers and our stockholders. Under the 2020 Stock Incentive Plan, the Compensation Committee may grant LTI awards that require,

as a condition to vesting, the attainment of one or more performance targets specified by the Compensation Committee from the list of possible financial and operational performance metrics specified in the 2020 Stock Incentive Plan.

We and the Compensation Committee believe that the LTI program ties executive compensation to business performance and also aligns total compensation closer to the market comparatives in value and in form.

The Compensation Committee considers LTI program awards during the meeting held following the end of a fiscal year. However, as part of our harmonization of legacy SYNEX and legacy Tech Data equity programs, for legacy Tech Data co-workers we followed the legacy Tech Data program of long-term incentive equity grants following the legacy Tech Data fiscal year, and therefore the Compensation Committee considered LTI program awards to legacy Tech Data management, including executive officers other than Mr. Hume, during the Compensation Committee meeting following January 31, 2022. The RSUs vest based upon (1) achievement, on a cumulative basis, of the applicable minimum threshold financial performance measure based on a formula derived from EPS target performance (“EPS Formula”) and (2) the achievement of ROIC target performance, with performance metrics measured over a 3-year period ending November 30, 2024. The minimum threshold EPS Formula percentage is 75% and the maximum target performance percentage is 166.7% for all executive officers.

The actual number of performance-based RSUs, if the applicable minimum threshold EPS Formula percentage is met, vests on a sliding scale of the EPS Formula target performance percentage actually achieved. This amount is then adjusted by the percentage increase or decrease corresponding with our performance as measured by the ROIC performance percentage, provided that in no event will an executive officer be entitled to receive more than the maximum award (as set forth in table below). To the extent that we fail to meet our performance targets for the 3-year period, then that portion of the shares underlying the performance-based RSUs are canceled and do not vest, regardless of the achievement of the ROIC target performance. If, for example, we achieve 75% of the EPS target Formula and achieve ROIC performance at target, then our executive officers would receive 50% of the targeted shares. Similarly, if we achieve 166.67% of EPS target Formula and achieve ROIC performance at target, then our executive officers would receive 200% of the targeted shares.

In order to allow for vesting of 200% of the target performance-based RSUs (pursuant to the vesting criteria discussed above), consistent with prior years, each legacy SYNEX executive officer was granted a number of performance-based RSUs equal to two times the target grant. Due to harmonization of the program, in March 2022, legacy Tech Data executive officers were granted 100% of the target with the ability to receive up to 200% of the target award if goals are exceeded, and this approach will be taken going forward.

For fiscal year 2022 for the LTI Program, based upon the per share price on the first business day of fiscal 2022 (December 1, 2021) of \$103.27, the executive officers were granted performance-based RSUs as follows:

|                | Number of RSUs vesting at 200% target performance | Value of LTIs at maximum award of 200% of target award | Number of RSUs vesting at 100% target performance | Value of LTIs at 100% target performance | Number of RSUs vesting at 75% of target performance (represents 50% of target award) | Value of LTIs at 75% target performance (represents 50% of target award) |
|----------------|---|--|---|--|--|--|
| Marshall Witt  | 4,131   | \$426,608  | 2,066   | \$213,356                                | 1,033  | \$106,678  |
| Michael Urban  | 7,271   | \$750,876  | 3,636   | \$375,490                                | 1,818  | \$187,745  |
| Patrick Zammit | 8,644   | \$892,666  | 4,322   | \$446,333                                | 2,161  | \$223,166  |

In addition, the vesting of the LTI awards is contingent upon the executive officer still being employed by us on the date of vesting. Messrs. Hume and Polk did not participate in the 2022-2024 LTI program, in accordance with the description of their compensation in their respective employment agreements; they were awarded stock options, restricted stock, and/or time-based RSUs during fiscal 2022. Starting with fiscal 2023, Mr. Hume will be compensated under the LTI program along with other executive officers.

In considering the appropriate performance metric for the LTI awards for fiscal year 2022, the Compensation Committee, with the assistance of senior management, concluded that applicable EPS and ROIC performance metrics be the same for all executive officers. The Compensation Committee also considered the aggregate projected cost of the equity grants to the executive officers under FASB ASC Topic 718.

With respect to both our equity grants and the LTI program, the Compensation Committee considers at least annually whether to approve specific long-term equity awards based on the recommendations of our President and Chief Executive Officer (except with respect to his own awards). When determining awards, the Compensation Committee considers factors such as the individual's position with us, their prior and expected future performance and responsibilities, our retention and succession needs, and the long-term incentive award levels for comparable executives and key co-workers at companies that compete with us for executive and managerial talent. The Compensation Committee also considers the total value of equity awards previously granted and the existing equity ownership of each executive officer when determining restricted stock award levels, with particular attention paid to the value of unvested awards. In addition, the Compensation Committee considers the potential dilution and accounting costs of long-term equity awards as compared to those granted at other publicly traded companies that compete with us for business and executive talent. The 2020 Stock Incentive Plan does not state a formulaic method for weighing these factors, nor does the Compensation Committee employ one.

*Deferred Compensation Plan.* Our deferred compensation plan permits designated co-workers to accumulate income for retirement and other personal financial goals by deferring present income through a nonqualified plan. Our deferred compensation plan became effective on January 1, 1994 and was amended on January 7, 2008 to conform with changes required by Section 409A of the Code. Currently, none of our executive officers participate in this plan.

*Benefits, Perquisites and Other.* Other benefits to our executive officers include medical, dental and life insurance, as well as 401(k) plan participation. These benefits are generally available to all our co-workers.

#### Executive Compensation by TD SYNEX for the Named Executive Officers

*President and Chief Executive Officer.* Richard Hume is our President and Chief Executive Officer and has served in this capacity since September 1, 2021. Mr. Hume's base salary was \$960,000 in fiscal 2022. Mr. Hume also received a stock option grant of 63,310 shares, a grant of 25,620 time-based RSUs, and a bonus of \$2,179,104 under our Management Incentive Plan. Some of the primary factors affecting Mr. Hume's compensation include, among other things, our combined company performance during fiscal year 2022 compared to our pre-established financial goals, comparative compensation of competitor companies, his contribution to the Mergers and related integration, his responsibility for the strategy of our Company, and his overall leadership responsibility of our Company.

*Executive Chair.* Dennis Polk is our Executive Chair and has served in this position since September 2021. He is also a Director and has served in this capacity since February 2012. Mr. Polk previously served as President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Senior Vice President of Corporate Finance since joining us in February 2002. Mr. Polk's annual base salary was \$743,125 in fiscal year 2022. Mr. Polk also received a bonus of \$1,974,813 under our Management Incentive Plan, a stock option grant of 9,162 shares, and restricted stock awards of 11,104 shares. Some of the primary factors affecting Mr. Polk's compensation include, among other things, our fiscal year 2022 financial performance that exceeded our pre-established financial goals, comparative compensation of competitor companies, and his contribution to the Mergers and related integration.

*Chief Financial Officer.* Marshall Witt has served as our Chief Financial Officer since April 2013. Mr. Witt's annual base salary was \$512,500 in fiscal year 2022. For fiscal 2022, Mr. Witt also received a bonus of \$697,994 under our Management Incentive Plan, a special cash bonus of \$139,599, a restricted stock award of 8,198 shares, and a grant of 4,131 performance-based RSUs. Some of the primary factors affecting Mr. Witt's compensation include, among other things, our performance toward our pre-established financial goals, his contribution to the overall leadership of our Company, his contribution to the Mergers effort and related integration, and his leadership of the worldwide finance organization.

*President, Americas.* Michael Urban has served as our President, Americas since September 2021 and pre-merger served as our President, Worldwide Technology Solutions Distribution since February 2019. Mr. Urban is responsible for our Americas distribution business and Global Service business. Mr. Urban's base salary was \$562,692 in fiscal year 2022. For fiscal 2022, Mr. Urban also received a bonus of \$1,011,297 under our Management Incentive Plan, a special cash bonus of \$330,000, a restricted stock award of 8,888 shares, and a grant of 7,271 performance-based RSUs. Some of the primary factors affecting Mr. Urban's compensation include, among other things, our performance toward our pre-established financial goals, the strong performance of his division within our company, his contribution to the overall leadership of our Company, and his leadership in the merger of SYNEX and Tech Data since day one.

*President, Europe and APJ.* Patrick Zammit has served as our President, Europe and APJ since September 2021. Mr. Zammit's base salary was \$530,062 in fiscal year 2022, using a weighted average Euro-to-Dollar exchange rate for the twelve months ended November 30, 2022. For fiscal 2022, Mr. Zammit also received a bonus of \$553,032 under our Management Incentive Plan, using a weighted average Euro-to-Dollar exchange rate for the twelve months ended November 30, 2022, a restricted stock unit award of 6,486 shares, a grant of 4,611 time-based RSUs, and a grant of 4,322 performance-based RSUs. Some of the primary factors affecting Mr. Zammit's compensation include, among other things, our performance toward our pre-established financial goals, the strong performance of his division within our company, his contribution to the overall leadership of our Company, and his leadership of the Europe and APJ distribution function of our Company.

#### Risk Assessment of Our Compensation Program

Consistent with SEC disclosure requirements, we have assessed our compensation programs and have concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on our company. The risk assessment process included a review of program policies and practices; program analysis to identify risk and risk control related to the programs; and determinations as to the sufficiency of risk identification, the balance of potential risk to potential reward, risk control and the support of the program and their risks to our company strategy. Although we reviewed all compensation programs, we focused primarily on the programs with variability of payout, with the ability of an executive officer to directly affect payout and the controls on executive officer action and payout. By way of examples, we reviewed our compensation programs for certain design features that have been identified by experts as having the potential to encourage excessive risk-taking, including:

- too much focus on equity;
- compensation mix overly weighted toward annual incentives;
- highly leveraged payout curve and uncapped payouts;
- unreasonable goals or thresholds; and
- steep payout cliffs at certain performance level that may encourage short-term business decisions to meet payout thresholds.

We are satisfied that these potential pitfalls have been avoided or mitigated, as listed below. We continue to monitor our compensation programs and reserve the right to adjust them as we judge necessary to avoid creating undue risk.

In addition, we have internal controls over financial reporting and the measurement and calculation of compensation goals, and other financial, operational, and compliance policies and practices that are designed to keep our compensation programs from being susceptible to manipulation by any employee, including our executive officers.

Other risk-mitigating factors considered by the Compensation Committee include the following:

- the use of different types of compensation that provide a balance of short-term and long-term incentives with fixed and variable components;
- our minimum equity holding guidelines;
- our clawback policy which, in the event of a restatement of our financial results, allows the Compensation Committee to seek to recover or cancel Management Incentive Plan bonuses;
- our clawback provision in the 2020 Stock Incentive Plan that subjects the annual equity grants and LTI awards to Company clawback or recoupment arrangements or policies (In fiscal year 2023, we intend to revise our clawback policy to incorporate SEC clawback policy requirements once the NYSE listing rules are effective);
- our Insider Trading Policy prohibits our directors, officers, and all other co-workers from entering into hedging or monetization transactions with respect to our securities;
- caps on performance-based awards to limit windfalls;
- every executive officer must obtain permission from our Legal Department before the sale of any shares of our common stock, even during an open trading window;
- our prohibition of trading in our securities on a short-term basis, on margin, or in a short sale transaction;
- our policy against buying or selling puts or calls on our common stock;
- our Code of Conduct; and
- the Compensation Committee's consideration of ethical behavior as integral in assessing the performance of all executive officers.

Ultimately, our incentive compensation is designed to reward executive officers for committing to and delivering goals that are intended to be challenging yet provide them a reasonable opportunity to reach the threshold amount, while requiring meaningful growth to reach the target level and substantial growth to reach the maximum level. The amount of growth required to reach the maximum level of compensation is developed within the context of the normal business planning cycle and, while difficult to achieve, is not viewed to be at such an aggressive level that it would induce our executive officers to take inappropriate risks that could threaten our financial and operating stability.

### **Tax Deductibility Considerations**

Section 162(m) of the Code, as amended by the Tax Cuts and Jobs Act of 2017, generally disallows a deduction for federal tax purposes to any publicly traded corporation for any remuneration in excess of \$1,000,000

paid in any taxable year to its chief executive officer, chief financial officer and other covered employees who are among the most highly compensated executive officers. While we consider the deductibility of awards in determining executive compensation, we also reserve the Compensation Committee's flexibility to provide one or more covered executive officers with the opportunity to earn compensation that is nondeductible under Section 162(m) when the Compensation Committee believes that such compensation is appropriate to attract and retain executive talent.

## **Compensation Committee**

The Compensation Committee has overall responsibility for our executive compensation policies as provided in a written charter adopted by the Board. The Compensation Committee is empowered to review and approve the annual compensation and compensation procedures for our executive officers. The Compensation Committee does not delegate any of its functions to others in setting compensation.

*Compensation Consultant and Peer Group Analysis.* To assist in this process, the Compensation Committee retained the services of Compensia, Inc. as its compensation consultant during fiscal year 2022. Compensia reported directly to the Compensation Committee and the Compensation Committee directly approved the Compensia fees. Management had no role in the selection of the compensation consultant. The Compensation Committee retained the services of Compensia to outline executive compensation trends and developments, review and analyze TD SYNEX's executive compensation philosophy and programs, and provide summary of findings and considerations for use in fiscal year 2022. The Compensation Committee also retained Compensia to review non-executive director compensation. Neither TD SYNEX nor the Compensation Committee engaged any compensation consultants during fiscal year 2022 whose fees exceeded \$120,000. The Compensation Committee believes that the Compensia advice was independent of management, and Compensia has certified the same in writing, and benefited our company and stockholders. In reaching this conclusion, the Compensation Committee considered all factors relevant to Compensia's independence from management, including factors suggested by the New York Stock Exchange in its rules related to compensation advisor independence.

Compensia provided the Compensation Committee with a review of the overall compensation climate in the United States, best practices, and trends specific to our industry. Compensia provided analyses of base salaries, bonuses, long-term incentives and benefit practices of comparable peer companies. Compensia's work did not raise any conflict of interest.

The following comparable technology distribution, electronic manufacturing services, IT consulting, and other peer companies were used in our competitive benchmarking for fiscal 2022 executive compensation.

Arrow Electronics, Inc.  
Avnet, Inc.  
Cardinal Health, Inc.  
CDW Corporation  
DXC Technology Company  
Hewlett Packard Enterprise Company  
Insight Enterprises, Inc.  
Jabil Inc.  
Western Digital Corporation

In addition to talking to members of the Compensation Committee, Compensia also contacted certain of our executive officers and other co-workers in our human resources department to obtain historical data and insight into previous compensation practices. The Compensation Committee took information provided by Compensia into consideration when setting executive compensation for fiscal years 2020, 2021 and 2022.

*Tally Sheets and the Role of President and Chief Executive Officer.* In fiscal year 2022, the Compensation Committee continued the practice of reviewing the total remuneration of the executive officers using summary tables,

or tally sheets. These tally sheets allowed the Compensation Committee to undertake a comprehensive review across all forms of compensation, and to understand the effect that changing profit and stock price scenarios could have on such remuneration forms.

Our President and Chief Executive Officer also made recommendations to the Compensation Committee as to the compensation of the other named executive officers. The Compensation Committee can accept or adjust such recommendations for these officers. However, in general, the Compensation Committee considered the recommendations of our President and Chief Executive Officer, the named executive officer's role, responsibilities and performance during the past year, and the amount of compensation paid to named executive officers in similar positions at comparable companies. These recommendations were considered in relation to annual performance reviews and played an important role in the compensation determinations by the Compensation Committee. For our President and Chief Executive Officer, the Compensation Committee solely determined the compensation of the President and Chief Executive Officer based on competitive benchmarking provided by Compensia.

In general, we believe that the current executive compensation program meets the objectives of rewarding executive officers for measurable results in meeting and exceeding goals.

## Compensation Committee Report

*The following report of the Compensation Committee does not constitute soliciting material and shall not be deemed filed or incorporated by reference into any other filing by TD SYNEX under the Securities Act of 1933 or the Securities Exchange Act of 1934.*

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with TD SYNEX' management. Based on this review and these discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in TD SYNEX' proxy statement on Schedule 14A and incorporated by reference into its Annual Report on Form 10-K for the fiscal year ended November 30, 2022.

*Respectfully submitted by the members of the Compensation Committee of the Board:*

Mr. Hau Lee, Chair  
Mr. Fred Breidenbach  
Ms. Nayaki Nayyar

## 2022 Summary Compensation Table

The table includes our principal executive officer, our principal financial officer, the three highest compensated executive officers other than the principal executive officer and principal financial officer at the end of fiscal 2022.

| Name and Principal Position                                    | Fiscal Year | Salary (\$) | Bonus (\$) <sup>(1)</sup> | Stock Awards (\$) <sup>(2)(3)</sup> | Option Awards(\$) <sup>(2)</sup> | Non-equity Incentive Plan Compensation Earnings (\$) <sup>(4)</sup> | All Other Compensation (\$) <sup>(5)</sup> | Total(\$)  |
|--|-------------|-------------|---------------------------|-------------------------------------|----------------------------------|---|--|------------|
| <b>Richard Hume</b><br><i>Chief Executive Officer (6)</i>      | 2022        | 960,000     | —                         | 2,249,948                           | 2,099,993                        | 2,179,104   | 9,150(7)                                   | 7,498,195  |
|  | 2021        | 258,462     | —                         | 1,539,935                           | 2,099,965                        | 2,496,000   | 3,135,000(8)                               | 9,529,362  |
| <b>Marshall Witt</b><br><i>Chief Financial Officer</i>         | 2022        | 512,500     | 139,599                   | 962,272                             | —                                | 697,994   | 35,111 (10)                                | 2,347,476  |
|  | 2021        | 502,212     | 150,000                   | 2,616,361(9)                        | 714,959                          | 960,938   | 20,802                                     | 4,965,272  |
|  | 2020        | 500,000     | —                         | —                                   | —                                | 611,247   | 4,535                                      | 1,115,782  |
| <b>Dennis Polk</b><br><i>Executive Chair (11)</i>              | 2022        | 743,125     | —                         | 1,033,226                           | 333,314                          | 1,974,813   | 113,573 (12)                               | 4,198,051  |
|  | 2021        | 735,457     | 581,000                   | 9,368,964 (9)                       | 3,159,964                        | 2,786,719   | 71,933                                     | 16,704,037 |
|  | 2020        | 725,000     | —                         | —                                   | —                                | 2,189,269   | 9,860                                      | 2,924,129  |
| <b>Michael Urban</b><br><i>President, the Americas</i>         | 2022        | 562,692     | 330,000                   | 1,207,061                           | —                                | 1,011,297   | 31,699 (13)                                | 3,142,749  |
|  | 2021        | 557,933     | 225,000                   | 1,878,160(9)                        | 1,019,960                        | 1,691,250   | 10,336                                     | 5,382,639  |
|  | 2020        | 550,000     | —                         | —                                   | —                                | 1,376,272   | 6,422                                      | 1,932,694  |
| <b>Patrick Zammit</b><br><i>President, Europe and APJ (14)</i> | 2022        | 530,062     | —                         | 1,520,432                           | —                                | 553,032   | 194,516 (15)                               | 2,798,042  |
|  | 2021        | 145,021     | —                         | —                                   | —                                | 1,108,235   | 1,099,129 (16)                             | 2,352,385  |

- (1) Amounts in this column in fiscal 2022 represent a special cash bonus paid in support of integration efforts related to the Mergers. Amounts in this column in fiscal 2021 represent the special cash bonus paid in special recognition of the effort and work related to the Mergers and integration work related to the Mergers.
- (2) Amounts listed in these columns represent the grant date fair value of stock awards and option awards recognized by us under FASB ASC Topic 718, disregarding estimated forfeitures, rather than amounts realized by the named individuals. For valuation assumptions used to calculate the fair value of our stock and option awards, see Note 6 “Share-Based Compensation” included in our Annual Report on Form 10-K for the fiscal year ended November 30, 2022.
- (3) Performance-based RSUs granted under our LTI program provide an opportunity for co-workers to receive common stock if a performance measure is met for the three-year or two-year performance period. If the minimum performance measure is not met, no award is earned. If at least the minimum performance measure is attained, awards can range from 50% of the target number of shares to 200% of the target number of shares underlying the performance-based RSUs. The amounts in the table above reflect the aggregate grant date fair values at the target number of the performance-based RSUs granted under our LTI program described in the 2022 Summary Compensation Table Narrative on page 52, calculated in accordance with accounting guidance. Messrs. Hume and Zammit did not participate in our LTI program for fiscal year 2021 due to their joining our company in September 2021 and their continued

participation in legacy Tech Data compensation programs. Messrs. Hume and Polk did not participate in the fiscal year 2022 LTI program.

If our performance results in a future payout of the performance-based RSUs at the maximum level, the grant date fair value of the performance-based RSUs would have been as follows:

| NEO        | Fiscal Year 2022<br>(3-Year LTI) | Fiscal Year 2021<br>(2-Year LTI) | Fiscal Year 2021<br>(3-Year LTI) |
|------------|----------------------------------|----------------------------------|----------------------------------|
| Mr. Hume   | —                                | —                                | —                                |
| Mr. Witt   | \$484,649                        | \$416,590                        | \$416,590                        |
| Mr. Polk   | —                                | \$1,208,262                      | \$1,208,262                      |
| Mr. Urban  | \$853,034                        | \$733,289                        | \$733,289                        |
| Mr. Zammit | \$892,147                        | —                                | —                                |

The aggregate grant date fair value of the stock awards granted (including performance-based RSUs and restricted stock) would have been as follows:

| NEO        | Fiscal Year 2022 | Fiscal Year 2021 |
|------------|------------------|------------------|
| Mr. Hume   | \$2,249,948      | —                |
| Mr. Witt   | \$1,204,597      | \$3,032,951      |
| Mr. Polk   | \$1,033,226      | \$10,577,226     |
| Mr. Urban  | \$1,633,578      | \$2,611,449      |
| Mr. Zammit | \$1,966,505      | —                |

Due to the impending spin-off of the Concentrix business, no LTI awards were granted in 2020. For additional information on grant date fair value and estimated future payouts of stock awards, see the 2022 Grants of Plan-Based Awards table on page 51, and to see the value of stock awards actually realized by the named executive officers in fiscal 2022, see the 2022 Option Exercises and Stock Vested table on page 56.

- (4) For each fiscal year, amounts in this column represent performance-based bonus awards under the Management Incentive Plan earned in that fiscal year, but paid in the subsequent fiscal year, as described in the Compensation Discussion and Analysis beginning on page 36.
- (5) The following outlines all other additional compensation for fiscal year 2022 required by SEC rules to be separately quantified. The dividend amounts in this column represent the dollar value of dividends paid during the fiscal year ended November 30, 2022 (as part of a dividend paid to all of our stockholders) on unvested restricted stock awards; such dividends were not factored into the grant date fair value of stock awards required to be reported in the stock awards column of the table.
- (6) Mr. Hume became our President and Chief Executive Officer on September 1, 2021 and had served as President and Chief Executive Officer of Tech Data prior to that during the periods set forth in this table.
- (7) For Mr. Hume, Company contributions to 401(k) retirement savings plan of \$9,150.
- (8) For Mr. Hume, Company contributions of \$20,000 to the legacy Tech Data Executive Choice Plan and long-term incentive cash award of \$3,115,000 paid by the Company, granted pre-merger by legacy Tech Data, triggered by the change of control of legacy Tech Data on September 1, 2021 due to the Mergers
- (9) Due to the Company's pending spin-off of the Concentrix business in December 2020, for our fiscal year ended November 30, 2020, annual equity grants to co-workers, including executive officers, were structured so that the co-workers had no vested right to underlying equity before January 2021, although they received service credit from October 2020. Therefore, these annual equity grants were not included in the Summary Compensation Table for fiscal 2020, but they are included in the Summary Compensation Table for fiscal 2021.
- (10) For Mr. Witt, Company contributions to 401(k) retirement savings plan of \$9,150 and dividend payments on unvested RSAs of \$25,961.
- (11) Mr. Polk was our President and Chief Executive Officer from March 1, 2018 until September 1, 2021 and has been Executive Chair since September 1, 2021.
- (12) For Mr. Polk, Company contributions to 401(k) retirement savings plan of \$9,150 and dividend payments on unvested RSAs of \$104,423.
- (13) For Mr. Urban, Company contributions to 401(k) retirement savings plan of \$7,625 a taxable prize of \$2,790, a tax gross-up payment of \$1,810, dividend payments on unvested RSAs of \$18,996, spouse attendance at company event mandatory for executive of \$478.

- (14) Mr. Zammit became President, Europe and APJ on September 1, 2021 and had served as President, Europe of Tech Data prior to that during the periods set forth in this table. The dollar value of Mr. Zammit's compensation has been calculated using a weighted average Euro-to-Dollar exchange rate.
- (15) For Mr. Zammit, this amount is comprised of the Company's contribution to a French retirement insurance program on behalf of Mr. Zammit in the amount of \$46,271; premium payments by the Company to a third-party administrator for a retirement arrangement in Belgium in the amount of \$113,776; \$22,899 for use of a Company-provided vehicle; \$1,086 of medical/hospitalization insurance; \$10,230 for fees paid to service provider for services related to Mr. Zammit's tax returns; and \$254 for travel related insurance.
- (16) For Mr. Zammit, this amount is comprised of the Company's contribution to a French retirement insurance program on behalf of Mr. Zammit in the amount of \$12,638; premium payments by the Company to a third-party administrator for a retirement arrangement in Belgium in the amount of \$31,128; \$6,265 for use of a Company-provided vehicle; \$540 of medical/hospitalization insurance, and long-term incentive cash award of \$1,048,558 paid by the Company, granted pre-merger by legacy Tech Data triggered by the change of control; of legacy Tech Data on September 1, 2021 due to the Mergers.

## 2022 Grants of Plan-Based Awards

| Name           | Grant Date | Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)(2) |             |              | Estimated Future Payouts Under Equity Incentive Plan Awards(2)(3) |            |             | All Other Stock Awards: Number of Shares of Stock or Units (#)(4) | All Other Option Awards: Number of Securities Underlying Options (#) | Exercise or Base Price of Option Awards (\$/Sh) | Grant Date Fair Value of Stock and Option Awards (\$)(5) |
|----------------|------------|---|-------------|--------------|---|------------|-------------|---|--|---|--|
|                |            | Threshold (\$)  | Target (\$) | Maximum (\$) | Threshold (#)   | Target (#) | Maximum (#) |   |  |   |  |
| Dennis Polk    | 1/4/22     | 906,250   | 1,812,500   | 2,718,750    |   |            |             |   |  |   |  |
|                | 1/19/22    |   |             |              |   |            |             | 3,134(6)  | 9,162(7)   | 106.35  | 666,615  |
|                | 10/4/22    |   |             |              |   |            |             | 7,970   |  |   | 699,925  |
| Richard Hume   | 1/4/22     | 1,200,000   | 2,400,000   | 3,500,000    |   |            |             |   |  |   |  |
|                | 10/4/22    |   |             |              |   |            |             | 25,620  | 63,310(8)  | 87.82   | 4,349,941  |
| Marshall Witt  | 1/4/22     | 320,313   | 640,625     | 960,938      | 1,033   | 2,066      | 4,131       |   |  |   | 242,324  |
|                | 10/4/22    |   |             |              |   |            |             | 8,198   |  |   | 719,948  |
| Michael Urban  | 1/4/22     | 563,750   | 1,127,500   | 1,691,250    | 1,818   | 3,636      | 7,271       |   |  |   | 426,517  |
|                | 10/4/22    |   |             |              |   |            |             | 8,888   |  |   | 780,544  |
| Patrick Zammit | 1/4/22     | 159,018   | 530,062     | 1,060,124    |   |            |             |   |  |   |  |
|                | 3/31/22    |   |             |              | 2,161   | 4,322      | 8,644       |   |  |   | 446,074  |
|                | 3/31/22    |   |             |              |   |            |             | 6,486(9)  |  |   | 669,420  |
|                | 10/4/22    |   |             |              |   |            |             | 4,611   |  |   | 404,938  |

- (1) The target incentive amounts shown in this column reflect our annual bonus awards originally provided under our Management Incentive Plan and represents pre-established target awards as a percentage of base salary for fiscal year ended November 30, 2022, with the potential for actual awards under the plan to either exceed or be less than such funding target depending upon corporate performance. Actual award amounts are not guaranteed and are determined at the discretion of the Compensation Committee, which may consider an individual's performance during the period. For additional information, please refer to the Compensation Discussion and Analysis section. Actual Management Incentive Plan payouts are reflected in the Non-Equity Incentive Plan Compensation column of the 2022 Summary Compensation Table.
- (2) The threshold illustrates the smallest payout that can be made if all of the pre-established performance objectives are achieved at the minimum achievement level. The target is the payout that can be made if the pre-established performance objectives have been achieved at the target achievement level. The maximum is the greatest payout that can be made if the pre-established maximum performance objectives are achieved or exceeded at the outperform achievement levels. Actual payouts may be more or less than these amounts and are at the discretion of the Compensation Committee.
- (3) The shares related to the January 4, 2022 and March 31, 2022 awards represent the range of shares that may be released at the end of the performance period for the LTI awards, which is December 1, 2021 to November 30, 2024. If the minimum threshold target performance percentage of the internally established financial goals are not achieved, no performance-based RSUs will vest for the executive officers.

- (4) Unless noted otherwise, executive officer restricted stock awards and time-based RSUs vest as to one-third of the shares on the first three anniversaries of the grant date.
- (5) Fair value of performance-based RSU grants is calculated using the closing stock price on the date of the grant, based on the probable outcome of the performance conditions, adjusted for the exclusion of dividend equivalents. We pay dividends on restricted stock awards, and, accordingly, no adjustment is required to the stock price of the restricted stock awards.
- (6) Represents shares of restricted stock awarded under the 2020 Stock Incentive Plan. The restricted stock vests over five years with 20% vesting on each one-year anniversary of the date of grant.
- (7) This stock option vests as to 20% of the shares on the first anniversary of the date of grant and vests as to 1/60th of the shares monthly thereafter.
- (8) This stock option vests as to 1/3 of the shares on the first anniversary of October 4, 2022 and vests as to 1/36th of the shares monthly thereafter.
- (9) Represents shares of restricted stock awarded under the 2020 Stock Incentive Plan. The restricted stock vests as to 25% of the shares on each of the first and second anniversaries of the date of grant and 50% of the shares on the third anniversary of the date of grant.

### Narrative to 2022 Summary Compensation Table and 2022 Grants Plan-Based Awards Table

See Compensation Discussion and Analysis above for a complete description of compensation plans pursuant to which the amounts listed under the 2022 Summary Compensation Table and 2022 Grants of Plan-Based Awards Table were paid or awarded and the criteria for such payment, including targets for payment of annual incentives, as well as performance criteria on which such payments were based. The Compensation Discussion and Analysis also describes the options, restricted stock awards and RSU grants.

Except as otherwise noted, all stock awards vest as to 20% of the shares on each of the first five anniversaries of the grant date and stock options vest as to 20% of the shares on the first anniversary of the date of grant and vests as to 1/60th of the shares monthly thereafter. Beginning with the grants in October 2021, all stock awards vest as to 25% of the shares on each of the first four anniversaries of the grant date, except as otherwise noted. Beginning with the grants in October 2022, all stock awards vest as to 33% of the shares on each of the first three anniversaries of the grant date, except as otherwise noted.

### 2022 Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth information regarding outstanding equity-based awards, including the potential dollar amounts realizable with respect to each award.

| Name         | Option Awards(1)  |   |                            |                        | Stock Awards(2)   |  |   |  |
|--------------|---|---|----------------------------|------------------------|---|--|---|--|
|              | Number of Securities Underlying Unexercised Options Exercisable (#) | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock that have not Vested (#) | Market Value of Shares or Units of Stock that have not Vested (\$) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that have not Vested (\$) |
| Richard Hume | 16,581  | 40,267(3)   | 107.32                     | 10/5/2031              | —   | —  | —   | —  |
|              | —   | 63,310(4)   | 87.82                      | 10/4/2032              | —   | —  | —   | —  |
|              | —   | —   | —                          | —                      | 81,194(5)   | 8,306,146  | —   | —  |
|              | —   | —   | —                          | —                      | 10,761(6)   | 1,100,850  | —   | —  |
|              | —   | —   | —                          | —                      | 25,620(7)   | 2,620,926  | —   | —  |
| <b>Total</b> | <b>16,581</b>   | <b>103,577</b>  | —                          | —                      | <b>117,575</b>  | <b>12,027,922</b>  | —   | —  |
| Dennis Polk  | 235   | —   | 45.64                      | 10/6/2025              | —   | —  | —   | —  |
|              | 13,778  | —   | 57.34                      | 10/4/2026              | —   | —  | —   | —  |

| Name          | Option Awards(1)  |   |                            |                        | Stock Awards(2)   |  |   |  |
|---------------|---|---|----------------------------|------------------------|---|--|---|--|
|               | Number of Securities Underlying Unexercised Options Exercisable (#) | Number of Securities Underlying Unexercised Options Unexercisable (#) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock that have not Vested (#) | Market Value of Shares or Units of Stock that have not Vested (\$) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that have not Vested (\$) |
|               | 12,188  | —   | 65.83                      | 10/3/2027              | —   | —  | —   | —  |
|               | 36,851  | —   | 49.35                      | 4/9/2028               | —   | —  | —   | —  |
|               | 16,084  | 13,017  | 38.89                      | 10/11/2028             | —   | —  | —   | —  |
|               | 28,730  | 17,858  | 56.50                      | 10/2/2029              | —   | —  | —   | —  |
|               | 21,071  | 29,499(8)   | 90.52                      | 1/20/2031              | —   | —  | —   | —  |
|               | 9,443   | 34,141  | 107.32                     | 10/5/2031              | —   | —  | —   | —  |
|               | —   | 9,162   | 106.35                     | 1/19/2032              | —   | —  | —   | —  |
|               | —   | —   | —                          | —                      | 2,039   | 208,590  | —   | —  |
|               | —   | —   | —                          | —                      | 2,806   | 287,054  | —   | —  |
|               | —   | —   | —                          | —                      | 5,136(9)  | 525,413  | —   | —  |
|               | —   | —   | —                          | —                      | 18,412(10)  | 1,883,548  | —   | —  |
|               | —   | —   | —                          | —                      | 38,665(11)  | 3,955,430  | —   | —  |
|               | —   | —   | —                          | —                      | 3,608(12)   | 369,098  | —   | —  |
|               | —   | —   | —                          | —                      | 6,000   | 613,800  | —   | —  |
|               | —   | —   | —                          | —                      | 3,134   | 320,608  | —   | —  |
|               | —   | —   | —                          | —                      | 7,970(13)   | 815,331  | —   | —  |
|               | —   | —   | —                          | —                      | —   | —  | 15,894(14)  | 1,625,956  |
|               | —   | —   | —                          | —                      | —   | —  | 15,894(14)  | 1,625,956  |
|               | —   | —   | —                          | —                      | —   | —  | —   | —  |
| <b>Total</b>  | <b>138,380</b>  | <b>103,677</b>  | <b>—</b>                   | <b>—</b>               | <b>87,770</b>   | <b>8,978,872</b>   | <b>31,788</b>   | <b>3,251,912</b>   |
| Marshall Witt | 3,451   | —   | 32.18                      | 10/7/2024              | —   | —  | —   | —  |
|               | 8,426   | —   | 45.64                      | 10/6/2025              | —   | —  | —   | —  |
|               | 10,333  | —   | 57.34                      | 10/4/2026              | —   | —  | —   | —  |
|               | 9,141   | —   | 65.83                      | 10/3/2027              | —   | —  | —   | —  |
|               | 13,093  | 2,939   | 38.89                      | 10/11/2028             | —   | —  | —   | —  |
|               | 6,487   | 4,032   | 56.50                      | 10/02/2029             | —   | —  | —   | —  |
|               | 4,758   | 6,661(8)  | 90.52                      | 1/20/2031              | —   | —  | —   | —  |
|               | 2,141   | 7,739   | 107.32                     | 10/5/2031              | —   | —  | —   | —  |
|               | —   | —   | —                          | —                      | 710   | 72,633   | —   | —  |
|               | —   | —   | —                          | —                      | 977   | 99,947   | —   | —  |
|               | —   | —   | —                          | —                      | 1,788(9)  | 182,912  | —   | —  |
|               | —   | —   | —                          | —                      | 11,047(15)  | 1,130,108  | —   | —  |
|               | —   | —   | —                          | —                      | 931(12)   | 95,241   | —   | —  |
|               | —   | —   | —                          | —                      | 2,087   | 213,500  | —   | —  |
|               | —   | —   | —                          | —                      | 8,198(13)   | 838,655  | —   | —  |
|               | —   | —   | —                          | —                      | —   | —  | 5,480(14)   | 560,604  |
|               | —   | —   | —                          | —                      | —   | —  | 5,480(14)   | 560,604  |
|               | —   | —   | —                          | —                      | —   | —  | 4,131(17)   | 422,601  |
|               | —   | —   | —                          | —                      | —   | —  | —   | —  |
| <b>Total</b>  | <b>57,830</b>   | <b>21,371</b>   | <b>—</b>                   | <b>—</b>               | <b>25,738</b>   | <b>2,632,996</b>   | <b>15,091</b>   | <b>1,543,809</b>   |
| Michael Urban | 12,834  | 4,277   | 49.69                      | 2/1/2029               | —   | —  | —   | —  |
|               | 9,268   | 5,760   | 56.5                       | 10/2/2029              | —   | —  | —   | —  |
|               | 6,798   | 9,515(8)  | 90.52                      | 1/20/2031              | —   | —  | —   | —  |
|               | 3,051   | 11,025  | 107.32                     | 10/5/2031              | —   | —  | —   | —  |
|               | —   | —   | —                          | —                      | 1,852   | 189,460  | —   | —  |
|               | —   | —   | —                          | —                      | 1,629   | 166,647  | —   | —  |
|               | —   | —   | —                          | —                      | 2,982(9)  | 305,059  | —   | —  |
|               | —   | —   | —                          | —                      | 1,397(12)   | 142,913  | —   | —  |
|               | —   | —   | —                          | —                      | 3,503   | 358,357  | —   | —  |
|               | —   | —   | —                          | —                      | 8,888(13)   | 909,242  | —   | —  |
|               | —   | —   | —                          | —                      | —   | —  | 9,646(14)   | 986,786  |
|               | —   | —   | —                          | —                      | —   | —  | 9,646(14)   | 986,786  |

| Name           | Option Awards(1)  |   |                            |                        | Stock Awards(2)   |  |   |  |
|----------------|---|---|----------------------------|------------------------|---|--|---|--|
|                | Number of Securities Underlying Unexercised Options Exercisable (#) | Number of Securities Underlying Unexercised Options Unexercisable (#) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock that have not Vested (#) | Market Value of Shares or Units of Stock that have not Vested (\$) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that have not Vested (\$) |
| <b>Total</b>   | <b>31,951</b>   | <b>30,577</b>   | —                          | —                      | <b>20,251</b>   | <b>2,071,678</b>   | <b>26,563</b>   | <b>2,717,395</b>   |
| Patrick Zammit | —   | —   | —                          | —                      | 6,486(16)   | 663,518  | —   | —  |
|                | —   | —   | —                          | —                      | —   | —  | 4,322(17)   | 442,141  |
|                | —   | —   | —                          | —                      | 4,611(7)  | 471,705  | —   | —  |
|                | —   | —   | —                          | —                      | 35,200(5)   | 3,600,960  | —   | —  |
| <b>Total</b>   | —   | —   | —                          | —                      | <b>46,297</b>   | <b>4,736,183</b>   | <b>4,322</b>  | <b>442,141</b>   |

- (1) Unless otherwise noted, all option awards listed in these columns vest and become exercisable as to 20% of the shares on the first anniversary of the grant date and the remaining vest 1/60th of the shares monthly thereafter over the remaining four-year period. The exercise prices of the awards stated in the table are as of 2022 fiscal year end. Option awards granted before the Spin-off were bifurcated as of the Spin-off at the beginning of the 2021 fiscal year to become options for common stock of both TD SYNEX and Concentrix Corporation, in each case subject to the same terms as applied prior to the Spin-off. As a result, the exercise prices of stock options in the table were adjusted in fiscal year 2021 in accordance with the terms of the Employee Matters Agreement related to the Spin-off and the 2020 Stock Incentive Plan and are lower, reflecting the bifurcation of TD SYNEX options.
- (2) Unless otherwise noted, all stock awards listed in this table vest as to 20% of the shares on each of the first five anniversaries of the grant date. Market value was determined by multiplying the number of shares of stock or units, as applicable, by \$102.30, the closing price of our Common Stock on November 30, 2022, the last trading day of our last completed fiscal year. Except as otherwise noted, stock awards were bifurcated as of the Spin-off to become stock awards for common stock of both TD SYNEX and Concentrix Corporation, in each case subject to the same terms as applied prior to the Spin-off.
- (3) This stock option vests as to 25% of the shares on the first anniversary of September 1, 2021 and vests as to 1/48th of the shares monthly thereafter.
- (4) This stock option vests as to 1/3 of the shares on the first anniversary of October 4, 2022 and vests as to 1/36th of the shares monthly thereafter.
- (5) Represents the legacy Tech Data management member's portion of shares of common stock that Tiger Holdings placed in an escrow account administered by Tiger GP of 751,342 shares, which would be distributed to certain legacy Tech Data management members pending satisfaction of certain time-based vesting requirements. Fifty percent of the escrowed shares vest one year following the closing date of the Mergers and fifty percent vest on the second anniversary of the closing date so long as the management member remains employed by TD SYNEX for the period. If the management member's employment terminates as a result of a not-for-cause termination by TD SYNEX or as a result of a good reason departure by the management member, then the escrowed shares vest pro rata based upon the number of days since the closing date or the last anniversary over 365 days.

- (6) Represents shares of common stock issuable upon settlement of restricted stock units awarded under the 2020 Stock Incentive Plan. The restricted stock units vest as to 25% of the shares on each of the first four anniversaries of September 1, 2021.
- (7) Represents shares of common stock issuable upon settlement of restricted stock units awarded under the 2020 Stock Incentive Plan. The restricted stock units vest as to 1/3 of the shares on each of the first three anniversaries of October 4, 2022.
- (8) This stock option vests as to 20% of the shares on the first anniversary of October 7, 2020 and vests as to 1/60<sup>th</sup> of the shares monthly thereafter.
- (9) Represents shares of restricted stock awarded under the 2020 Stock Incentive Plan. The restricted stock vests as to 20% of the shares on each of the first five anniversaries of October 7, 2020.
- (10) Represents shares of restricted stock awarded under the 2020 Stock Incentive Plan. The restricted stock vests as to one-third (1/3) of the shares on the first anniversary of the date of grant and two-thirds (2/3) of the shares on the second anniversary of the date of grant.
- (11) Represents shares of restricted stock awarded under the 2020 Stock Incentive Plan. The restricted stock vests on the second anniversary of the date of grant.
- (12) Represents shares of restricted stock awarded under the 2020 Stock Incentive Plan. The restricted stock vests as to 1/3 of the shares on December 1, 2021, December 1, 2022 and December 1, 2023.
- (13) Represents shares of restricted stock awarded under the 2020 Stock Incentive Plan. The restricted stock vests as to 1/3 of the shares on each of the first three anniversaries of October 4, 2022.
- (14) These RSUs under either the 2-Year FY2021 or 3-Year FY2021 LTI program will vest based upon (1) the achievement, on a cumulative basis, of the applicable minimum threshold financial performance measure based on a formula derived from earnings per share (“EPS Formula”) target performance and (2) the achievement of an average return on invested capital (“ROIC”) target performance, with both performance metrics measured over a two-year period ending November 30, 2022 or a three-year period ending November 30, 2023, as applicable. The minimum threshold EPS Formula target performance percentage is 75% and the maximum target performance percentage is 166.7% for each Officer under each program. The actual number of RSUs, if the applicable minimum threshold EPS Formula percentage is met, will vest on a sliding scale of the EPS Formula target performance percentage actually achieved. The resulting number of shares that will vest under either program based on the EPS Formula metric will then be adjusted by a percentage increase or decrease corresponding with TD SYNEX’ performance as measured by the ROIC performance percentages, but in no event will an Officer be entitled to receive more than the number of shares set forth in the table above (the “Maximum Amount”). If the minimum threshold EPS Formula target performance is not achieved, no RSUs will vest, regardless of the achievement of the ROIC performance.

At 100% target EPS Formula and ROIC performance, the Officers’ RSUs will vest as to 50% of the Maximum Amount. Any unvested shares underlying the RSUs will not vest and will be canceled. In addition, the vesting of the RSUs is contingent upon the Officer still being employed by TD SYNEX on the date of vesting. In the event of an Officer’s death prior to the vesting date, TD SYNEX will transfer to such Officer’s estate the number of shares that would have vested on or prior to such Officer’s death.

- (15) Represents shares of restricted stock awarded under the 2020 Stock Incentive Plan. The restricted stock vests on the third anniversary of the date of grant.

- (16) Represents shares of restricted stock units awarded under the 2020 Stock Incentive Plan. The restricted stock units vests as to 25% of the shares on each of the first and second anniversaries of the date of grant and 50% of the shares on the third anniversary of the date of grant.
- (17) These RSUs under the FY2022 LTI program will vest based upon (1) the achievement, on a cumulative basis, of the applicable minimum threshold financial performance measure based on a formula derived from earnings per share (“EPS Formula”) target performance and (2) the achievement of an average return on invested capital (“ROIC”) target performance, with both performance metrics measured over a three-year period ending November 30, 2024. The minimum threshold EPS Formula target performance percentage is 75% and the maximum target performance percentage is 166.7% for each Officer under each program. The actual number of RSUs, if the applicable minimum threshold EPS Formula percentage is met, will vest on a sliding scale of the EPS Formula target performance percentage actually achieved. The resulting number of shares that will vest under either program based on the EPS Formula metric will then be adjusted by a percentage increase or decrease corresponding with TD SYNEX’ performance as measured by the ROIC performance percentages, but in no event will an Officer be entitled to receive more than 200% of the target number of shares (the “Maximum Amount”). If the minimum threshold EPS Formula target performance is not achieved, no RSUs will vest, regardless of the achievement of the ROIC performance.

At 100% target EPS Formula and ROIC performance, the Officers’ RSUs will vest as to 50% of the Maximum Amount. Any unvested shares underlying the RSUs will not vest and will be canceled. In addition, the vesting of the RSUs is contingent upon the Officer still being employed by TD SYNEX on the date of vesting. In the event of an Officer’s death prior to the vesting date, TD SYNEX will transfer to such Officer’s estate the number of shares that would have vested on or prior to such Officer’s death.

## 2022 Option Exercises and Stock Vested Table

The following table sets forth the dollar amounts realized pursuant to the vesting or exercise of equity-based awards during the latest fiscal year.

| Name           | Option Awards            |                                  | Stock Awards                             |                                 |
|----------------|--------------------------|----------------------------------|--|---------------------------------|
|                | Acquired on Exercise (#) | Value Realized On Exercise \$(1) | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting \$(2) |
| Richard Hume   | —                        | —                                | 84,783                                   | 7,987,406                       |
| Dennis Polk    | 64,000                   | 3,778,137                        | 40,558                                   | 3,999,077                       |
| Marshall Witt  | 8,184                    | 562,536                          | 14,654                                   | 1,458,194                       |
| Michael Urban  | —                        | —                                | 17,393                                   | 1,713,604                       |
| Patrick Zammit | —                        | —                                | 35,200                                   | 3,316,192                       |

(1) Amounts reflect the difference between the exercise price of the option and the market price at the time of exercise.

(2) Amounts reflect the aggregate market value of shares on the vesting date.

## Pension Benefits

None of our named executive officers participate in qualified or non-qualified defined benefit plans sponsored by us. The Compensation Committee may elect to adopt qualified or non-qualified defined benefit plans if the Compensation Committee determines that doing so is in our best interests. For Mr. Zammit during the period from December 1, 2021 to November 30, 2022, the Company contributed to a French retirement insurance program on

behalf of Mr. Zammit in the amount of \$46,271 and made premium payments by the Company to a third-party administrator for a retirement arrangement in Belgium in the amount of \$113,776.

### **Nonqualified Deferred Compensation Plans**

As discussed above, we maintain a deferred compensation plan, which became effective on January 1, 1994. The deferred compensation plan is designed to permit designated officers and directors to accumulate additional income for retirement and other personal financial goals through a nonqualified deferred compensation plan that enables the officer or director to make elective deferrals of a specified amount of salary or bonus to which he or she will become entitled in the future. The balance in a participant's account will be distributed in full after the earlier of their termination of employment with us or upon attaining the age of 65. The distribution may be paid in one lump sum or in equal monthly or annual installments over a period not to exceed 15 years. Under certain circumstances, a participant may receive an early distribution in the form of a lump sum payment, subject to certain penalties. As noted above, this plan was amended effective January 1, 2005 to conform with changes required under Section 409A of the Code. As a result, for account balances earned after 2004, distributions to officers upon termination of employment are generally subject to a six-month delay, and accelerated distributions are generally prohibited. None of our named executive officers participate in or have account balances under the nonqualified deferred compensation plan.

### **Employment Contracts, Termination of Employment and Change-of-Control Arrangements**

The following summarizes our employment arrangements with our executive officers, including potential payments payable to our executive officers upon termination of employment or a change of control of us under their current employment agreements and our other compensation programs. The Compensation Committee may in its discretion revise, amend or add to these benefits if it deems advisable. Although much of the compensation for our executive officers is performance-based and largely contingent upon achievement of aggressive financial goals, we believe our change of control arrangements provide important protection to our executive officers, are consistent with practice of our peer companies, and are appropriate for the attraction and retention of executive talent.

Dennis Polk. In connection with Mr. Polk's employment with TD SYNEX, on January 4, 2018, Mr. Polk and our company executed an employment offer letter which provided for certain severance benefits. If Mr. Polk's employment with us is terminated without cause within two months before or 12 months after a change of control of us (including a voluntary termination because of a reduction in salary or position or a relocation) and signs a standard release of claims, Mr. Polk will receive salary continuation at a rate equal to the average of total salary and bonus over the prior three years for up to 24 months, and will be paid COBRA for up to two years. On January 25, 2021, Mr. Polk's offer letter was amended, outlining the terms of the vesting of his unvested equity awards in the event that he terminates his employment with us for a reason other than for cause (as such term is defined in the amendment), disability (as such term is defined in the amendment) or death. The amendment provides for acceleration of the vesting of eighty percent (80%) of his unvested equity awards as of the date of his termination, except any unvested long-term performance-based RSU awards and any unvested equity awards that were granted less than three (3) months prior to termination, subject to conditions outlined in the amendment.

On September 28, 2021, we entered into a second amendment to Mr. Polk's January 4, 2018 offer letter. The amendment provides that, for the period of September 1, 2021 through November 30, 2022 (the "Initial Transition Period"), we would continue to pay Mr. Polk the same base salary then in effect, and he would be eligible to be considered for an incentive bonus for the Initial Transition Period, as determined by the Compensation Committee, in its sole discretion. We agreed not to change Mr. Polk's target bonus already set for the fiscal year ending November 30, 2021, and his target bonus for the fiscal year ending November 30, 2022 was \$1,812,500 with the same performance metrics as the Chief Executive Officer of TD SYNEX, provided Mr. Polk remain employed through November 30, 2022. The amendment further provides that, effective December 1, 2022 through November 30, 2023 (the "Final Transition Period"), we would pay Mr. Polk an annual base salary of \$800,000. After expiration of the Final Transition Period, his cash compensation will be the same as other non-employee directors of the Board or as otherwise determined by the Board, but commensurate with his expected role as non-executive Chair of the Board. In

addition, the amendment provides that, for the Initial Transition Period, Mr. Polk would be granted (i) two options to purchase shares of TD SYNEX common stock with grant dates on or around October 5, 2021 and January 4, 2022, respectively, and grant date fair values of approximately \$1,610,000 and \$333,333, respectively and (ii) two restricted stock awards for shares of TD SYNEX common stock with grant dates on or around September 21, 2021 and January 4, 2022, respectively, and fair market values of approximately \$805,000 and \$333,333, respectively. The options vest over five years with 20% of the underlying shares vesting on the one-year anniversary of the grant date, and the remainder vesting monthly thereafter. The restricted stock awards vest over five years with 20% vesting on each one-year anniversary of the grant date. For the Final Transition Period, Mr. Polk was granted TD SYNEX restricted stock as part of our annual equity grant cycle in October of 2022, with a fair market value of approximately \$700,000, which vest over three years with one-third vesting on each one-year anniversary of the grant date.

On January 4, 2023, we entered into a third amendment to Mr. Polk's January 4, 2018 offer letter. The amendment provides that, for the Final Transition Period, in light of Mr. Polk's continued duties as an employee with respect to our business, his target bonus for the fiscal year ending November 30, 2023 will be \$800,000 with the same performance metrics established by the Compensation Committee for executive officers having similar business responsibilities, provided he remains employed by us through November 30, 2023.

*Richard Hume.* In connection with Mr. Hume's appointment as President and Chief Executive Officer, we entered into an offer letter with him dated August 31, 2021 which provided for certain severance benefits. If Mr. Hume's employment with us is terminated without "cause," "disability," or death, or by Mr. Hume for "good reason" (as such terms are defined in the offer letter) or within two months before or 12 months after a change of control of us and signs a standard release of claims, Mr. Hume (A) will receive salary continuation for up to 24 months at a rate equal to the greater of (i) the average of total salary and bonus over the prior three years or, if employed less than three years, the average of total salary and bonus over the lesser number of years or (ii) the total amount of the annual base salary and target bonus in effect, and (B) will be paid COBRA for up to one year. Pursuant to the terms of the offer letter, Mr. Hume will receive a starting annualized base salary of \$960,000 and will be eligible to receive an annual cash bonus targeted at 2.5 times his base salary beginning in the fiscal year ending November 30, 2022 (but which shall be pro-rated for the fiscal year ending November 30, 2022) with the actual amount of the bonus based on the achievement of performance metrics established by the Compensation Committee of the Board. Mr. Hume receives his existing Tech Data bonus with respect to the 12-month period ending January 31, 2022, as determined by the Compensation Committee of the Board based on the Tech Data annual bonus plan for its fiscal year ending January 31, 2022 calculated based upon achievement as the Company's fiscal year end. In addition, the offer letter provides that Mr. Hume will be granted (i) an option to purchase shares of our common stock with a grant date fair value of approximately \$2,100,000 and (ii) restricted stock or restricted stock unit awards for shares of our common stock with a fair market value of approximately \$1,540,000. The offer letter contains certain restrictive covenants, including a non-competition and non-solicitation provision, for the benefit of TD SYNEX. If Mr. Hume's employment with us is terminated for any reason other than "cause," "disability," or death, then, subject to conditions outlined in the offer letter, eighty percent (80%) of his then unvested equity awards will be accelerated upon his date of termination, except any unvested equity awards with an effective date less than three (3) months prior to termination.

*Patrick Zammit.* Mr. Zammit is based in Europe and the terms of his potential separation from the Company are subject to his Manager's Agreement and local law in Europe. In the event of his termination, Mr. Zammit's Manager's Agreement provides for payment to him of a six-month notice period, a severance payment equal to his total annual compensation inclusive of base salary and performance bonus at target, ongoing insurance benefits and car allowance for 18.5 months plus one additional month for every fully completed year measured from October 2016. In addition, if the Company does not elect to waive its rights under the Manager's Agreement to have Mr. Zammit's agreement not to compete with the Company apply, Mr. Zammit will receive a lump-sum payment of one year of Mr. Zammit's then base salary or a lesser prorated amount if the Company elects to reduce the number of months of Mr. Zammit's agreement not to compete.

*Other Named Executive Officers.* If Michael Urban, or Marshall Witt is terminated without cause within two months before or 12 months after a change of control of us (including a voluntary termination because of a reduction

in salary or position or a relocation) and signs a standard release of claims, the officer is entitled to salary continuation at a rate equal to the average of total salary and bonus over the prior three years for a minimum of 18 months plus one month per year of employment after the eighteenth year of employment, up to a maximum of 24 months, and paid COBRA for two years. Severance payments will be delayed for six months following termination of employment to the extent required by Section 409A. For these officers, we believe that structuring their severance benefits in the above described fashion in connection with a change of control and tying each individual's severance payment with his length of service with us, encourages their retention, rewards them for their individual contributions, loyalty, teamwork and integrity, and motivates them to achieve returns for our stockholders. For each of these officers, if their employment with us terminates other than as a result of termination without cause within two months before or 12 months after a change of control of us, then they will not be entitled to receive the above severance benefits. They are entitled to receive compensation and benefits through the date of termination in accordance with our established plans.

### Potential Payments upon Termination or Change of Control

The following table sets forth potential payments payable to our current executive officers upon termination of employment or a change in control if the triggering event were to have occurred on November 30, 2022. For accelerated stock options, the amounts reflect the difference between the per share exercise price as of fiscal year end and the closing market price per share as of fiscal year end, \$102.30. The Compensation Committee may in its discretion revise, amend or add to the benefits if it deems advisable. The severance payment to Mr. Zammit assumes that the Company opted for the full 12 months of Mr. Zammit's agreement not to compete as governed by his Manager's Agreement which calls for a lump sum payment of \$516,500. The dollar value has been calculated using the spot exchange rate for Euros to U.S. dollars as of November 30, 2022.

| Name           | Benefit                   | Termination for Good Reason/Without Cause; No Change of Control (\$) | Termination for Good Reason/Without Cause; with Change of Control (\$) |
|----------------|---------------------------|--|--|
| Richard Hume   | Salary                    | 3,360,000  | 5,040,000  |
|                | Bonus                     | —  | —  |
|                | Equity award acceleration | 880,680  | 880,680  |
|                | Benefits continuation     | 8,041  | 16,082   |
|                | Total value               | 4,248,721  | 5,936,762  |
| Dennis Polk    | Salary                    | 3,245,128  | 5,408,546  |
|                | Bonus                     | —  | —  |
|                | Equity award acceleration | 8,123,474  | 8,123,474  |
|                | Benefits continuation     | 23,337   | 46,673   |
|                | Total value               | 11,391,939   | 13,578,693   |
| Marshall Witt  | Salary                    | —  | 2,037,245  |
|                | Bonus                     | —  | —  |
|                | Equity award acceleration | —  | —  |
|                | Benefits continuation     | —  | 37,830   |
|                | Total value               | —  | 2,075,075  |
| Michael Urban  | Salary                    | —  | 3,152,222  |
|                | Bonus                     | —  | —  |
|                | Equity award acceleration | —  | —  |
|                | Benefits continuation     | —  | 33,135   |
|                | Total value               | —  | 3,185,357  |
| Patrick Zammit | Salary                    | 3,142,042  | 3,142,042  |
|                | Bonus                     | —  | —  |
|                | Equity award acceleration | —  | —  |
|                | Benefits continuation     | 456,209  | 456,209  |
|                | Total value               | 3,598,251  | 3,598,251  |

## Chief Executive Officer Pay Ratio

Pursuant to Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, we are providing the following information about the relationship of the annual total compensation of our co-workers (other than our Chief Executive Officer) and the annual total compensation of our Chief Executive Officer, Richard Hume. The pay ratio included in this information is a reasonable estimate calculated in a manner consistent with Item 402(u) of SEC Regulation S-K. In our calculation, we did not include any independent contractors.

To determine the median employee, we considered the base salary paid to each of the employees, not including our Chief Executive Officer, for the 12-month period ending October 31, 2022. We used exchange rates in effect as of October 31, 2022 to convert the base salaries of our non-U.S. employees to U.S. dollars, and we did not make any cost-of-living adjustments. Using this approach, we selected the individual at the median of the employee population. We then calculated total compensation for this individual using the same methodology we use for our named executive officers as set forth in our Summary Compensation Table. Of the more than 23,000 co-workers included in our analysis, approximately 64% were located outside the United States, which is where our CEO is located. The compensation elements and pay levels of our co-workers differ from country to country based on market trends as well as fluctuations in currency exchange rates. For the fiscal year ended November 30, 2022, the annual total compensation of our median employee was approximately \$48,576, calculated using the same methodology we use for our named executive officers set forth in our Summary Compensation Table.

For the year ended November 30, 2022, the total compensation for our CEO, Mr. Hume, was \$7,498,195 as reported in the “SEC Total” column of the Summary Compensation Table. The annual compensation of our Chief Executive Officer, Mr. Hume, was approximately 154 times that of the median of the annual total compensation of all co-workers, as discussed above. The form and amount of our Chief Executive Officer’s annual total compensation is largely influenced by prevailing compensation practices in the United States and the competitive market for senior executive talent.

Because SEC rules for identifying the median of our annual total compensation of all co-workers of our company and calculating the pay ratio based on that employee’s annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions and to make reasonable estimates and assumptions that reflect their employee population and compensation practices, the pay ratio reported by other companies may not be comparable to our pay ratio, as other companies have different employee populations and compensation practices and may have used different methodologies, exclusions, estimates and assumptions in calculating their pay ratios. As explained by the SEC when it adopted these rules, the rule was not designed to facilitate comparisons of pay ratios among different companies, even companies within the same industry, but rather to allow stockholders to better understand and assess each particular company’s compensation practices and pay-ratio disclosures.

## PROPOSAL 2

### ADVISORY VOTE TO APPROVE OUR EXECUTIVE COMPENSATION

#### General

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires us to obtain an advisory vote (non-binding) from our stockholders on our executive compensation as disclosed in this Proxy Statement, which is often referred to as a “say on pay” proposal. Consistent with the stockholders’ 2022 advisory vote on the frequency of holding an advisory vote on TD SYNEX’s executive compensation, we are seeking an advisory vote on executive compensation every year until the next required stockholder vote on the frequency of stockholder votes on executive compensation.

As described in the “Executive Compensation — Compensation Discussion and Analysis” section of this Proxy Statement, our executive compensation programs and policies play an important role in achieving our objective of sustainable long-term growth in stockholder value. As a guiding principle, our executive compensation programs and policies are designed to motivate, retain and reward our executives for superior short- and long-term performance for our company and our stockholders.

We are asking that our stockholders indicate their support of our executive compensation as described in this Proxy Statement. While this advisory vote on executive compensation is non-binding, the Board and the Compensation Committee will review the outcome of this vote and take the vote into consideration when reviewing our compensation policies and procedures. This is not intended to address specific items of compensation, but rather the overall compensation of our named executive officers and our executive compensation policies and procedures as described in this proxy statement. Stockholders who want to communicate with the Board should refer to “Communications with the Board of Directors” in this Proxy Statement for additional information.

At the Annual Meeting we will ask our stockholders to approve the following resolution:

“RESOLVED, that the Company’s stockholders approve, on an advisory basis, the compensation of the named executive officers, as described in the Company’s proxy statement for the 2023 Annual Meeting of Stockholders pursuant to Item 402 of Regulation S-K and other compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2022 Summary Compensation Table and the other compensation related tables and disclosure.”

#### Required Vote

Approval of our executive compensation, including the Compensation Discussion and Analysis, the 2022 Summary Compensation Table and the other compensation related tables and disclosure as described in the “Executive Compensation — Compensation Discussion and Analysis” section of this Proxy Statement requires the affirmative vote of a majority of the votes cast at the Annual Meeting in person or by proxy. Unless marked to the contrary, proxies received will be voted “FOR” approval.

**The Board recommends a vote “FOR” the approval of our executive compensation as described in this Proxy Statement.**

### PROPOSAL 3

#### **ADVISORY VOTE ON THE FREQUENCY OF AN ADVISORY VOTE ON EXECUTIVE COMPENSATION**

##### **General**

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires us to obtain an advisory vote (non-binding) from our stockholders indicating how frequently we should seek an advisory vote on our executive compensation, such as Proposal 2 included on page 61 of this proxy statement. By voting on this Proposal 3, stockholders may indicate whether they would prefer an advisory vote on our executive compensation once every one, two, or three years.

After careful consideration of this Proposal, our Board of Directors has determined that an advisory vote on executive compensation that occurs every year is the most appropriate alternative for us, and therefore our Board of Directors recommends that you vote for an annual advisory vote on executive compensation.

In formulating its recommendation, our Board of Directors considered that an annual advisory vote on our executive compensation will provide our management and our Board of Directors with regular and direct input from our stockholders.

You may cast your vote for your preferred voting frequency by choosing the option of one year, two years, three years or abstain from voting when you vote in response to the resolution set forth below.

“RESOLVED, that the option of once every one year, two years, or three years that receives the highest number of votes cast for this resolution will be determined to be the preferred frequency with which the Company is to hold a stockholder advisory vote to approve the Company’s executive compensation, as disclosed pursuant to the Securities and Exchange Commission’s compensation disclosure rules (which disclosure shall include the Compensation Discussion and Analysis, the Summary Compensation Table, and the other related tables and disclosure).”

##### **Required Vote**

The option of one year, two years or three years that receives the highest number of votes cast by stockholders will be the frequency for the advisory vote on executive compensation that has been selected by stockholders. However, because this vote is advisory and not binding on our Board of Directors or us in any way, our Board may decide that it is in the best interests of our stockholders and us to hold an advisory vote on executive compensation more or less frequently than the option approved by our stockholders. Unless marked to the contrary, proxies received will be voted “FOR” the option of once every year as the frequency with which our stockholders are provided an advisory vote on our executive compensation.

**The Board recommends a vote “FOR” the option of once every year as the frequency with which our stockholders are provided an advisory vote on our executive compensation.**

## PROPOSAL 4

### RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee, which is composed entirely of non-employee independent directors, has selected KPMG LLP as independent registered public accountants to audit our consolidated financial statements and internal control over financial reporting for the fiscal year ending November 30, 2023. Representatives of KPMG LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement, if they desire to do so, and will be available to respond to appropriate questions.

The Board has endorsed the appointment of KPMG LLP. Ratification of the selection of KPMG LLP by stockholders is not required by law. However, as a matter of good corporate governance, such selection is being submitted to the stockholders for ratification at the Annual Meeting. If the stockholders do not ratify the selection, the Board and the Audit Committee will reconsider whether or not to retain KPMG LLP, but may retain KPMG LLP. Even if the selection is ratified, the Audit Committee in its discretion may change the appointment at any time during the year if it determines that such change would be in the best interests of TD SYNEX and our stockholders.

#### Audit and Non-Audit Fees

The following table presents the aggregate fees for professional services rendered for us by KPMG LLP for the fiscal years ended November 30, 2022 and 2021:

| Services Provided  | 2022        | 2021        |
|--------------------|-------------|-------------|
| Audit.....         | \$7,161,324 | \$5,301,000 |
| Audit Related..... | —           | —           |
| Tax.....           | \$335,097   | \$1,101,000 |
| All Other.....     | —           | —           |
| Total .....        | \$7,496,421 | \$6,402,000 |

*Audit Fees.* The aggregate fees billed for the fiscal years ended November 30, 2022 and 2021, were for professional services rendered for the audits of our consolidated financial statements, statutory audits of our subsidiaries, reviews of our interim consolidated financial statements, and services provided in connection with statutory and regulatory filings. Audit fees for fiscal 2021 included fees for audit services provided in connection with the Mergers.

*Audit Related Fees.* Not applicable.

*Tax Fees.* The aggregate fees billed for the fiscal years ended November 30, 2022 and 2021 were primarily for professional services rendered relating to domestic and foreign tax compliance and consulting services.

*All Other Fees.* Not applicable.

#### Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has implemented pre-approval policies and procedures related to the provision of audit and non-audit services. Under these procedures, the Audit Committee pre-approves both the type of services to be provided by KPMG LLP and the estimated fees related to these services. All of the services presented in the table above were approved in conformity with the Audit Committee's pre-approval policies and procedures.

During the approval process, the Audit Committee considers the impact of the types of services and the related fees on the independence of the registered public accountants. The services and fees must be deemed compatible with the maintenance of such accountants' independence, including compliance with SEC rules and regulations.

Throughout the year, the Audit Committee will review any revisions to the estimates of audit and non-audit fees initially approved.

### **Required Vote**

Ratification of the appointment of KPMG LLP requires the affirmative vote of a majority of the votes cast at the Annual Meeting in person or by proxy. Unless marked to the contrary, proxies received will be voted “FOR” ratification of the appointment. In the event ratification is not obtained, your Audit Committee will review its future selection of our independent registered public accountants.

**The Board recommends a vote “FOR” the ratification of KPMG LLP as our independent registered public accountants.**

## REPORT OF THE AUDIT COMMITTEE

*The following report of the Audit Committee does not constitute soliciting material and shall not be deemed filed or incorporated by reference into any other filing by TD SYNEX under the Securities Act of 1933 or the Securities Exchange Act of 1934.*

The Audit Committee provides assistance to the Board in fulfilling its legal and fiduciary obligations in matters involving TD SYNEX' accounting, auditing, financial reporting, internal control and legal compliance functions by approving the services performed by TD SYNEX' independent registered public accountants and reviewing their reports regarding TD SYNEX' accounting practices and systems of internal accounting controls as set forth in a written charter adopted by the Board. TD SYNEX' management is responsible for preparing TD SYNEX' financial statements and the independent registered public accountants are responsible for auditing those financial statements. The Audit Committee is responsible for overseeing the conduct of these activities by TD SYNEX' management and the independent registered public accountants.

In this context, the Audit Committee has met and held discussions with management and the independent registered public accountants. Management represented to the Audit Committee that TD SYNEX' consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent registered public accountants.

The Audit Committee reviewed with the independent registered public accountants their judgments as to the quality, not just the acceptability, of its accounting principles and has discussed with the independent registered public accountants the matters required to be discussed pursuant to the Public Company Accounting Oversight Board Auditing Standard No. 1301 "Communications with Audit Committees" and the SEC, including critical audit matters included in the report of the external auditor. The Audit Committee has also received the written disclosures from the independent registered public accountants as required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accountants' communications with the Audit Committee concerning independence, and has discussed with the independent registered public accountants the independence of that firm. Additionally, the Audit Committee considered whether the provision of non-audit services was compatible with maintaining such accountants' independence. The Audit Committee has discussed with management the procedures for selection of consultants and the related competitive bidding practices and fully considered whether those services provided by the independent registered public accountants are compatible with maintaining such accountant's independence.

The Audit Committee has discussed with TD SYNEX' internal auditors and independent registered public accountants, with and without management present, their evaluations of TD SYNEX' internal control over financial reporting and the overall quality of TD SYNEX' financial reporting.

In reliance on the reviews and discussions with management and the independent registered public accountants referred to above, the Audit Committee recommended to the Board, and the Board has approved, the inclusion of the audited financial statements in TD SYNEX' Annual Report on Form 10-K for the fiscal year ended November 30, 2022, for filing with the SEC.

*Respectfully submitted by the members of the Audit Committee of the Board:*

Mr. Duane Zitzner, Chair  
Ms. Ann Vezina  
Ms. Merline Saintil

## DELINQUENT SECTION 16(a) REPORTS

To our knowledge, based solely on a review of the copies of Section 16 reports furnished to us and written representations that no other reports were required, during the fiscal year ended November 30, 2022, all Section 16(a) filing requirements applicable to directors, executive officers and greater than ten percent beneficial owners were complied with by such persons, except two Forms 4s for Mr. Zammit to report two separate transactions which occurred in October and November 2022.

## STOCKHOLDER PROPOSALS FOR THE 2024 ANNUAL MEETING OF STOCKHOLDERS

If a stockholder wishes to present a proposal to be included in our Proxy Statement for the 2024 Annual Meeting, the proponent and the proposal must comply with the proxy proposal submission rules of the SEC. One of the requirements is that the proposal be received by the Corporate Secretary no later than October 9, 2023. Proposals we receive after that date will not be included in the Proxy Statement. We urge stockholders to submit proposals by Certified Mail—Return Receipt Requested.

A stockholder proposal not included in our proxy statement for the 2024 Annual Meeting will be ineligible for presentation at the 2024 Annual Meeting unless the stockholder gives timely notice of the proposal in writing to the Corporate Secretary of TD SYNEX at the principal executive offices of TD SYNEX. Under our Bylaws, in order for a matter to be deemed properly presented by a stockholder, timely notice must be delivered to, or mailed and received by, us not more than 120 days nor less than 90 days in advance of the anniversary of the date the proxy statement was provided to the stockholders in connection with the previous year's Annual Meeting; provided, however, in the event that no Annual Meeting was held in the previous year or the Annual Meeting is called for a date that is more than 30 days before or after the anniversary date of the previous year's Annual Meeting, notice by the stockholder must be received by the Corporate Secretary no later than the close of business on the later of (i) the 90th day prior to such Annual Meeting and (ii) the 10th day following the day on which public announcement of the date of such meeting is first made..

The stockholder's notice must set forth, as to each proposed matter, the following: (a) a brief description of the business desired to be brought before the meeting and reasons for conducting such business at the meeting; (b) the name and address, as they appear on our books, of the stockholder proposing such business; (c) the class and number of shares of our securities that are beneficially owned by the stockholder; (d) any material interest of the stockholder in such business; and (e) any other information that is required to be provided by such stockholder pursuant to proxy proposal submission rules of the SEC. The presiding officer of the meeting may refuse to acknowledge any matter not made in compliance with the foregoing procedure.

You may obtain a copy of the current rules for submitting stockholder proposals from the SEC at:

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
100 F Street, N.E.  
Washington, DC 20549

or through the Commission's Internet website: [www.sec.gov](http://www.sec.gov). Request SEC Release No. 34-40018, May 21, 1998.

## OTHER MATTERS

The Board does not know of any other business that will be presented at the Annual Meeting. If any other business is properly brought before the Annual Meeting, your proxy holders will vote on it as they think best unless you direct them otherwise in your proxy instructions.

Whether or not you intend to be present at the Annual Meeting of Stockholders, we urge you to vote or submit your proxy promptly.

By Order of the Board,  
David R. Vetter  
Chief Legal Officer and Corporate Secretary

Fremont, California  
February 6, 2023

TD SYNnex' 2022 Annual Report has been made available to all stockholders entitled to vote at the Annual Meeting. We will provide copies of exhibits to the Annual Report on Form 10-K, but will charge a reasonable fee per page to any requesting stockholder. Stockholders may make such request in writing to TD SYNnex Corporation at 44201 Nobel Drive, Fremont, California 94538, Attention: Investor Relations. The request must include a representation by the stockholder that as of January 23, 2023, the stockholder was entitled to vote at the Annual Meeting of Stockholders. Our Annual Report on Form 10-K and exhibits are also available at [www.TDSYNnex.com](http://www.TDSYNnex.com).

