

SCANSOURCE, INC.
Stock Ownership and Retention Policy

1.0 PURPOSE

The Board of Directors (the “**Board**”) of ScanSource, Inc. (the “**Company**”) believes that it is important that the Chief Executive Officer, other selected officers and members of the Board (“**directors**”) of the Company have long-term financial interests that are aligned with the long-term interests of the Company’s shareholders. The Board desires for the Company to maintain and enhance its culture of officer(s) and directors focused on Company-wide returns and sustainable grants. To further this goal, the Board adopted the ScanSource, Inc. Stock Ownership and Retention Policy effective March 20, 2014 (the “**Effective Date**”), and has elected to adopt this Amended and Restated Stock Ownership and Retention Policy (as so amended, the “**Policy**”) effective November 30, 2016.

2.0 APPLICABILITY

- 2.1. Covered Individual.** This Policy applies to (i) the Chief Executive Officer of the Company, (ii) directors and (iii) such other officers of the Company as may be determined from time to time by the Board (each, a “**Covered Individual**,” and collectively, the “**Covered Individuals**”).
- 2.2. Covered Awards.** This Policy applies to all Equity Compensation Awards issued on or after the Effective Date granted under any of the Company’s equity award plans as such plans may exist from time to time and the Common Stock acquired pursuant to such Equity Compensation Awards. With respect to any individual who becomes a Covered Individual on or after the Effective Date, this Policy shall apply to all Equity Compensation Awards held by such individual on the date he or she becomes a Covered Individual (other than those outstanding prior to the Effective Date) and to all Equity Compensation Awards received thereafter. For the avoidance of doubt, no Equity Compensation Awards outstanding prior to the Effective Date, or Common Stock acquired pursuant to Equity Compensation Awards that were outstanding prior to the Effective Date, shall be subject to this Policy. For purposes of this Policy, the term “**Equity Compensation Awards**” shall mean all stock options, stock appreciation rights (“**SARs**”), restricted and unrestricted stock awards, restricted and unrestricted stock units, deferred stock units, performance shares, performance units, annual director awards, other stock-based awards and/or any other stock-based incentive awards that are granted under the Company’s equity award plans for compensatory purposes. Notwithstanding anything to the contrary herein, this Policy shall not apply to any Equity Compensation Award or Common Stock held by an individual prior to the Effective Date or prior to the date that such individual became a Covered Individual that is subject to a pre-arranged stock trading plan designed to comply with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and the Company’s insider trading policy.

3.0 POLICY

- 3.1. **Administration.** The Policy will be administered by the Board. The Board, in its role of administering the Policy, is the “**Administrator.**” The Administrator may delegate ministerial administrative duties to one or more officers or employees of the Company.
- 3.2. **Salary Multiple Thresholds.** Each Covered Individual is expected to achieve and maintain a salary or cash retainer multiple threshold based on a multiple of annual base salary and/or annual Board cash retainer (but not Board committee retainers), as applicable, for such Covered Individual as set forth in the following table:

<u>Covered Individuals</u>	<u>Salary Multiple Threshold</u>
Chief Executive Officer	3x (300%) annual base salary
Directors	5x (500%) annual Board cash retainer
All Other Covered Individuals	1x (100%) annual base salary

- 3.2.1 **Valuation Methodology.** The value of a Covered Individual’s stock ownership requirement is based on his or her then current base annual salary, with respect to the Chief Executive Officer and other officers, and annual cash Board retainer, with respect to directors. This value may increase or decrease as a result of a change in the Covered Individual’s title or base annual salary (in the case of officers) or changes to annual cash Board retainers (in the case of directors). The value of the Covered Individual’s stock options shall be valued by applying the method customarily used by the Company for valuation of stock options for accounting purposes. The value of the Covered Individual’s stock ownership other than stock options shall be based on the average closing price of a share of the Company’s common stock (the “**Common Stock**”) (as adjusted for stock splits and similar changes to the Common Stock) as reported on the Nasdaq Stock Market during the 30-day period ending on the date of any proposed transaction that would be subject to this Policy multiplied by the number of shares of Common Stock owned by the Covered Individual.
- 3.2.2 **Eligible Equity.** For purposes of determining whether a Covered Individual has satisfied the stock ownership requirements of this Policy, eligible equity shall include all of the following: (i) shares of Common Stock owned by the Covered Individual (including but not limited to stock purchased on the open market), (ii) shares owned jointly with the Covered Individual’s spouse and/or dependent children, (iii) shares owned by the Covered Individual’s spouse or dependent children, (iv) shares held by a Covered Individual in the 401(k) Plan, (v) shares purchased under the Company’s amended and restated Employee Stock Purchase Plan, (vi) shares held in individual brokerage accounts or other custodial accounts or in trust for the

benefit of the Covered Individual or the Covered Individual's spouse and/or dependent children, whether acquired through open market purchase or otherwise, (vii) shares underlying time-based restricted stock, restricted stock units or similar awards (whether vested or unvested) that vest based solely upon continued service, (viii) shares subject to vested or earned performance shares, performance share units or similar awards, (ix) shares received upon the exercise of stock options or SARs, and (x) shares subject to vested unexercised options. Shares subject to unvested unexercised options and unvested performance awards shall not be considered eligible equity.

3.3. Stock Retention Requirement. It is expected that Covered Individuals will utilize grants under the Company's equity compensation plan(s) to reach the level of stock ownership required by the Policy. In this regard, until the applicable levels of ownership outlined above are met, a Covered Individual is required to retain 50% of the Net Shares resulting from the vesting of all restricted stock awards, restricted stock unit awards, performance awards and similar awards, and 50% of the Net Shares resulting from the exercise of all stock option or SAR awards. The Policy is not intended to limit a Covered Individual's ability to sell or transfer Equity Compensation Awards that were outstanding prior to the Effective Date, Common Stock acquired pursuant to Equity Compensation Awards that were outstanding prior to the Effective Date or shares of Common Stock otherwise acquired prior to the Effective Date. Shares subject to the retention requirements of this Policy shall not be pledged, hypothecated, made subject to execution, attachment or similar process, or in any manner be made subject to a hedge transaction or puts and calls. Because Covered Individuals must retain a percentage of shares resulting from any exercise of stock options or SARs or the vesting or earning of restricted stock, restricted stock units, performance awards or other similar equity awards until they achieve the specified guideline amount, there is no minimum time period to achieve these guidelines.

3.3.1 Net Shares. For purposes of this Policy, "**Net Shares**" means those shares of Common Stock that remain after shares are sold, delivered or withheld in payment of withholding taxes and/or the exercise price of stock options or SARs, as applicable.

4.0 ADMINISTRATION; COMPLIANCE.

4.1. Modification. The Administrator reserves the right to modify, amend, suspend or terminate this Policy at any time if it determines in its sole discretion that such action would be in the best interest of the Company.

4.2. Enforcement. The Administrator has the discretion to enforce this Policy on a case-by-case basis. To the extent a Current Individual fails to comply with the Policy, the Administrator shall take such action as it determines to be appropriate.

- 4.3. **Undue Hardship.** There may be instances where abiding by this Policy may place an undue financial hardship on a Covered Individual, though it is anticipated that such instances will be rare. The Administrator may, in its sole discretion, waive or develop an alternative stock ownership requirement for a Covered Individual that reflects the intent of this Policy while taking into consideration the Covered Individual's personal financial circumstances. There shall be no time limit on when the Administrator may consider the request.
- 4.4. **Compliance.** The Administrator may determine that any equity award agreement, employment agreement or other agreements or arrangements entered into or amended on or after the Effective Date shall require the Covered Individual to contractually agree to abide by the Policy. Prior to any proposed sale, transfer, or other disposition of equity interests in the Company by a Covered Individual (a "**Covered Transaction**"), the Covered Individual shall undertake an analysis to determine whether the Covered Transaction would result in the Covered Individual's non-compliance with this Policy. In addition, each Covered Individual will be required, at the end of each fiscal year, to certify that he or she did not engage in any transactions during the fiscal year that resulted in such individual's non-compliance with this Policy.