Convertible Senior Notes

- Insight Convertible Senior Notes - $350 million principal
- Required to settle the convertible notes principal/par value in cash
- Excess required to be settled in shares resulting in dilution in GAAP reported Diluted Earnings Per Share ("DEPS").
- DEPS incremental shares for GAAP reporting purposes are not issued at the time of reporting and are a non-GAAP exclusion for the Company (up to the strike price of the warrants of $103.12).
- The bond hedge effectively raises the potential dilution point of the convertible notes and call spread from $68.32 up to $103.12, as illustrated below:

NSIT stock price	Relevance of stock price	Net shares owed on Convertible Notes	Net shares received from bond hedge	Net shares owed on Warrants	GAAP additional dilution	Non-GAAP additional dilution
$ 51.56	Price at issuance of Notes	—	—	—	—	—
$ 68.32	Conversion price of Notes	—	—	—	—	—
$ 88.82	Market trigger price	1,180,606	(1,180,606)	—	1,180,606	—
$ 103.12	Warrants strike price	1,727,056	(1,727,056)	—	1,727,056	—
$ 115.00	Possible future stock price	2,077,682	(2,077,682)	529,038	2,606,720	529,038
$ 120.00	Possible future stock price	2,204,493	(2,204,493)	720,377	2,924,870	720,377

Example calculation - net shares owed on Warrants	Warrants issued [a]	Excess ave. share price [b]	Value of excess [c = a * b]	Dilutive shares [d = c / $115]
$115 average share price for quarter	5,121,160	$ 11.88	$ 60,839,381	529,038

Insight