As Filed With the Securities and Exchange Commission on June 24, 1998
Registration No. 333-43225

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549
Amendment No. 2 on

FORM S-4
to Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

WESCO International, Inc.
(formerly known as CDW Holding Corporation)
(Exact name of Registrant as specified in its charter)

Delaware	5063	25-1723345
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

WESCO Distribution, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	5063	25-1723345
(State or other jurisdiction of incorporation or organization)	Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Commerce Court, Suite 700
Four Station Square
Pittsburgh, Pennsylvania 15219
(412) 454-2200
(Address, including zip Code, and telephone number, including area code, of registrant"s principal executive offices)

Jeffrey B. Kramp, Esq.
Commerce Court, Suite 700
Four Station Square
Pittsburgh, Pennsylvania 15219
(412) 454-2200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:
Vincent Pagano, Jr.
Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017
(212) 455-2000

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: [ ]

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Note	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee
9 1/8% Senior Subordinated Notes Due 2008, Series B(2)	$300,000,000	100%	$300,000,000	$ 88,500
11 1/8% Senior Discount Notes Due 2008, Series B(3)	$ 87,000,000	58.3%	$ 50,754,000	$ 14,975

Guarantees(4)	(5)	(5)	(5)	(5)	
Total	$387,000,000	--	$350,754,000	$103,475(6)	

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act of 1933, as amended.
(2) To be issued by WESCO Distribution, Inc. (the "Company") in exchange for its outstanding 9 1/8% Senior Subordinated Notes Due 2008, Series A.
(3) To be issued by WESCO International, Inc. ("Holdings") in exchange for its outstanding 11 1/8% Senior Discount Notes Due 2008, Series A. The "Amount to be Registered" with respect to such notes represents the aggregate principal amount at maturity of such notes. The 11 1/8% Senior Discount Notes Due 2008, Series A were sold at a substantial discount from their principal amount at maturity. The registration fee with respect to the 11 1/8% Senior Discount Notes Due 2008, Series B was calculated based on the approximate accreted value thereof as of June 23, 1998 determined pursuant to the provisions of the Indenture governing such notes.
(4) Guarantees by Holdings of the Company's 9 1/8% Senior Subordinated Notes Due 2008, Series B to be issued in exchange for Holdings' outstanding guarantees of the Company's 9 1/8% Senior Subordinated Notes Due 2008, Series A.
(5) Pursuant to Rule 457(n) under the Securities Act of 1933, as amended, no separate registration fee is payable for the guarantees of Holdings, which are guarantees of the Company's 9 1/8% Senior Subordinated Notes Due 2008, Series B, which are being registered concurrently. (6) Of this amount, $88,500 was paid previously. Accordingly, $14,960 is being paid herewith.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

SUBJECT TO COMPLETION, DATED JUNE 24, 1998

PRELIMINARY PROSPECTUS

WESCO Distribution, Inc.

Offer to Exchange up to $300,000,000 of its
9 1/8% Senior Subordinated Notes Due 2008, Series B,
which have been registered under the Securities Act of 1933,
for any and all of its outstanding
9 1/8% Senior Subordinated Notes Due 2008, Series A

WESCO International, Inc.

Offer to Exchange up to $87,000,000 of its
11 1/8% Senior Discount Notes Due 2008, Series B,
which have been registered under the Securities Act of 1933,
for any and all of its outstanding
11 1/8% Senior Discount Notes Due 2008, Series A

THE EXCHANGE OFFERS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 1998, UNLESS EXTENDED.

WESCO Distribution, Inc. (the "Company") hereby offers, upon the terms and subject to the conditions set forth in this Prospectus and the related Letter of Transmittal (which together constitute the "Senior Subordinated Exchange Offer"), to exchange an aggregate of up to $300,000,000 principal amount of 9 1/8% Senior Subordinated Notes Due 2008, Series B (the "Senior Subordinated Exchange Notes"), of the Company for an equal principal amount of the issued and outstanding 9 1/8% Senior Subordinated Notes Due 2008, Series A (the "Senior Subordinated Old Notes" and, together with the Senior Subordinated Exchange Notes, the "Senior Subordinated Notes"), of the Company.

WESCO International, Inc. ("Holdings") hereby offers, upon the terms and subject to the conditions set forth in this Prospectus and the related Letter of Transmittal (which together constitute the "Senior Discount Exchange Offer"), to exchange an aggregate of up to $87,000,000 principal amount at maturity of 11 1/8% Senior Discount Notes Due 2008, Series B (the "Senior Discount Exchange Notes"), of Holdings for an equal principal amount of the issued and outstanding 11 1/8% Senior Discount Notes Due 2008, Series A (the "Senior Discount Old Notes" and, together with the Senior Discount Exchange Notes, the "Senior Discount Notes"), of Holdings.

The Company and Holdings are herein sometimes collectively called the "Issuers"; the Senior Subordinated Exchange Offer and the Senior Discount Exchange Offer are herein sometimes collectively called the "Exchange Offers"; the Senior Subordinated Exchange Notes and the Senior Discount Exchange Notes are herein sometimes collectively called the "Exchange Notes"; the Senior Subordinated Old Notes and the Senior Discount Old Notes are herein sometimes collectively called the "Old Notes"; and the Senior Subordinated Notes and the Senior Discount Notes are herein sometimes collectively called the "Notes".

The Old Notes were issued in connection with the Recapitalization (as defined), pursuant to which, among other things, (i) Holdings repurchased from certain of its former holders of its common stock and stock options such stock and options for $653.5 million and (ii) an investor group led by affiliates of The Cypress Group L.L.C. ("Cypress") acquired approximately 88.7% of the outstanding common stock of Holdings. See "The Recapitalization."

As of the date of this Prospectus, $300,000,000 aggregate principal amount of the Senior Subordinated Old Notes and $87,000,000 aggregate principal amount at maturity of the Senior Discount Old Notes are outstanding. The terms of the Exchange Notes are identical in all material respects to the terms of the Old Notes, except that the Exchange Notes have been registered under the Securities Act of 1933, as amended (the "Securities Act"), and therefore will not bear legends restricting their transfer and will not contain certain provisions providing for liquidated damages under certain circumstances described in the Registration Rights Agreements (as hereinafter defined), which provisions will terminate as to all of the Notes upon the consummation of the Exchange Offers.

(continued on next page)

See "Risk Factors," beginning on page 21, for a discussion of certain factors that should be considered by investors in connection with the Exchange Offers and an investment in the Senior Subordinated Exchange Notes or the Senior Discount Exchange Notes.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is , 1998.

(continued from previous page)
Interest on the Senior Subordinated Exchange Notes will be payable semi-annually on June 1 and December 1 of each year, commencing on December 1, 1998. The Senior Subordinated Exchange Notes will mature on June 1, 2008. Except as described below, the Senior Subordinated Exchange Notes will not be redeemable at the option of the Company prior to June 1, 2003. Thereafter, the Senior Subordinated Exchange Notes will be redeemable at the option of the Company, in whole or in part, at the redemption prices set forth herein, together with accrued and unpaid interest and liquidated damages, if any, to the date of redemption. In addition, at any time and from time to time prior to June 1, 2001, the Company may, subject to certain requirements, redeem up to 35% of the original aggregate principal amount of the Senior Subordinated Exchange Notes with the net cash proceeds of one or more Equity Offerings (as defined), at a redemption price equal to 109.125% of the principal amount thereof, together with accrued and unpaid interest and liquidated damages, if any, to the date of redemption; provided that at least 65% of the original aggregate principal amount of the Senior Subordinated Notes remains outstanding immediately after each such redemption. The Senior Subordinated Exchange Notes will not be subject to any sinking fund requirement. Upon the occurrence of a Change of Control (as defined), (i) the Company will have the option, at any time on or prior to June 1, 2003, to redeem the Senior Subordinated Exchange Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest and liquidated damages, if any, to the date of redemption plus the Applicable Premium (as defined) and (ii) if the Senior Subordinated Exchange Notes are not so redeemed or if such Change of Control occurs after June 1, 2003, each holder of the Senior Subordinated Exchange Notes will have the right to require the Company to make an offer to repurchase such holder's Senior Subordinated Exchange Notes at a price equal to 101% of the principal amount thereof, together with accrued and unpaid interest and liquidated damages, if any, to the date of repurchase. See "Description of the Senior Subordinated Exchange Notes."

The Senior Discount Old Notes were issued at a discount to their aggregate principal amount at maturity so as to generate gross proceeds to Holdings of $50,478,270. The yield to maturity of the Senior Discount Notes is 11.175% (computed on a semi-annual bond equivalent basis) calculated from June 5, 1998. Cash interest will not accrue or be payable on the Senior Discount Exchange Notes prior to June 1, 2003. Thereafter, cash interest on the Senior Discount Exchange Notes will accrue at a rate of 11 1/8% per annum and will be payable semi-annually on June 1 and December 1 of each year, commencing on December 1, 2003. The Senior Discount Exchange Notes will mature on June 1, 2008. Except as described below, the Senior Discount Exchange Notes will not be redeemable at the option of Holdings prior to June 1, 2003. On June 1, 2003 Holdings will be required to redeem an amount equal to $354.96 per $1,000 principal amount at maturity of each Senior Discount Note then outstanding ($30,881,520 in aggregate principal amount at maturity of the Senior Discount Notes, assuming all of the Senior Discount Notes remain outstanding on such date (the "Mandatory Principal Redemption Amount")) on a pro rata basis at a redemption price of 100% of the principal amount at maturity of the Senior Discount Notes so redeemed. The Mandatory Principal Redemption Amount represents (i) the excess of the aggregate Accreted Value (as defined) of all Senior Discount Notes outstanding on June 1, 2003 over the aggregate issue price thereof less (ii) an amount equal to one year's simple uncompounded interest on the aggregate issue price of such Senior Discount Notes at a rate per annum equal to the yield to maturity on the Senior Discount Notes. The Senior Discount Exchange Notes will be redeemable at the option of Holdings, in whole or in part, at any time after June 1, 2003, at the redemption prices set forth herein, together with accrued and unpaid interest and liquidated damages, if any, to the date of redemption. In addition, at any time prior to June 1, 2001, Holdings may, subject to certain requirements, redeem, in whole but not in part, the Senior Discount Notes with the net cash proceeds of one or more Equity Offerings at a redemption price equal to 111.125% of the Accreted Value, together with liquidated damages, if any, to the date of redemption. The Senior Discount Exchange Notes will not be subject to any sinking fund requirement. Upon the occurrence of a Change of Control, (i) Holdings will have the option, at any time on or prior to June 1, 2003, to redeem the Senior Discount Exchange Notes, in whole but not in part, at a redemption price equal to 100% of the Accreted Value thereof, together with liquidated damages, if any, to the date of redemption plus the Applicable Premium and (ii) if the Senior Discount Exchange Notes are not so redeemed or if such Change of Control occurs after June 1, 2003, each holder of the Senior Discount Exchange Notes will have the right to require Holdings to make an offer to repurchase such holder's Senior Discount Notes at a price equal to (a) 101% of the Accreted Value thereof, together with liquidated damages, if any, to the date of repurchase if repurchased on or before June 1, 2003, and (b) 101% of the principal amount at maturity thereof, together with accrued and unpaid interest and liquidated damages, if any, to the date of repurchase if repurchased after June 1, 2003. See "Description of the Senior Discount Exchange Notes."

The Exchange Notes will be general obligations of the relevant Issuer. The Senior Subordinated Exchange Notes will be unsecured, will be subordinated in right of payment to all existing and future Senior Indebtedness (as defined) of the Company and will be effectively subordinated to all obligations of the subsidiaries of the Company. The Senior Discount Exchange Notes will be senior unsecured obligations of Holdings and will be effectively subordinated to all obligations of the subsidiaries of Holdings (including the Company). The Senior Subordinated Exchange Notes will be unconditionally guaranteed by Holdings (the "Holdings Guarantee") on a senior subordinated basis. Because the Holdings Guarantee will be subordinated in right of payment to all Senior Indebtedness of Holdings and effectively subordinated to all indebtedness and other liabilities of Holdings' subsidiaries, investors should not rely on the Holdings Guarantee in evaluating an investment in the Senior Subordinated Exchange

Notes. The Senior Discount Exchange Notes will not have the benefit of any guarantees. The Senior Subordinated Exchange Notes will rank pari passu with any existing and future Senior Subordinated Indebtedness (as defined) of the Company and will rank senior to all Subordinated Obligations (as defined) of the Company. The Senior Discount Exchange Notes will rank pari passu with any existing and future Senior Indebtedness of Holdings and will rank senior to all Subordinated Obligations of Holdings. The Indentures (as defined) permit the Issuers to incur additional indebtedness, including up to $400.0 million of Senior Indebtedness of the Company under the Credit Facilities (as defined), subject to certain limitations. See "Description of the Senior Subordinated Exchange Notes" and "Description of the Senior Discount Exchange Notes." As of March 31, 1998, on a pro forma basis, (i) Holdings would have had no outstanding Senior Indebtedness (other than the Senior Discount Notes and guarantees under the Credit Facilities) or Secured Indebtedness (as defined); (ii) the outstanding Senior Indebtedness of the Company would have been $193.2 million, of which $170.0 million would have been Secured Indebtedness (exclusive of unused commitments under the Credit Facilities); (iii) the Company would have had no outstanding Senior Subordinated Indebtedness (other than the Senior Subordinated Notes) and no outstanding indebtedness that is subordinate or junior in right of repayment to the Senior Subordinated Notes; (iv) the Company's subsidiaries would have had no indebtedness, excluding guarantees of $170.0 million of indebtedness under the Credit Facilities (but would have had trade payables and other liabilities incurred in the ordinary course of business); and (v) Holdings' subsidiaries would have had total liabilities of $735.0 million, excluding $170.0 million of indebtedness and guarantees under the Credit Facilities. See "Unaudited Pro Forma Financial Information," "Risk Factors -- Subordination of the Senior Subordinated Notes and Holdings Guarantee" and " -- Structural Subordination of the Senior Discount Notes."

The Old Notes were issued and sold on June 5, 1998 in transactions (the "Offerings") not registered under the Securities Act in reliance upon an exemption from the registration requirements thereof. In general, the Old Notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act. The Exchange Notes are being offered hereby in order to satisfy certain obligations of the Issuers contained in the Registration Rights Agreements. Based on interpretations by the Staff of the Securities and Exchange Commission (the "Commission") set forth in no-action letters issued to third parties, the Issuers believe that the Exchange Notes issued pursuant to the respective Exchange Offers in exchange for the respective series of Old Notes may be offered for resale, resold or otherwise transferred by any holder thereof (other than any such holder that is an "affiliate" of the Issuers of such Exchange Notes within the meaning of Rule 405 promulgated under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such Exchange Notes are acquired in the ordinary course of such holder's business, such holder has no arrangement with any person to participate in the distribution of such Exchange Notes and neither such holder nor any such other person is engaging in or intends to engage in a distribution of such Exchange Notes. However, the Issuers have not sought, and do not intend to seek, their own no-action letter, and there can be no assurance that the Staff of the Commission would make a similar determination with respect to the Exchange Offers. Notwithstanding the foregoing, each broker-dealer that receives Exchange Notes for its own account pursuant to an Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. The Letters of Transmittal state that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with any resale of Exchange Notes received in exchange for such Old Notes where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities (other than Old Notes acquired directly from the Issuers thereof). A broker-dealer may not participate in any of the Exchange Offers with respect to Old Notes acquired other than as a result of market-making activities or other trading activities. The Issuers have agreed that, for a period of 180 days after the date of this Prospectus, they will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

The Old Notes are designated for trading in the Private Offerings, Resales and Trading through Automated Linkages ("PORTAL") market. There is no established trading market for the Exchange Notes. The Issuers currently do not intend to list any of the Exchange Notes on any securities exchange or to seek approval for quotation of the Exchange Notes through any automated quotation system. Accordingly, there can be no assurance as to the development or liquidity of any market for any of the Exchange Notes.

The respective Exchange Offers are not conditioned upon any minimum aggregate principal amount of any series of Old Notes being tendered for exchange. The date of acceptance and exchange of each series of Old Notes (each an "Exchange Date") will be the fourth business day following the applicable Expiration Date (as hereinafter defined). Old Notes tendered pursuant to an Exchange Offer may be withdrawn at any time prior to the applicable Expiration Date. The Exchange Offers will expire at 5:00 p.m., New York City time, on , 1998 (the date of expiration of each Exchange Offer, as extended, being herein called an "Expiration Date"). The Issuers do not currently intend to extend any of the Expiration Dates.

The Issuers will not receive any proceeds from any of the Exchange Offers. The Issuers will pay all of the expenses incident to the Exchange Offers.

AVAILABLE INFORMATION

The Issuers have filed with the Commission a Registration Statement on Form S-4 (together with all amendments, exhibits, schedules and supplements thereto, the "Registration Statement") under the Securities Act with respect to the Exchange Notes being offered hereby. This Prospectus, which forms a part of the Registration Statement, does not contain all of the information set forth in the Registration Statement. For further information with respect to the Issuers and the Exchange Notes, reference is made to the Registration Statement. Statements contained in this Prospectus as to the contents of any contract or other document are not necessarily complete, and, where such contract or other document is an exhibit to the Registration Statement, each such statement is qualified in all respects by the provisions in such exhibit, to which reference is hereby made. The Issuers are not currently subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Upon completion of the Exchange Offers, the Issuers will be subject to the information requirements of the Exchange Act and, in accordance therewith, will file periodic reports and other information with the Commission. The Registration Statement, such reports and other information can be inspected and copied at the Public Reference Section of the Commission located at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington D.C. 20549 and at regional public reference facilities maintained by the Commission located at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and Seven World Trade Center, Suite 1300, New York, New York 10048. Copies of such material, including copies of all or any portion of the Registration Statement, can be obtained from the Public Reference Section of the Commission at prescribed rates. Such material may also be accessed electronically by means of the Commission's home page on the Internet (http://www.sec.gov). In addition, pursuant to the Indentures covering the Notes, the Issuers have agreed that the Issuers shall file with the Commission and provide to the Holders of the Notes the annual reports and the information, documents and other reports otherwise required pursuant to Section 13 and 15(d) of the Exchange Act.

UNTIL , 1998 (90 DAYS AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE REGISTERED SECURITIES, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

CAUTIONARY STATEMENT FOR PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 PROVIDES A "SAFE HARBOR" FOR CERTAIN FORWARD-LOOKING STATEMENTS. THE FACTORS DISCUSSED UNDER "RISK FACTORS," AMONG OTHERS, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM FORWARD-LOOKING STATEMENTS MADE IN THIS PROSPECTUS INCLUDING, WITHOUT LIMITATION, IN "BUSINESS" AND "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS," IN THE ISSUERS' PRESS RELEASES AND IN ORAL STATEMENTS MADE BY AUTHORIZED OFFICERS OF THE ISSUERS. WHEN USED IN THIS PROSPECTUS THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS, ALTHOUGH NOT ALL FORWARD-LOOKING STATEMENTS CONTAIN SUCH WORDS. ALL OF THESE FORWARD-LOOKING STATEMENTS ARE BASED ON ESTIMATES AND ASSUMPTIONS MADE BY MANAGEMENT OF THE ISSUERS, WHICH, ALTHOUGH BELIEVED TO BE REASONABLE, ARE INHERENTLY UNCERTAIN. THEREFORE, UNDUE RELIANCE SHOULD NOT BE PLACED UPON SUCH ESTIMATES AND STATEMENTS. NO ASSURANCE CAN BE GIVEN THAT ANY OF SUCH STATEMENTS OR ESTIMATES WILL BE REALIZED AND ACTUAL RESULTS MAY DIFFER FROM THOSE CONTEMPLATED BY SUCH FORWARD-LOOKING STATEMENTS. SEE "RISK FACTORS - - - - -- FORWARD-LOOKING STATEMENTS."

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and consolidated financial statements and notes thereto appearing elsewhere in this Prospectus. Unless the context otherwise requires, references to (i) "Holdings" refer to WESCO International, Inc., a Delaware corporation; (ii) the "Company" or "WESCO" refer to WESCO Distribution, Inc., a Delaware corporation, and its subsidiaries; and (iii) "Westinghouse" refer to Westinghouse Electric Corporation, now known as CBS Corporation. The only asset of Holdings is all of the outstanding capital stock of the Company. Market and market share data for the electrical wholesale industry are from Electrical Wholesaling magazine or Distributor Information Services Corporation, unless otherwise indicated. Except where specified, market share and market data are for the U.S. electrical wholesale distribution industry. The Company believes such market share data are inherently imprecise, but are generally indicative of its relative market share. Unless otherwise indicated, information presented on a pro forma basis gives effect to the Recapitalization and the Recent Acquisitions (as defined).

The Company

Overview

WESCO is the second largest provider of products and related services in the U.S. electrical wholesale distribution industry and believes that it is also the second largest in North America. The Company operates over 325 branches and five regional distribution centers in 48 states and nine Canadian provinces to serve virtually the entire U.S. and Canadian market. WESCO provides a broad product offering consisting of over 210,000 products sourced from over 6,000 suppliers to over 130,000 customers. WESCO complements this broad product offering with a range of services and procurement solutions, including integrated supply, whereby it manages all aspects of the customer's supply processes, and electronic commerce, which enables procurement to be automated for improved service at lower cost. WESCO's diversified customer base includes a wide variety of industrial companies, contractors for industrial, commercial and residential projects, utility companies, and commercial, institutional and governmental customers. WESCO's national infrastructure, extensive local geographic coverage and complementary service offerings have allowed WESCO to specialize in developing combined product and service solutions tailored to meet the specific needs of its individual customers. WESCO is particularly well positioned to meet the complex procurement needs of multi-site customers seeking total supply chain cost reduction through preferred supplier alliances.

Since WESCO's divestiture from Westinghouse in 1994 (the "Divestiture"), management has realigned operations to achieve substantial growth in sales and profitability. The current management team has: (i) substantially improved operating margins; (ii) realigned WESCO's branch network to focus on key customer markets; (iii) significantly expanded WESCO's National Accounts (as defined) and other marketing programs; (iv) implemented a new incentive system for branch managers and sales personnel; and (v) actively pursued industry consolidation opportunities. As a result of management's actions and growth in the industry generally, sales have increased from $1.6 billion in 1993 to $3.0 billion on a pro forma basis in the twelve months ended March 31, 1998, a compound annual growth rate of 16.1%, and EBITDA has improved from a loss of $1.4 million in 1993 to Adjusted EBITDA (as defined) of $113.8 million on a pro forma basis in the twelve months ended March 31, 1998. Pursuant to the Recapitalization, management retained approximately $97.7 million of equity in Holdings and, together with new stock options expected to be granted in connection with the Recapitalization, will hold or have the right to acquire over 30% of the common equity of Holdings on a fully diluted basis. See "The Recapitalization."

Industry Overview

The electrical wholesale distribution industry in the U.S. is large, growing and highly fragmented. Industry sources estimate that total electrical wholesale distributor sales were $67 billion in 1997, a 9.6% compound annual growth rate since 1994. In 1996, the latest year for which data is available, the four largest wholesale distributors, including WESCO, accounted for only 14% of estimated total industry sales. In that year, no single distributor accounted for more than 5% of estimated industry sales, and

57% of such sales were generated by distributors with less than $21 million in annual sales. In the U.S., electrical distribution is still in the early stages of consolidation, unlike many other wholesale distribution industries which have undergone substantial consolidation in the past two decades. Management believes continued industry consolidation will be driven by customers who increasingly expect distributors to provide a broader package of products and services as these customers seek to outsource non-core functions and achieve documented cost savings in purchasing, inventory and supply chain management.

Competitive Strengths

WESCO believes it is well positioned to both capitalize on the growing customer demand for value-added services and procurement outsourcing and play a leading role in the continued consolidation in the electrical products distribution industry as a result of the following competitive advantages:

Market Leadership. WESCO believes it is the second largest electrical wholesale distributor in North America, serving virtually the entire U.S. and Canadian market. Management believes that WESCO is the industry's leading wholesale supplier of electrical products in North America to several important and growing markets, including: (i) customers with large, complex plant maintenance operations requiring a national multi-site service solution for their electrical distribution product needs; (ii) large contractors for major industrial and commercial construction projects; (iii) the electric utility industry; and (iv) manufacturers of factory-built homes, recreational vehicles and other modular structures. These leadership positions provide WESCO with an extensive base from which to continue to grow sales.

Established National and Local Distribution Infrastructure. WESCO's North American distribution network consists of over 325 branches and five regional distribution centers in 48 states and nine Canadian provinces. This established network provides WESCO with a number of competitive advantages, including the ability to: (i) offer multi-site agreements with the broad geographic scope required by major customers who seek to coordinate their maintenance, repair and operating ("MRO") supplies purchasing activity across multiple locations ("National Accounts"); (ii) enter into favorable preferred supplier agreements which provide for improved payment terms, volume rebates, marketing programs and geographic franchises; (iii) utilize a specialized and technical nationwide sales force to meet specific customer demands for a broad range of products and services across multiple geographic markets; and (iv) provide same-day shipments. Management believes these competitive strengths allow it to more effectively meet the service needs and expectations of both large national customers who are increasingly demanding a single source supply capability and local customers who require high service levels for their electrical product procurement needs.

Broad Product Offering. WESCO provides its customers with a broad product selection consisting of over 210,000 electrical, industrial and data communications products sourced from over 6,000 suppliers. The Company's products range from basic wire to advanced automation and control products.

Value Added Services. In partnership with its customers, WESCO combines its product offerings with a wide range of supply management services to create value for its customers. Examples of such services include: (i) outsourcing of the entire MRO purchasing process; (ii) implementing inventory optimization programs; (iii) participating in joint cost savings teams; (iv) assigning Company employees as on-site support personnel; (v) recommending energy-efficient product upgrades; (vi) offering safety and product training for customer employees; and (vii) providing manufacturing process improvements using automated solutions. This combination of products and value-added services enhances WESCO's competitive position by allowing it to offer comprehensive and documented cost-efficient solutions to a customer's specific procurement needs.

Diverse Revenue Base. WESCO's diverse revenue base is derived from the sale of its broad range of over 210,000 electrical, industrial and data communications products to over 130,000 customers, including: (i) industrial companies from numerous manufacturing and process industries and original equipment manufacturers ("OEMs"); (ii) contractors for industrial, commercial and residential projects; (iii) electrical utility customers; and (iv) commercial, institutional and governmental customers. No customer accounted for more than 1% of WESCO's total sales in 1997. WESCO's geographic diversity

encompasses sales in all 50 states in the U.S. and all 10 Canadian provinces. This diversity of customers and products provides WESCO with a broad base from which to grow sales and reduces exposure to any particular customer, industry or regional economic cycle.

Proven and Committed Management Team. WESCO's management team has successfully repositioned the Company following the Divestiture. The current management team has: (i) substantially improved operating margins; (ii) realigned WESCO's branch network to focus on key customer markets; (iii) significantly expanded WESCO's National Accounts and other marketing programs; (iv) implemented a new incentive system for branch managers and sales personnel; and (v) actively pursued industry consolidation opportunities. Since August 1995, WESCO's management has successfully completed 14 acquisitions which currently account for estimated annualized sales of over $800 million. As a result of management's actions as well as growth in the industry generally, sales have increased from $1.6 billion in 1993 to $3.0 billion on a pro forma basis in the twelve months ended March 31, 1998, a compound annual growth rate of 16.1%, and EBITDA has improved from a loss of $1.4 million in 1993 to Adjusted EBITDA of $113.8 million on a pro forma basis in the twelve months ended March 31, 1998. Pursuant to the Recapitalization, approximately 200 managers continued to retain equity in Holdings representing an aggregate value of approximately $97.7 million. In addition, certain managers will have the opportunity to invest an aggregate of up to approximately $15 million in newly issued common stock of Holdings. Holdings also plans to adopt a new stock option plan in connection with the Recapitalization. As a result, management will hold or have the right to acquire over 30% of the common equity of Holdings on a fully diluted basis.

Business Strategy

Increase Large National Programs. WESCO has successfully established National Accounts relationships with approximately 300 customers and believes it can continue to expand revenue generated through its National Accounts program by: (i) increasing the number of products and sites covered by its existing National Accounts relationships; (ii) expanding MRO agreements to include capital projects; and (iii) extending the program to new customers. National Accounts provide WESCO with a recurring base of revenue through strategic multi-year agreements. In addition, through its Major Projects Group, the Company plans to intensify its focus on large construction projects, such as new stadiums, industrial sites, wastewater treatment plants, airport expansions, healthcare facilities and correctional facilities. The Company intends to secure new National Accounts and Major Projects contracts through: (i) aggressive national marketing of WESCO's demonstrated project management capabilities; (ii) further development of relationships with leading construction and engineering firms; and (iii) close coordination with National Accounts customers on their major renovation and new construction projects.

Continue to Improve Operating Profit Margins and Cash Flow. WESCO has successfully improved its operating profit margins over the past four years, increasing Adjusted EBITDA to over $113.8 million on a pro forma basis for the twelve months ended March 31, 1998 from a loss of $1.4 million in EBITDA in 1993. WESCO believes a successful business strategy must include the commitment to continuous improvement in profitability and productivity. The Company is emphasizing the widespread use of innovative and disciplined approaches to managing its business processes, employee productivity, and working capital and capital expenditure efficiency. These continuous improvement initiatives include: (i) improving product pricing controls to maximize gross margin; (ii) utilizing activity-based costing to more accurately measure and enhance profitability by customer, supplier and other categories; (iii) enhancing the coordination of purchasing and inventory management across its branch network and regional distribution centers; (iv) improving information systems processing capabilities in order to realize more efficient branch and headquarters operations; and (v) leveraging the existing corporate infrastructure by continuing to eliminate redundant back-office functions of acquired companies.

Encourage Branch Level Entrepreneurship. A distributor's reputation is often determined at the local branch level, where timely supply and customer service are critical. Accordingly, WESCO grants its branch managers substantial autonomy and responsibility to best respond to customer needs in local markets. WESCO's branch managers are responsible for optimizing business activities in their local markets, including managing the branch sales force, configuring inventories, selecting potential customers for targeted marketing efforts and developing local service options. WESCO's compensation

system for branch managers, a significant portion of which is incentive based, strongly encourages sales and cash flow growth as well as efficient working capital management at the branch level.

Gain Share in Key Local Markets. WESCO intends to increase its market share in key geographic markets with a substantial base of potential customers through a combination of new branch openings, increased sales and marketing efforts and acquisitions. In addition, WESCO's marketing team, together with local branch managers, are expanding the Company's program of detailed market analysis and opportunity identification on a branch-by-branch and product line basis. The Company has developed a detailed database of potential customers for its individual markets which it will utilize to implement this strategy. Furthermore, the Company intends to leverage its existing relationships with preferred suppliers to increase sales of their products in local markets through various initiatives, including sales promotions, cooperative marketing efforts, direct participation by suppliers in National Accounts implementation, dedicated sales forces and product exclusivity.

Expand Product and Service Offering. WESCO intends to build on its demonstrated ability to introduce new products and services to meet customer demands and capitalize on market opportunities. For example, the Company plans to expand its presence in the fast-growing data communications market. In the past two years, WESCO has significantly increased its focus on this market, generating sales of $83 million in 1997, up from $52 million in 1995. By utilizing a dedicated data communications sales team and leveraging its existing sales force, the Company intends to expand sales to new and existing customers, as well as broaden its offering into additional data communications product lines. In addition, the Company plans to expand its integrated supply programs with both new and existing accounts. Given the initial success of its integrated supply initiatives and the rapid growth in the demand for such services anticipated by the Company, WESCO believes it has a significant opportunity to develop additional customer relationships by leveraging its comprehensive service and supply expertise.

Pursue Consolidation Opportunities. WESCO utilizes a disciplined approach toward acquisitions which includes established targets for cash return on investment. Since August 1995, WESCO's management has successfully completed 14 acquisitions which currently account for estimated annualized sales of over $800 million. WESCO intends to continue to pursue its consolidation strategy and believes that the highly fragmented nature of the electrical distribution industry will provide WESCO with a significant number of acquisition opportunities. The Company evaluates potential acquisitions based on their ability to: (i) accelerate expansion into key growth markets; (ii) add support capabilities for important new customers; (iii) enhance sales of acquired branches by immediately broadening the product and service mix; (iv) expand local presence to better serve existing customers; (v) strengthen relationships with manufacturers; and (vi) provide operating efficiencies by leveraging WESCO's existing infrastructure.

History

The Company's business, formerly the Westinghouse Electric Supply Company division (the "Predecessor") of Westinghouse, was established in 1922 for the purpose of selling and distributing Westinghouse electrical products and supplies. Since its founding, the Predecessor experienced a long history of growth until the business reached a peak in 1989 with sales of $1.8 billion. Beginning in 1990, the Predecessor's results of operations began to deteriorate due in part to the implementation of a series of new programs that redirected its business away from many of its core strategies. These developments were compounded by the declining investment and focus from Westinghouse, which was undergoing significant strategic changes at the time.

In 1994, the Predecessor's business was largely divested by Westinghouse, which retained an interest in Holdings (currently representing approximately 16% of Holdings' fully diluted equity), and was acquired by Clayton, Dubilier & Rice, a private investment firm (together with its affiliates, "CD&R"), and management. In connection with the Divestiture, a new management team was organized, led by Mr. Roy W. Haley as chief executive officer. This new management team was comprised of new members as well as existing Company personnel. Since the Divestiture, this management team has improved sales, operating margins and EBITDA.

On March 27, 1998, Holdings, certain members of management, CD&R, Westinghouse and certain other existing stockholders of Holdings entered into a Recapitalization Agreement (as amended, the "Recapitalization Agreement") with Cypress. See "The Recapitalization."

Recent Developments

On January 1, 1998, WESCO acquired the electrical distribution businesses of Avon Electrical Supplies, Inc., and its affiliates ("Avon Electrical") and Brown Wholesale Electric Company ("Brown Wholesale"). Avon Electrical, operating two branch locations, is a leading distributor in the New York metropolitan area. Brown Wholesale, with two branches in Arizona, is the leader in the high-growth Phoenix market. Brown Wholesale also had seven other branches which were closed or sold in California and Hawaii to improve operating efficiency. Management estimates that these two acquisitions will add approximately $150 million in annualized sales.

On May 8, 1998, WESCO acquired certain assets of, and assumed certain liabilities of, Reily Electric Supply Inc. ("Reily"), a distributor headquartered in New Orleans, Louisiana with seven branches in the Gulf Coast region. The Reily acquisition provides the Company with several strategic benefits, including: (i) strengthening its market position in the Gulf Coast region; (ii) complementing an existing National Accounts customer relationship in the petrochemical industry; and (iii) improving its position in the Houston market, where Reily's strong market position will complement WESCO's existing branch operations. Management estimates Reily will add annual sales of approximately $140 million.

As a result of the acquisitions of Avon Electrical, Brown Wholesale and Reily, the Company contemplates consolidating and/or closing 5 WESCO branches by the end of 1998 which the Company expects will result in $3.6 million of annual cost savings. The Company does not expect to incur any material expenses or charges in connection therewith.

The foregoing acquisitions of Avon Electrical, Brown Wholesale and Reily, together with the Company's acquisitions of Diversified Electric Supply Company, Inc. and Maydwell & Hartzell, Inc. consummated in 1997, are collectively referred to herein as the "Recent Acquisitions." For additional information regarding the Company's business strategy and acquisition history, see "Business -- Business Strategy" and "Business -- Acquisitions."

The Recapitalization

On June 5, 1998, pursuant to the Recapitalization Agreement: (i) Holdings repurchased all of the common stock of Holdings (the "Common Stock") held by CD&R, Westinghouse and all other non-management stockholders of Holdings and cashed-out all of the stock options held by non-management optionholders and a portion of the stock options held by certain members of management for an aggregate consideration of $653.5 million (the "Equity Consideration"); (ii) Holdings sold shares of Common Stock to an investor group led by Cypress which includes, among others, Chase Capital Partners and Co-Investment Partners, L.P. (the "Investor Group") for $318.1 million in the aggregate (the "Cash Equity Contribution"); (iii) the Investor Group purchased shares of Common Stock from certain members of management for $1.9 million in the aggregate; and (iv) management continued to retain the remainder of their shares of Common Stock and stock options with an implied aggregate value of approximately $97.7 million.

In addition to the proceeds of the Cash Equity Contribution, Holdings and the Company funded the Equity Consideration, the repayment of approximately $379.1 million of outstanding indebtedness of the Company and its subsidiaries and the payment of transaction fees and expenses from: (i) the initial borrowings of $170.0 million under the new credit facilities (the "Credit Facilities") entered into by the Company as described under "Description of the Credit Facilities;" (ii) the proceeds of $250.0 million from a sale of accounts receivable pursuant to an off-balance sheet accounts receivable facility (the "Receivables Facility") entered into by the Company as described under "Description of the Receivables Facility;" and (iii) the proceeds of the Offerings.

The foregoing transactions are collectively referred to herein as the "Recapitalization." As a result of the Recapitalization, management owns approximately 11.3% of the outstanding shares of Common

Stock (which, together with existing stock options and new stock options expected to be granted in connection with the Recapitalization, will represent over 30% of the common equity of Holdings on a fully diluted basis). In addition, certain managers will have the opportunity to invest an aggregate of up to approximately $15 million in newly issued Common Stock. The Investor Group owns the remaining 88.7% of the outstanding shares of Common Stock, with Cypress owning approximately 58% of the outstanding shares of Common Stock. See "Security Ownership of Certain Beneficial Owners and Management."

Holdings expects to treat the Recapitalization as a recapitalization for financial reporting purposes; accordingly, the historical basis of Holdings' assets and liabilities will not be affected by the transaction.

The following table sets forth the cash sources and uses of funds of the Issuers for the Recapitalization on a pro forma basis as of March 31, 1998:

	(dollars in millions)
Sources:	
Credit Facilities:	
Revolving Facility (1)	$ --
Delayed Draw Term Facility (1)	--
Term Loans	170.0
Receivables Facility	250.0
Senior Subordinated Old Notes	300.0
Senior Discount Old Notes	50.5
Cash Equity Contribution	318.1
Total sources	$ 1,088.6
Uses:	
Repayment of existing indebtedness (2)	$ 379.1
Equity Consideration	653.5
Estimated transaction fees and expenses (3)	54.8
Cash proceeds to the Company	1.2
Total uses	$ 1,088.6

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(1) The Revolving Facility provides for U.S. and Canadian dollar borrowings of up to U.S. $100.0 million, including $25.0 million for letters of credit. No actual amounts were drawn on the Revolving Facility on the closing date of the Offerings. The Delayed Draw Term Facility will provide for future term loans of up to $100.0 million for permitted acquisitions.

(2) The actual amount of existing indebtedness repaid was approximately $388 million.

(3) Includes Initial Purchasers' discounts and offering discounts on the Senior Subordinated Old Notes, fees related to the Credit Facilities and the Receivables Facility, and other fees and expenses incurred in connection with the Recapitalization.

The Sponsor

As a result of the Recapitalization, Holdings and the Company are controlled by Cypress. Cypress manages a $1.05 billion private equity fund which seeks to invest alongside proven and successful management teams to achieve long-term capital appreciation. Since its founding, Cypress has made investments in Cinemark USA, Inc., AMTROL Inc., Williams Scotsman, Inc., Genesis ElderCare Corp. and Frank's Nursery & Crafts, Inc. Prior to founding Cypress, the Cypress professionals managed the 1989 merchant banking fund (the "1989 Fund") of Lehman Brothers Inc. Selected investments of the 1989 Fund included R.P. Scherer Corporation, Infinity Broadcasting Corporation, Lear Corporation and Illinois Central Corporation.

The Senior Subordinated Exchange Offer

The Senior Subordinated Exchange Offer.....	The Company is offering to exchange pursuant to the Senior Subordinated Exchange Offer up to $300,000,000 aggregate principal amount of its Senior Subordinated Exchange Notes for a like aggregate principal amount of its Senior Subordinated Old Notes. The terms of the Senior Subordinated Exchange Notes are identical in all material respects (including principal amount, interest rate and maturity) to the terms of the Senior Subordinated Old Notes for which they may be exchanged pursuant to the Senior Subordinated Exchange Offer, except that the Senior Subordinated Exchange Notes are freely transferrable by holders thereof (other than as provided herein), and are not subject to any covenant regarding registration under the Securities Act. See "The Senior Subordinated Exchange Offer."
No Minimum Condition.....	The Senior Subordinated Exchange Offer is not conditioned upon any minimum aggregate principal amount of Senior Subordinated Old Notes being tendered for exchange.
Expiration Date; Withdrawal of Tenders.....	The Senior Subordinated Exchange Offer will expire at 5:00 p.m., New York City time, on , 1998 (the "Senior Subordinated Expiration Date"), unless the Senior Subordinated Exchange Offer is extended, in which case the term "Senior Subordinated Expiration Date" means the latest date and time to which the Senior Subordinated Exchange Offer is extended. The Company does not currently intend to extend the Senior Subordinated Expiration Date. Tenders may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Senior Subordinated Expiration Date. See "The Senior Subordinated Exchange Offer -- Withdrawal Rights."
Exchange Date.....	The date of acceptance for exchange of the Senior Subordinated Old Notes will be the fourth business day following the
Senior Subordinated Expiration Date.	
Exchange Offer.....	Conditions to the Senior Subordinated Exchange Offer is subject to certain customary conditions, which may be waived by the Company. The Company currently expects that each of the conditions will be satisfied and that no waivers will be necessary. See "The Senior Subordinated Exchange Offer -- Certain Conditions to the Senior Subordinated Exchange Offer." The Company reserves the right to terminate or amend the Senior Subordinated Exchange Offer at any time prior to the Senior Subordinated Expiration Date upon the occurrence of any such condition.
Procedures for Tendering Senior Subordinated Old Notes.....	Each holder wishing to accept the Senior Subordinated Exchange Offer must complete, sign and date the Letter of Transmittal, or a facsimile thereof, in accordance with the instructions contained herein and therein,

	and mail or otherwise deliver the Letter of Transmittal, or such facsimile, together with the Senior Subordinated Old Notes and any other required documentation to the Senior Subordinated Exchange Agent at the address set forth therein. See "The Senior Subordinated Exchange Offer -- Procedures for Tendering Senior Subordinated Old Notes" and "Plan of Distribution."
Use of Proceeds.....	There will be no proceeds to the Company from the exchange of Senior Subordinated Notes pursuant to the Senior Subordinated Exchange Offer.
Federal Income Tax Consequences....	The exchange of Notes pursuant to the Senior Subordinated Exchange Offer will not be a taxable event for federal income tax purposes. See "Certain United States Federal Income Tax Consequences."
Special Procedures for Beneficial Owners.....	Any beneficial owner whose Senior Subordinated Old Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such registered holder promptly and instruct such registered holder to tender on such beneficial owner's behalf. If such beneficial owner wishes to tender on such beneficial owner's own behalf, such beneficial owner must, prior to completing and executing the Letter of Transmittal and delivering the Senior Subordinated Old Notes, either make appropriate arrangements to register ownership of the Senior Subordinated Old Notes in such beneficial owner's name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time. See "The Senior Subordinated Exchange Offer -- Procedures for Tendering Senior Subordinated Old Notes."
Guaranteed Delivery Procedures.....	Holders of Senior Subordinated Old Notes who wish to tender their Senior Subordinated Old Notes and whose Senior Subordinated Old Notes are not immediately available or who cannot deliver their Senior Subordinated Old Notes, the Letter of Transmittal or any other documents required by the Letter of Transmittal to the Senior Subordinated Exchange Agent prior to the Expiration Date must tender their Senior Subordinated Old Notes according to the guaranteed delivery procedures set forth in "The Senior Subordinated Exchange Offer -- Procedures for Tendering Senior Subordinated Old Notes."
Acceptance of Senior Subordinated Old Notes and Delivery of Senior Subordinated Exchange Notes.....	The Company will accept for exchange any and all Senior Subordinated Old Notes which are properly tendered in the Senior Subordinated Exchange Offer prior to 5:00 p.m., New York City time, on the Senior Subordinated Expiration Date. The Senior Subordinated Exchange Notes issued pursuant to the Senior Subordinated Exchange Offer will be delivered promptly following the Senior Subordinated Expiration Date. See "The Senior Subordinated Exchange Offer --

	Acceptance of Senior Subordinated Old Notes for Exchange; Delivery of Senior Subordinated Exchange Notes."
Effect on Holders of Senior Subordinated Old Notes.....	As a result of the making of, and upon acceptance for exchange of all validly tendered Senior Subordinated Old Notes pursuant to the terms of the Senior Subordinated Exchange Offer, the Company will have fulfilled a covenant contained in the Exchange and Registration Rights Agreement (the "Senior Subordinated Registration Rights Agreement") dated as of June 5, 1998 among the Company, Holdings, Chase Securities Inc. and Lehman Brothers Inc. (the "Initial Purchasers"), and, accordingly, there will be no liquidated damages payable pursuant to the terms of the Senior Subordinated Registration Rights Agreement, and the holders of the Senior Subordinated Old Notes will have no further registration or other rights under the Senior Subordinated Registration Rights Agreement. Holders of the Senior Subordinated Old Notes who do not tender their Senior Subordinated Old Notes in the Senior Subordinated Exchange Offer will continue to hold such Senior Subordinated Old Notes and will be entitled to all the rights and limitations applicable thereto under the Indenture dated as of June 5, 1998 (the "Senior Subordinated Notes Indenture") among the Company, Holdings and Bank One, N.A., as Trustee, relating to the Senior Subordinated Old Notes and the Senior Subordinated Exchange Notes, except for any such rights under the Senior Subordinated Registration Rights Agreement that by their terms terminate or cease to have further effectiveness as a result of the making of, and the acceptance for exchange of all validly tendered Senior Subordinated Old Notes pursuant to, the Senior Subordinated Exchange Offer.
Consequence of Failure to Exchange.....	Holders of Senior Subordinated Old Notes who do not exchange their Senior Subordinated Old Notes for Senior Subordinated Exchange Notes pursuant to the Senior Subordinated Exchange Offer will continue to be subject to the restrictions on transfer of such Senior Subordinated Old Notes provided for in the Senior Subordinated Old Notes and in the Senior Subordinated Notes Indenture and as set forth in the legend on the Senior Subordinated Old Notes. In general, the Senior Subordinated Old Notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. The Company does not currently anticipate that it will register the Senior Subordinated Old Notes under the Securities Act. To the extent that Senior Subordinated Old Notes are tendered and accepted in the Senior Subordinated Exchange Offer, the trading market for untendered Senior Subordinated Old Notes could be adversely affected.

Senior Subordinated Exchange Agent.....	Bank One, N.A. is serving as exchange agent (the "Senior Subordinated Exchange Agent") in connection with the Senior Subordinated Exchange Offer. See "The Senior Subordinated Exchange Offer -- Senior Subordinated Exchange Agent."

Senior Subordinated Exchange Notes

Issuer.....	WESCO Distribution, Inc.
Securities Offered.....	$300,000,000 aggregate principal amount of 9 1/8% Senior Subordinated Notes due 2008, Series B (the "Senior Subordinated Exchange Notes").
Maturity.....	June 1, 2008.
Interest Payment Dates.....	Interest on the Senior Subordinated Exchange Notes will accrue from June 5, 1998 (the "Senior Subordinated Notes Issue Date") and be payable in cash semi-annually in arrears on each June 1 and December 1, commencing December 1, 1998.
Optional Redemption.....	Except as described below, the Senior Subordinated Exchange Notes will not be redeemable at the option of the Company prior to June 1, 2003. Thereafter, the Senior Subordinated Exchange Notes will be redeemable at the option of the Company, in whole or in part, at the redemption prices set forth herein, together with accrued and unpaid interest and liquidated damages, if any, to the date of redemption. In addition, at any time and from time to time prior to June 1, 2001, the Company may, subject to certain requirements, redeem up to 35% of the original aggregate principal amount of the Senior Subordinated Notes (calculated giving effect to any issuance of Additional Senior Subordinated Notes (as defined)) with the net cash proceeds of one or more Equity Offerings by (i) the Company or (ii) Holdings to the extent the net cash proceeds thereof are (a) contributed to the Company as a capital contribution to the common equity of the Company or (b) used to purchase capital stock of the Company (in either case, other than Disqualified Stock (as defined)), at a redemption price equal to 109.125% of the principal amount thereof, together with accrued and unpaid interest and liquidated damages, if any, to the date of redemption; provided that at least 65% of the original aggregate principal amount of the Senior Subordinated Notes (calculated giving effect to any issuance of Additional Senior Subordinated Notes) remains outstanding immediately after each such redemption. See "Description of the Senior Subordinated Exchange Notes -- Optional Redemption."
Change of Control.....	Upon the occurrence of a Change of Control, (i) the Company will have the option, at any time on or prior to June 1, 2003, to redeem the Senior Subordinated Exchange Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest and liquidated damages, if any, to the date of redemption plus the Applicable Premium and (ii) if the Senior Subordinated Exchange Notes are not so redeemed or if such Change of Control occurs after June 1, 2003,

	each holder of the Senior Subordinated Exchange Notes will have the right to require the Company to make an offer to repurchase such holder's Senior Subordinated Exchange Notes at a price equal to 101% of the principal amount thereof, together with accrued and unpaid interest and liquidated damages, if any, to the date of repurchase. See "Description of the Senior Subordinated Exchange Notes -- Change of Control."
Guarantees.....	The Senior Subordinated Exchange Notes will be unconditionally guaranteed by Holdings on a senior subordinated basis. The Holdings Guarantee will be subordinated in right of payment to all existing and future Senior Indebtedness of Holdings, including the guarantees of Senior Indebtedness by Holdings under the Credit Facilities ($220.5 million on a pro forma basis as of March 31, 1998), and effectively subordinated to all indebtedness and other liabilities (including but not limited to trade payables) of Holdings' subsidiaries ($735.0 million on a pro forma basis as of March 31, 1998, excluding $170.0 million of indebtedness and guarantees under the Credit Facilities). Investors should not rely on the Holdings Guarantee in evaluating an investment in the Senior Subordinated Exchange Notes. See "Risk Factors -- Subordination of the Senior Subordinated Notes and Holdings Guarantee."
Ranking.....	The Senior Subordinated Exchange Notes will be unsecured, will be subordinated in right of payment to all existing and future Senior Indebtedness of the Company and will be effectively subordinated to all obligations of the subsidiaries of the Company. The Senior Subordinated Exchange Notes will rank pari passu with any existing and future Senior Subordinated Indebtedness of the Company and will rank senior to all Subordinated Obligations of the Company. The Senior Subordinated Notes Indenture permits the Company to incur additional indebtedness, including up to $400.0 million of Senior Indebtedness under the Credit Facilities, subject to certain limitations. As of March 31, 1998, on a pro forma basis, (i) the outstanding Senior Indebtedness of the Company would have been $193.2 million, of which $170.0 million would have been Secured Indebtedness (exclusive of unused commitments under the Credit Facilities); (ii) the Company would have had no outstanding Senior Subordinated Indebtedness (other than the Senior Subordinated Notes) and no outstanding indebtedness that is subordinate or junior in right of repayment to the Senior Subordinated Notes; and (iii) the Company's subsidiaries would have had no indebtedness, excluding guarantees of $170.0 million of indebtedness under the Credit Facilities (but would have had trade payables and other liabilities incurred in the ordinary course of business). See "Unaudited Pro Forma Financial Information," "Risk Factors -- Subordination of the Senior Subordinated Notes and Holdings Guarantee" and "Description of the Senior Subordinated Exchange Notes -- Ranking."

Certain Covenants.....	The Senior Subordinated Notes Indenture contains covenants that will, subject to certain exceptions, limit, among other things, the ability of the Company and/or its Restricted Subsidiaries to: (i) pay dividends or make certain other restricted payments or investments; (ii) incur additional indebtedness and issue disqualified stock and preferred stock; (iii) create liens on assets; (iv) merge, consolidate, or sell all or substantially all of their assets; (v) enter into certain transactions with affiliates; (vi) create restrictions on dividends or other payments by Restricted Subsidiaries to the Company; and (vii) incur indebtedness senior to the Senior Subordinated Notes but junior to Senior Indebtedness. See "Description of the Senior Subordinated Exchange Notes."
Absence of a Public Market.....	The Senior Subordinated Exchange Notes are new securities and there is currently no established market for the Senior Subordinated Exchange Notes. Accordingly, there can be no assurance as to the development or liquidity of any market for the Senior Subordinated Exchange Notes. The Initial Purchasers have advised the Company that they currently intend to make a market in the Senior Subordinated Exchange Notes. However, they are not obligated to do so, and any market making with respect to the Senior Subordinated Exchange Notes may be discontinued without notice. The Company does not intend to apply for listing of the Senior Subordinated Exchange Notes on any national securities exchange or for their quotation on an automated dealer quotation system.

The Senior Discount Exchange Offer

The Senior Discount Exchange Offer.....	Holdings is offering to exchange pursuant to the Senior Discount Exchange Offer up to $87,000,000 aggregate principal amount of its Senior Discount Exchange Notes for a like aggregate principal amount of its Senior Discount Old Notes. The terms of its Senior Discount Exchange Notes are identical in all material respects (including principal amount, interest rate and maturity) to the terms of the Senior Discount Old Notes for which they may be exchanged pursuant to the Senior Discount Exchange Offer, except that the Senior Discount Exchange Notes are freely transferrable by holders thereof (other than as provided herein), and are not subject to any covenant regarding registration under the Securities Act. See "The Senior Discount Exchange Offer."
No Minimum Condition.....	The Senior Discount Exchange Offer is not conditioned upon any minimum aggregate principal amount of Senior Discount Old Notes being tendered for exchange.
Expiration Date; Withdrawal of Tenders.....	The Senior Discount Exchange Offer will expire at 5:00 p.m., New York City time, on , 1998, unless the Senior Discount Exchange Offer is extended, in which case the term "Senior Discount Expiration Date" means the latest date and time to which the

	Senior Discount Exchange Offer is extended. Holdings does not currently intend to extend the Senior Discount Expiration Date. Tenders may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Senior Discount Expiration Date. See "The Senior Discount Exchange Offer -- Withdrawal Rights."
Exchange Date.....	The date of acceptance for exchange of the Senior Discount Old Notes will be the fourth business day following the Senior Discount Expiration Date.
Conditions to the Senior Discount Exchange Offer.....	The Senior Discount Exchange Offer is subject to certain customary conditions, which may be waived by Holdings. Holdings currently expects that each of the conditions will be satisfied and that no waivers will be necessary. See "The Senior Discount Exchange Offer -- Certain Conditions to the Senior Discount Exchange Offer." Holdings reserves the right to terminate or amend the Senior Discount Exchange Offer at any time prior to the Senior Discount Expiration Date upon the occurrence of any such condition.
Procedures for Tendering Senior Discount Old Notes.....	Each holder wishing to accept the Senior Discount Exchange Offer must complete, sign and date the Letter of Transmittal, or a facsimile thereof, in accordance with the instructions contained herein and therein, and mail or otherwise deliver the Letter of Transmittal, or such facsimile, together with the Senior Discount Old Notes and any other required documentation to the Senior Discount Exchange Agent at the address set forth therein. See "The Senior Discount Exchange Offer -- Procedures for Tendering Senior Discount Old Notes" and "Plan of Distribution."
Use of Proceeds.....	There will be no proceeds to Holdings from the exchange of Notes pursuant to the Senior Discount Exchange Offer.
Federal Income Tax Consequences....	The exchange of Notes pursuant to the Senior Discount Exchange Offer will not be a taxable event for federal income tax purposes. See "Certain United States Federal Income Tax Consequences."
Special Procedures for Beneficial Owners.....	Any beneficial owner whose Senior Discount Old Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such registered holder promptly and instruct such registered holder to tender on such beneficial owner's behalf. If such beneficial owner wishes to tender on such beneficial owner's own behalf, such beneficial owner must, prior to completing and executing the Letter of Transmittal and delivering the Senior Discount Old Notes, either make appropriate arrangements to register ownership of the Senior Discount Old Notes in such beneficial owner's name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time. See "The Senior Discount Exchange Offer -- Procedures for Tendering Senior Discount Old Notes."

Guaranteed Delivery Procedures.....	Holders of Senior Discount Old Notes who wish to tender their Senior Discount Old Notes and whose Senior Discount Old Notes are not immediately available or who cannot deliver their Senior Discount Old Notes, the Letter of Transmittal or any other documents required by the Letter of Transmittal to the Senior Discount Exchange Agent prior to the Expiration Date must tender their Senior Discount Old Notes according to the guaranteed delivery procedures set forth in "The Senior Discount Exchange Offer -- Procedures for Tendering Senior Discount Old Notes."
Acceptance of Senior Discount Old Notes and Delivery of Senior Discount Exchange Notes.....	Holdings will accept for exchange any and all Senior Discount Old Notes which are properly tendered in the Senior Discount Exchange Offer prior to 5:00 p.m., New York City time, on the Senior Discount Expiration Date. The Senior Discount Exchange Notes issued pursuant to the Senior Discount Exchange Offer will be delivered promptly following the Senior Discount Expiration Date. See "The Senior Discount Exchange Offer -- Acceptance of Senior Discount Old Notes for Exchange; Delivery of Senior Discount Exchange Note"
Effect on Holders of Senior Discount Old Notes.....	As a result of the making of, and upon acceptance for exchange of all validly tendered Senior Discount Old Notes pursuant to the terms of this Senior Discount Exchange Offer, Holdings will have fulfilled a covenant contained in the Exchange and Registration Rights Agreement (the "Senior Discount Registration Rights Agreement"; together with the Senior Subordinated Registration Rights Agreement, the "Registration Rights Agreements") dated as of June 5, 1998 among Holdings and the Initial Purchasers, and, accordingly, there will be no liquidated damages payable pursuant to the terms of the Senior Discount Registration Rights Agreement, and the holders of the Senior Discount Old Notes will have no further registration or other rights under the Senior Discount Registration Rights Agreement. Holders of the Senior Discount Old Notes who do not tender their Senior Discount Old Notes in the Senior Discount Exchange Offer will continue to hold such Senior Discount Old Notes and will be entitled to all the rights and limitations applicable thereto under the Indenture dated as of June 5, 1998 (the "Senior Discount Notes Indenture") between Holdings and Bank One, N.A., as Trustee, relating to the Senior Discount Old Notes and the Senior Discount Exchange Notes, except for any such rights under the Senior Discount Registration Rights Agreement that by their terms terminate or cease to have further effectiveness as a result of the making of, and the acceptance for exchange of all validly tendered Senior Discount Old Notes pursuant to, the Senior Discount Exchange Offer.
Consequence of Failure to Exchange.....	Holders of Senior Discount Old Notes who do not exchange their Senior Discount Old Notes for Senior

	Discount Exchange Notes pursuant to the Senior Discount Exchange Offer will continue to be subject to the restrictions on transfer of such Senior Discount Old Notes provided for in the Senior Discount Old Notes and in the Senior Discount Notes Indenture and as set forth in the legend on the Senior Discount Old Notes. In general, the Senior Discount Old Notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Holdings does not currently anticipate that it will register the Senior Discount Old Notes under the Securities Act. To the extent that Senior Discount Old Notes are tendered and accepted in the Senior Discount Exchange Offer, the trading market for untendered Senior Discount Old Notes could be adversely affected.
Senior Discount Exchange Agent.....	Bank One, N.A. is serving as exchange agent (the "Senior Discount Exchange Agent") in connection with the Senior Discount Exchange Offer. See "The Senior Discount Exchange Offer -- Senior Discount Exchange Agent."
	Senior Discount Exchange Notes
Issuer.....	WESCO International, Inc.
Securities Offered.....	$87,000,000 aggregate principal amount at maturity of 11 1/8% Senior Discount Notes due 2008, Series B (the "Senior Discount Exchange Notes") having an Accreted Value at , 1998 equal to approximately % of the principal amount of maturity thereof.
Maturity.....	June 1, 2008.
Interest Payment Dates.....	Cash interest will not accrue or be payable on the Senior Discount Exchange Notes prior to June 1, 2003. Thereafter, cash interest on the Senior Discount Exchange Notes will accrue at a rate of 11 1/8% per annum and will be payable semi-annually in arrears on June 1 and December 1 of each year, commencing on December 1, 2003.
Original Issue Discount.....	For U.S. federal income tax purposes, the Senior Discount Exchange Notes will be treated as having been issued with "original issue discount" equal to the difference between the sum of all cash payments (whether denominated as principal or interest) to be made on the Senior Discount Notes and the issue price of the Senior Discount Notes. Each holder of a Senior Discount Exchange Note must include as gross income for U.S. federal income tax purposes a portion of such original issue discount for each day during each taxable year in which a Senior Discount Exchange Note is held even though no cash interest payments will be received prior to December 1, 2003. See "Certain United States Federal Income Tax Consequences -- Payments of Interest on Senior Discount Notes."

Mandatory Principal Redemption.....	On June 1, 2003, Holdings will be required to redeem an amount equal to $354.96 per $1,000 principal amount at maturity of each Senior Discount Exchange Note then outstanding ($30,881,520 in aggregate principal amount at maturity of the Senior Discount Notes, assuming all of the Senior Discount Notes remain outstanding on such date (the "Mandatory Principal Redemption Amount")) on a pro rata basis at a redemption price of 100% of the principal amount at maturity of the Senior Discount Exchange Notes so redeemed. The Mandatory Principal Redemption Amount represents (i) the excess of the aggregate Accreted Value of all Senior Discount Notes outstanding on June 1, 2003 over the aggregate issue price thereof less (ii) an amount equal to one year's simple uncompounded interest on the aggregate issue price of such Senior Discount Notes at a rate per annum equal to the yield to maturity on the Senior Discount Notes.
Optional Redemption.....	Except as described below, the Senior Discount Exchange Notes will not be redeemable at the option of Holdings prior to June 1, 2003. Thereafter, the Senior Discount Exchange Notes will be redeemable at the option of Holdings, in whole or in part, at the redemption prices set forth herein, together with accrued and unpaid interest and liquidated damages, if any, to the date of redemption. In addition, at any time prior to June 1, 2001, Holdings may, subject to certain requirements, redeem, in whole but not in part, the Senior Discount Notes with the net cash proceeds of one or more Equity Offerings at a redemption price equal to 111.125% of the Accreted Value, together with liquidated damages, if any, to the date of redemption. See "Description of the Senior Discount Exchange Notes -- Optional Redemption."
Change of Control.....	Upon the occurence of a Change of Control, (i) Holdings will have the option, at any time on or prior to June 1, 2003, to redeem the Senior Discount Exchange Notes, in whole but not in part, at a redemption price equal to 100% of the Accreted Value thereof, together with liquidated damages, if any, to the date of redemption plus the Applicable Premium and (ii) if the Senior Discount Exchange Notes are not so redeemed or if such Change of Control occurs after June 1, 2003, each holder of the Senior Discount Exchange Notes will have the right to require Holdings to make an offer to repurchase such holder's Senior Discount Exchange Notes at a price equal to (a) 101% of the Accreted Value thereof, together with liquidated damages, if any, to the date of redemption if repurchased on or before June 1, 2003, and (b) 101% of the principal amount at maturity thereof, together with accrued and unpaid interest and liquidated damages, if any, to the date of repurchase, if repurchased after June 1, 2003. See "Description of the Senior Discount Exchange Notes -- Change of Control."
Guarantees.....	None.

Ranking.....	The Senior Discount Exchange Notes will be senior unsecured obligations of Holdings and will be effectively subordinated to all obligations of the subsidiaries of Holdings (including the Company). The Senior Discount Exchange Notes will rank pari passu with any existing and future Senior Indebtedness of Holdings and will rank senior to all Subordinated Obligations of Holdings. Holdings is a holding company with no operations of its own and whose only asset is the capital stock of the Company (all of which will be pledged to secure the Credit Facilities). As a result of the holding company structure, the Senior Discount Exchange Notes will effectively rank junior in right of payment to all creditors of the Company and its subsidiaries, including the lenders under the Credit Facilities, holders of the Senior Subordinated Notes and trade creditors. The Senior Discount Notes Indenture permits Holdings to incur additional indebtedness, including up to $400.0 million of Senior Indebtedness under the Credit Facilities, subject to certain limitations. As of March 31, 1998, on a pro forma basis, (i) Holdings would have had no outstanding Senior Indebtedness (other than the Senior Discount Notes and guarantees under the Credit Facilities) or Secured Indebtedness and (ii) Holdings' subsidiaries would have had total liabilities of $735.0 million, excluding $170.0 million of indebtedness and guarantees under the Credit Facilities. See "Description of the Senior Discount Exchange Notes."
Certain Covenants.....	The Senior Discount Notes Indenture contains covenants that will, subject to certain exceptions, limit, among other things, the ability of Holdings and/or its Restricted Subsidiaries to: (i) pay dividends or make certain other restricted payments or investments; (ii) incur additional indebtedness and issue disqualified stock and preferred stock; (iii) create liens on assets; (iv) merge, consolidate, or sell all or substantially all of their assets; (v) enter into certain transactions with affiliates; and (vi) create restrictions on dividends or other payments by Restricted Subsidiaries to Holdings. See "Description of the Senior Discount Exchange Notes."
Absence of a Public Market.....	The Senior Discount Exchange Notes are new securities and there is currently no established market for the Senior Discount Exchange Notes. Accordingly, there can be no assurance as to the development or liquidity of any market for the Senior Discount Exchange Notes. The Initial Purchasers have advised Holdings that they currently intend to make a market in the Senior Discount Exchange Notes. However, they are not obligated to do so, and any market making with respect to the Senior Discount Exchange Notes may be discontinued without notice. Holdings does not intend to apply for listing of the Senior Discount Exchange Notes on any national securities exchange or for their quotation on an automated dealer quotation system.

Risk Factors

Prospective investors in the Exchange Notes should carefully consider the risk factors set forth under the caption "Risk Factors" and the other information included in this Prospectus. See "Risk Factors."

The principal executive offices of the Issuers are located at Commerce Court, Suite 700, Four Station Square, Pittsburgh, Pennsylvania 15219. The Issuers' telephone number is (412) 454-2200.

Summary Historical and Pro Forma Financial and Other Data

The following table sets forth summary historical consolidated financial data of Holdings (i) as of and for the years ended December 31, 1995, 1996 and 1997, which have been derived from Holdings' financial statements included elsewhere herein which have been audited by Coopers & Lybrand L.L.P. and (ii) as of and for the three months ended March 31, 1997 and 1998 (unaudited) which have been derived from Holdings' unaudited interim consolidated financial statements and include, in the opinion of management, all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations and financial position for and as of the end of such periods. Results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or for any future period.

The following table also presents certain summary unaudited pro forma financial and other data of Holdings and the Company as of and for the twelve months ended March 31, 1998, which have been derived from the Unaudited Pro Forma Financial Information and the notes thereto included elsewhere in this Offering Memorandum. The summary unaudited pro forma income statement data and other financial data give effect to the Recapitalization and the Recent Acquisitions as if they had occurred as of January 1, 1997. The summary unaudited pro forma balance sheet data give effect to the Recapitalization and the Reily acquisition as if they had occurred as of March 31, 1998. The summary unaudited pro forma and other financial data are provided for informational purposes only and do not purport to be indicative of the results that would have actually been obtained had the Recapitalization and the Recent Acquisitions been completed on the dates indicated or that may be expected to occur in the future.

Holdings has as its only asset all of the outstanding capital stock of the Company; accordingly, the historical financial data presented herein are identical to those of WESCO. The summary historical and pro forma financial and other data should be read in conjunction with, and is qualified in its entirety by, the historical consolidated financial statements of Holdings and the notes thereto, "Selected Historical Consolidated Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Financial Information," "The Recapitalization" and "Summary -- Recent Developments" contained elsewhere in this Prospectus.

Summary Historical and Pro Forma Financial and Other Data

	Holdings				
	Year Ended December 31,			(unaudited) Three Months Ended March 31,	
	1995	1996	1997	1997	1998
	(dollars in millions)				
Income Statement Data:					
Sales, net	$ 1,857.0	$ 2,274.6	$ 2,594.8	$ 576.7	$ 693.4
Gross profit (exclusive of depreciation and amortization)	321.0	405.0	463.9	104.4	126.7
Selling, general and administrative expenses	258.0	326.0	372.5	86.7	103.5
Depreciation and amortization	7.3	10.8	11.3	2.8	3.0
Income from operations	55.7	68.2	80.1	14.9	20.2
Interest expense, net	15.8	17.4	20.1	4.8	6.2
Other expense(1)	--	--	--	--	--
Income before income taxes	39.9	50.8	60.0	10.1	14.0
Provision for income taxes	14.8	18.3	23.8	4.0	5.5
Income before extraordinary charge, net of taxes	25.1	32.5	36.2	6.1	8.5
Extraordinary charge, net of applicable taxes (2)	8.1	--	--	--	--
Net income	$ 17.0	$ 32.5	$ 36.2	$ 6.1	$ 8.5
Other Financial Data:					
EBITDA(3)	$ 63.0	$ 79.0	$ 91.4	$ 17.7	$ 23.2
Adjusted EBITDA (4)					
Capital expenditures	6.5	9.4	12.4	1.4	3.7
Ratio of Adjusted EBITDA to interest expense (5)					
Ratio of total debt to Adjusted EBITDA					
Balance Sheet Data:					
Adjusted working capital (6)	$ 222.5	$ 291.6	$ 338.8	$ 315.9	$ 375.4
Total assets	581.3	773.5	870.9	802.6	962.0
Total long-term debt (7)	172.0	260.6	294.3	295.7	350.5
Redeemable common stock (8)	7.7	8.9	9.0	9.0	11.4
Stockholders' equity	116.4	148.7	184.5	154.7	193.1

	Pro Forma (unaudited) Twelve Months Ended March 31, 1998	
	Holdings	Company
Income Statement Data:		
Sales, net	$ 2,965.3	$ 2,965.3
Gross profit (exclusive of depreciation and amortization)	537.0	537.0
Selling, general and administrative expenses	427.4	427.4
Depreciation and amortization	13.5	13.5
Income from operations	96.1	96.1
Interest expense, net	53.7	47.9
Other expense(1)	15.4	15.4
Income before income taxes	27.0	32.8
Provision for income taxes	10.8	13.1
Income before extraordinary charge, net of taxes	16.2	19.7
Extraordinary charge, net of applicable taxes (2)	--	--
Net income	$ 16.2	$ 19.7
Other Financial Data:		
EBITDA(3)	$ 109.6	$ 109.6
Adjusted EBITDA (4)	113.8	113.8
Capital expenditures		
Ratio of Adjusted EBITDA to interest expense (5)	2.3 x	2.7 x
Ratio of total debt to Adjusted EBITDA	4.8 x	4.3 x
Balance Sheet Data:		
Adjusted working capital (6)	$ 142.5	$ 142.5
Total assets	801.4	801.4
Total long-term debt (7)	539.1	488.6
Redeemable common stock (8)	11.4	11.4
Stockholders' equity	(165.5)	(115.0)

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(1) Costs relating to sale of accounts receivable pursuant to the Receivables Facility.

(2) Represents a charge, net of taxes, relating to the write-off of unamortized debt issuance costs associated with the early termination of debt.

(3) EBITDA represents income from operations plus depreciation and amortization. EBITDA is presented because management understands that such information is considered by certain investors to be an additional basis for evaluating the Issuers' ability to pay interest and repay debt. EBITDA should not be considered an alternative to measures of operating performance as determined in accordance with generally accepted accounting principles or as a measure of the Issuers' operating results and cash flows or as a measure of the Issuers' liquidity. Since EBITDA is not calculated identically by all companies, the presentation herein may not be comparable to other similarly titled measures of other companies.

(4) For the twelve months ended March 31, 1998, Adjusted EBITDA represents EBITDA after (i) giving effect to $3.6 million of annual cost savings expected to be realized by the end of 1998 as a result of the consolidation and/or closure of five WESCO branches following the acquisitions of Avon Electrical, Brown Wholesale and Reily and (ii) eliminating $0.6 million in one-time costs incurred in connection with a planned initial equity public offering (the plans for which were terminated upon the execution of the Recapitalization Agreement).

(5) For the purposes of this calculation, interest expense of Holdings includes cash interest expense of $42.3 million, the accretion of interest expense on the Senior Discount Notes of $5.8 million and the accretion of interest expense on assumed debt of $1.8 million. Interest expense of the Company includes cash interest of $42.3 million and excludes accretion of interest expense on assumed debt of $1.8 million.

(6) Defined as trade accounts receivable plus inventories less accounts payable.

(7) Excludes $250.0 million of proceeds from the sale of accounts receivable pursuant to the Receivables Facility.

(8) Represents redeemable common stock as described in Note 9 to the consolidated financial statements. Under certain conditions, the holders thereof have the right to require Holdings to repurchase all of the redeemable shares and the exercisable portion of the options. These repurchase rights terminate upon consummation of an initial equity public offering. See "Certain Relationships and Related Transactions -- Management Stockholders."

RISK FACTORS

Holders of Old Notes should consider carefully, in addition to the other information contained in this Prospectus, the following factors before deciding to tender Old Notes in the Exchange Offers. The risk factors set forth below are generally applicable to the Old Notes as well as the Exchange Notes.

Consequences of Failure to Exchange

Holders of Old Notes who do not exchange their Old Notes for Exchange Notes pursuant to the applicable Exchange Offer will continue to be subject to the restrictions on transfer of such Old Notes as set forth in the legend thereon. In general, Old Notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The respective Issuers do not currently intend to register the Old Notes under the Securities Act. Based on interpretations by the staff of the Commission, the Issuers believe that Exchange Notes issued pursuant to the applicable Exchange Offer in exchange for Old Notes may be offered for resale, resold or otherwise transferred by Holders thereof (other than any such Holder which is an "affiliate" of the Issuers thereof within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such Old Notes were acquired in the ordinary course of such Holders' business and such Holders have no arrangement with any person to participate in the distribution of such Exchange Notes. Each broker-dealer that receives Exchange Notes for its own account in exchange for Old Notes, where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. See "Plan of Distribution." To the extent that Old Notes are tendered and accepted in the applicable Exchange Offer, the trading market for untendered and tendered but unaccepted Old Notes will be adversely affected.

Substantial Leverage and Debt Service

Each Issuer is significantly leveraged as a result of the Recapitalization. See "The Recapitalization" and "Capitalization." As of March 31, 1998, on a pro forma basis, Holdings and the Company would have had approximately $539.1 million and $488.6 million, respectively, of consolidated long-term indebtedness and a common stockholders' deficit of approximately $165.5 million and $115.0 million, respectively. See "Capitalization" and "Unaudited Pro Forma Financial Information." Each Issuer and its respective subsidiaries may incur additional indebtedness (including certain Senior Indebtedness) in the future, subject to certain limitations contained in the instruments governing its indebtedness. Accordingly, each Issuer will have significant debt service obligations.

Each Issuer's debt service obligations will have important consequences to the holders of the applicable Notes, including the following: (i) a substantial portion of cash flow from operations will be dedicated to the payment of principal and interest on its indebtedness, thereby reducing the funds available to such Issuer for operations, future business opportunities and other purposes and increasing such Issuer's vulnerability to adverse general economic and industry conditions; (ii) such Issuer's ability to obtain additional financing in the future may be limited; (iii) certain of such Issuer's indebtedness (including, but not limited to, the amounts borrowed under the Credit Facilities) will be at variable rates of interest, which will make such Issuer vulnerable to increases in interest rates; (iv) all of the indebtedness incurred in connection with the Credit Facilities will become due prior to the time the principal payment on the Notes will become due; (v) such Issuer will be substantially more leveraged than certain of its competitors, which might place such Issuer at a competitive disadvantage; (vi) such Issuer may be hindered in its ability to adjust rapidly to changing market conditions; and (vii) the Mandatory Principal Reduction Amount with respect to the Senior Discount Notes will become due and payable on June 1, 2003.

Each Issuer's ability to make scheduled payments of the principal of, or to pay interest on, or to refinance its indebtedness (including the applicable Notes) and to make scheduled payments under its operating leases or to fund planned capital expenditures or finance acquisitions will depend on its future performance, which to a certain extent is subject to economic, financial, competitive and other factors

beyond its control. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources." There can be no assurance that the Company's business will continue to generate sufficient cash flow from operations in the future to service the Issuers' debt, make necessary capital expenditures or meet other cash needs. If unable to do so, each Issuer may be required to refinance all or a portion of its existing debt, including the applicable Notes, to sell assets or to obtain additional financing. There can be no assurance that any such refinancing or that any such sale of assets or additional financing would be possible on terms reasonably favorable to the Issuers.

Restrictive Debt Covenants

The Credit Facilities and the Indentures contain numerous financial and operating covenants that will limit the discretion of the Issuers' management with respect to certain business matters. These covenants place significant restrictions on, among other things, the ability of the Issuers to incur additional indebtedness, to pay dividends and other distributions, to repay Subordinated Obligations, to enter into sale and leaseback transactions, to create liens or other encumbrances, to make certain payments and investments, to engage in certain transactions with affiliates, to sell or otherwise dispose of assets and to merge or consolidate with other entities and will otherwise restrict corporate activities. See "Description of the Credit Facilities," "Description of the Senior Subordinated Exchange Notes -- Certain Covenants" and "Description of the Senior Discount Exchange Notes -- Certain Covenants." The Credit Facilities also require the Issuers to meet certain financial ratios and tests. The ability of the Issuers to comply with these and other provisions of the Credit Facilities and the Indentures may be affected by changes in economic or business conditions or other events beyond the Issuers' control. A failure to comply with the obligations contained in the Credit Facilities or the Indentures could result in an event of default under either the Credit Facilities or the Indentures which could result in acceleration of the related debt and the acceleration of debt under other instruments evidencing indebtedness that may contain cross-acceleration or cross-default provisions. If the indebtedness under the Credit Facilities were to be accelerated, there can be no assurance that the assets of the Company would be sufficient to repay in full such indebtedness and the other indebtedness of the Issuers, including the Notes.

Subordination of the Senior Subordinated Notes and Holdings Guarantee

The Company's obligations under the Senior Subordinated Notes are subordinate and junior in right of payment to all existing and future Senior Indebtedness of the Company. As of March 31, 1998, on a pro forma basis, the aggregate amount of the Company's outstanding Senior Indebtedness would have been approximately $170.0 million (excluding unused commitments). Although the Senior Subordinated Notes Indenture contains limitations on the amount of additional indebtedness which the Company and its subsidiaries may incur, under certain circumstances the amount of such indebtedness could be substantial and such indebtedness could be Senior Indebtedness. By reason of such subordination, in the event of an insolvency, liquidation, or other reorganization of the Company, the lenders under the Credit Facilities and other creditors who are holders of Senior Indebtedness of the Company must be paid in full before the holders of the Senior Subordinated Notes may be paid. Accordingly, there may be insufficient assets remaining after payment of prior claims to pay amounts due on the Senior Subordinated Notes. In addition, under certain circumstances, no payments may be made with respect to the Senior Subordinated Notes if a default exists with respect to Senior Indebtedness of the Company. See "Description of the Senior Subordinated Exchange Notes" and "Description of the Credit Facilities."

In addition, the Senior Subordinated Notes are effectively subordinated to all liabilities of the Company's subsidiaries, including trade payables and the guarantees by such subsidiaries of the Company's obligations under the Credit Facilities. The Senior Subordinated Notes are not guaranteed by any of the Company's subsidiaries. As of March 31, 1998, on a pro forma basis, the Company's subsidiaries would have had no indebtedness (excluding guarantees of the Company's obligations under the Credit Facilities), but would have had trade payables and other liabilities incurred in the ordinary course of business. The right of the Company to receive assets of any of its subsidiaries upon liquidation or

reorganization of such subsidiary will be subordinated to the claims of that subsidiary's creditors (including trade creditors), except to the extent the Company itself is recognized as a creditor of such subsidiary. See "Description of the Senior Subordinated Exchange Notes -- Ranking."

The Senior Subordinated Notes are guaranteed by Holdings on a senior subordinated basis. The Holdings Guarantee is subordinated to all existing and future Senior Indebtedness of Holdings ($220.5 million on a pro forma basis as of March 31, 1998), including the guarantees of Senior Indebtedness issued by Holdings under the Credit Facilities, and effectively subordinated to all indebtedness and other liabilities (including trade payables) of Holdings' subsidiaries ($905.0 million on a pro forma basis as of March 31, 1998). Investors should not rely on the Holdings Guarantee in evaluating an investment in the Senior Subordinated Notes.

Structural Subordination of the Senior Discount Notes

Holdings is a holding company whose only material asset is the capital stock of the Company. The Senior Discount Notes are an obligation of Holdings and the holders of the Senior Discount Notes have no recourse to the Company or its assets, including any subsidiaries of the Company. The Senior Discount Notes are not guaranteed by any of Holdings' subsidiaries. It is not anticipated that Holdings will have any business (other than in connection with its ownership of the capital stock of the Company and the performance of its obligations with respect to the Senior Discount Notes and the Credit Facilities) and will depend on distributions from the Company to meet its debt service obligations, including, without limitation, interest and principal obligations with respect to the Senior Discount Notes. Because of the substantial leverage of the Company, and the dependence of Holdings upon the operating performance of the Company to generate distributions to Holdings, there can be no assurance that Holdings will have adequate funds to fulfill its obligations in respect of the Senior Discount Notes when due. In addition, the Credit Facilities, the Senior Subordinated Notes Indenture and applicable federal and state law impose restrictions on the payment of dividends and the making of loans by the Company to Holdings. As a result of the foregoing, Holdings may be unable to gain access to the cash flow or assets of the Company in amounts sufficient to pay the Mandatory Principal Redemption Amount when due on June 1, 2003, cash interest on the Senior Discount Notes on and after December 1, 2003, the date on which cash interest thereon first becomes payable, and Accreted Value or principal of the Senior Discount Notes when due or upon a Change of Control or upon the occurrence of any other event requiring the repayment of Accreted Value or principal.

Encumbrances on Assets to Secure Credit Facilities

The Issuers' obligations under the Credit Facilities are secured by a first priority pledge of and security interest in substantially all of the assets of Holdings and its subsidiaries. If either Issuer becomes insolvent or is liquidated, or if payment under any of the Credit Facilities or any other Secured Indebtedness is accelerated, the lenders under the Credit Facilities or such other Secured Indebtedness will be entitled to exercise the remedies available to a secured lender under applicable law (in addition to any remedies that may be available under the instruments pertaining to the Credit Facilities or such other Secured Indebtedness). Neither the Senior Subordinated Notes nor the Senior Discount Notes are secured. Accordingly, holders of such Secured Indebtedness will have a prior claim with respect to the assets securing such indebtedness. See "Description of the Credit Facilities," "Description of the Senior Subordinated Exchange Notes" and "Description of the Senior Discount Exchange Notes."

Change of Control

Upon the occurence of a Change of Control, (i) each Issuer will have the option, at any time on or prior to June 1, 2003 to redeem such Issuer's Notes, in whole but not in part, at a redemption price equal to (a) 100% of the principal amount thereof, together with accrued and unpaid interest and liquidated damages, if any, to the date of redemption plus the Applicable Premium in the case of the Senior Subordinated Notes and (b) 100% of the Accreted Value thereof, together with liquidated damages, if any, to the date of redemption plus the Applicable Premium in the case of the Senior Discount Notes and (ii) if an Issuer does not redeem its Notes pursuant to clause (i) above, or such Change in Control occurs after June 1, 2003, each holder of a Note will have the right to require the Issuer thereof to make

an offer to repurchase such holder's Note (a) at a price equal to 101% of the principal amount thereof, together with accrued and unpaid interest and liquidated damages, if any, to the date of repurchase in the case of a Senior Subordinated Note and (b) at a price equal to (x) 101% of the Accreted Value thereof, together with liquidated damages, if any, to the date of repurchase if repurchased on or before June 1, 2003, and (y) 101% of the principal amount at maturity thereof, together with accrued and unpaid interest and liquidated damages, if any, to the date of repurchase if repurchased after June 1, 2003, in the case of a Senior Discount Note. The Credit Facilities prohibit the Issuers from repurchasing any Notes, except in certain circumstances. The Credit Facilities also provide that certain change of control events with respect to the Issuers constitute a default thereunder. Any future credit agreements or other agreements relating to Senior Indebtedness to which either or both the Issuers becomes a party may contain similar restrictions and provisions. In the event a Change of Control occurs at a time when either Issuer is prohibited from purchasing such Issuer's Notes, such Issuer could seek the consent of its lenders to purchase the Notes or could attempt to refinance the borrowings that contain such prohibition. If such Issuer does not obtain such a consent or refinance such borrowings, such Issuer would remain prohibited from purchasing the Notes. In such case, such Issuer's failure to purchase tendered Notes would constitute a default under the one or both of the Indentures and the Credit Facilities, which, in turn, could result in amounts outstanding under the Credit Facilities being declared due and payable. Any such declaration could have adverse consequences to the Issuers and the holders of the Notes. In the event of a Change of Control, there can be no assurance that the Issuers would have sufficient assets to satisfy all of its obligations under the Credit Facilities and the Notes. The provisions relating to a Change of Control included in the Indentures may increase the difficulty of a potential acquiror obtaining control of the Issuers. See "Description of the Senior Subordinated Exchange Notes -- Change of Control" and "Description of the Senior Discount Exchange Notes -- Change of Control."

General Economic Conditions

The electrical wholesale distribution industry is affected by changes in economic conditions, including national, regional and local slowdowns in construction and industrial activity, which are outside the control of the Company. The Company's operating results may also be adversely affected by increases in interest rates that may lead to a decline in economic activity, particularly in the construction market, while simultaneously resulting in higher interest payments under the Credit Facilities. In addition, during periods of economic slowdowns WESCO's credit losses could increase significantly. There can be no assurance that economic slowdowns, adverse economic conditions or cyclical trends in certain customer markets will not have a material adverse effect on the Company's operating results and financial condition.

Competition

The electrical wholesale distribution industry is highly competitive. WESCO competes directly with national and regional broad-based distributors, niche distributors carrying only specialized products, and small, local distributors with one or a few locations. Another source of competition in the wholesale channel is buying groups formed by smaller distributors to increase purchasing power and provide some cooperative marketing capability. Outside the wholesale channel, manufacturers employ, and may increase the use of, direct sales representatives. In addition, some manufacturers with sufficient size, geographic scope and financial and marketing resources may be in a position to offer customers National Accounts services. Finally, the development of alternative distribution channels, such as Internet-based catalogs, do-it-yourself ("DIY") retail outlets or a shift to direct sales and service by manufacturers, could have a material adverse effect on the wholesale distribution market and, as a result, the Company's performance.

Some of WESCO's existing competitors have, and new market entrants may have, greater financial and marketing resources than WESCO. To the extent existing or future competitors seek to gain or retain market share by reducing prices, WESCO may be required to lower its prices, thereby adversely affecting financial results. Existing or future competitors also may seek to compete with WESCO for acquisitions, which could have the effect of increasing the price and reducing the number of suitable

acquisitions, and may also compete with WESCO for start-up locations, thereby limiting the number of attractive locations for expansion. In addition, it is possible that competitive pressures resulting from the industry trend toward consolidation could affect growth and profit margins. See "Business -- Competition."

Growth Strategy

A principal component of WESCO's strategy is to continue to expand through additional acquisitions that complement WESCO's operations in new or existing markets. Acquisitions by WESCO will involve risks, including the successful integration and management of acquired operations and personnel. The integration of acquired businesses may also lead to the loss of key employees of the acquired companies and diversion of management attention from ongoing business concerns. There can be no assurance that WESCO will be able to identify and acquire appropriate businesses on satisfactory terms or that future acquisitions will not have a material adverse effect on the Company's operating results, particularly during periods in which the operations of acquired businesses are being integrated into WESCO's operations. WESCO is also building its international presence. Significant expansion into international markets could involve risks relating to operating in foreign countries, including those relating to currency exchange rates, new and different legal, tax, accounting and regulatory requirements. See "Summary -- Recent Developments," "Business -- Business Strategy," " -- Acquisitions" and " -- International."

In order to implement its strategy, WESCO is likely to require additional funding. Future acquisitions could be financed by incurring additional indebtedness, including increased borrowings under the Credit Facilities. WESCO's ability to obtain financing may be constrained by, among other things, its high degree of leverage following the Recapitalization. There can be no assurance that adequate funding will be available, or if available will be, on terms satisfactory to WESCO. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources," "Business -- Acquisitions," "Description of the Credit Facilities," "Description of the Senior Subordinated Exchange Notes" and "Description of the Senior Discount Exchange Notes."

Dependence on Key Personnel

WESCO is dependent upon the skills, experience and efforts of its Chief Executive Officer and other executive officers. Loss of the services of the Chief Executive Officer or one or more of the other executive officers could have a material adverse effect on WESCO's business and development. WESCO has no written employment contracts with any of its executive officers other than its Chief Executive Officer and its Executive Vice President, Industry Affairs. In connection with the Recapitalization, WESCO also intends to enter into a two-year employment agreement with David F. McAnally, its Chief Operating Officer, Chief Financial Officer and Treasurer. See "Management -- Employment Agreements."

WESCO's continued growth depends in part on its continuing ability to attract and retain qualified managers, sales persons and other key employees and on its executive officers' ability to manage growth successfully. No assurance can be given that WESCO will be able to attract and retain such employees.

Product Supply

Consistent with industry practice, most of WESCO's agreements with suppliers (including both distribution agreements and preferred supplier agreements) are terminable by either party on no more than 60 days notice. WESCO's ten largest suppliers in 1997 accounted for approximately 45% of WESCO's purchases for the period. The largest supplier was Eaton Corporation, through its Cutler-Hammer division, successor to the Distribution and Control Business Unit of Westinghouse, accounting for approximately 18% of WESCO's purchases. The loss of, or a substantial decrease in the availability of, products from any of these suppliers, or the loss of key preferred supplier agreements, could have a material adverse effect on WESCO's business. In addition, supply interruptions could arise from shortages of raw materials, labor disputes or weather conditions affecting products or shipments, or other reasons beyond WESCO's control. An interruption of operations at any of WESCO's five distribution centers could have a material adverse effect on the operations of branches served by the affected distribution

center. Furthermore, there can be no assurance that particular products, or product lines, will be available to WESCO, or available in quantities sufficient to meet customer demand. Such limited product access could put WESCO at a competitive disadvantage. See "Business -- Suppliers and Purchasing" and "Business -- Distribution Network."

Dependence on Information Systems; Year 2000 Issue

The Company believes that its computer systems are an integral part of its business and growth strategies. WESCO depends on its information systems to process orders, manage inventory and accounts receivable collections, purchase products, ship products among its branches on a timely basis, maintain cost-effective operations and provide superior service to its customers. Although the Company believes that it has the appropriate disaster recovery plans in place, there can be no assurance that a serious disruption in the operation of its information systems will not occur. Any such disruption could have a material adverse effect on the Company's business and results of operations. See "Business -- Management Information Systems."

WESCO is in the process of modifying, upgrading or replacing its computer software applications and systems to accommodate the "Year 2000" changes required for correct recording of dates for the year 2000 and beyond. WESCO does not expect that the cost of its Year 2000 compliance program will be material to its financial condition or results of operations. WESCO believes that it will be able to achieve compliance by the beginning of 1999, and does not currently anticipate any material disruption in its operations. WESCO has very limited information concerning the compliance status of its suppliers and customers. In the event that WESCO or any of WESCO's significant suppliers do not successfully achieve Year 2000 compliance, WESCO's business or operations could be adversely affected.

Environmental Risks

The Company's facilities and operations are subject to federal, state and local laws and regulations relating to environmental protection ("Environmental Laws") and human health and safety. Certain of these laws and regulations may impose strict, joint and several liability on certain persons for the cost of investigation or remediation of contaminated properties, meaning that a person (including the Company) could be liable for more than its pro rata share of such costs regardless of fault. These persons may include present or future owners and operators of properties, and persons that arranged for the disposal of hazardous substances. In addition, the disposal of certain products distributed by WESCO, such as ballasts, fluorescent lighting and batteries, must comply with Environmental Laws. In connection with its acquisition program, WESCO acquires new branch locations, including owned and leased real property which may carry with it certain liabilities under Environmental Laws. It is WESCO's practice to conduct due diligence investigations in connection with such acquisitions, including environmental assessments, and, where appropriate, to provide for contractual indemnities. However, no assurance can be given that the Company will not become subject to liabilities for environmental matters, including with respect to conditions at its properties, that such liabilities will not be material or that, where negotiated, contractual indemnities will be sufficient to cover such liabilities.

Fraudulent Transfer Considerations

A significant portion of the net proceeds of the Senior Subordinated Old Notes was paid as a dividend to Holdings and used to repurchase outstanding Common Stock pursuant to the Recapitalization.

The incurrence of indebtedness by either of the Issuers, such as the Notes, may be subject to review under federal bankruptcy law or relevant state fraudulent conveyance laws if a bankruptcy case or lawsuit is commenced by or on behalf of unpaid creditors of such Issuer. Under these laws, if, in a bankruptcy or reorganization case or a lawsuit by or on behalf of unpaid creditors of such Issuer, a court were to find that, at the time such Issuer incurred indebtedness, including indebtedness under the applicable Notes, (i) such Issuer incurred such indebtedness with the intent of hindering, delaying or defrauding current or future creditors or (ii) (a) such Issuer received less than reasonably equivalent value or fair consideration for incurring such indebtedness and (b) such Issuer (1) was insolvent or was rendered insolvent by reason of any of the transactions, (2) was engaged, or about to engage, in a business or transaction for which its assets remaining with such Issuer constituted unreasonably small

capital to carry on its business, (3) intended to incur, or believed that it would incur, debts beyond its ability to pay as such debts matured (as all of the foregoing terms are defined in or interpreted under the relevant fraudulent transfer or conveyance statutes) or (4) was a defendant in an action for money damages, or had a judgment for money damages docketed against it (if, in either case, after final judgment, the judgment is unsatisfied), then such court could avoid or subordinate the amounts owing under the applicable Notes to presently existing and future indebtedness of such Issuer and take other actions detrimental to the holders of the applicable Notes.

The measure of insolvency for purposes of the foregoing considerations will vary depending upon the law of the jurisdiction that is being applied in any such proceeding. Generally, however, an Issuer would be considered insolvent if, at the time it incurred the indebtedness, either: (i) the sum of its debts (including contingent liabilities) is greater than its assets, at a fair valuation, or (ii) the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured. There can be no assurance as to what standards a court would use to determine whether such Issuer was solvent at the relevant time, or whether, whatever standard was used, the applicable Notes would not be avoided or further subordinated on another of the grounds set forth above. In rendering their opinions in connection with the initial financing of the Recapitalization, counsel for the Issuers and counsel for the Initial Purchasers will not express any opinion as to the applicability of federal or state fraudulent transfer and conveyance laws.

Each Issuer believes that at the time the indebtedness constituting the Notes was incurred initially by the Issuers, such Issuer: (i) was (a) neither insolvent nor rendered insolvent thereby, (b) in possession of sufficient capital to run its businesses effectively and (c) incurring debts within its ability to pay as the same mature or become due and (ii) had sufficient assets to satisfy any probable money judgment against it in any pending action. In reaching the foregoing conclusions, the Issuers have relied upon their analyses of internal cash flow projections and estimated values of assets and liabilities of the Company. There can be no assurance, however, that a court passing on such questions would reach the same conclusions.

Original Issue Discount Consequences of Senior Discount Notes

The Senior Discount Notes were issued at a substantial discount from their principal amount at maturity. Although cash interest will not accrue on the Senior Discount Notes prior to June 1, 2003 and there will be no periodic payments of cash interest on the Senior Discount Notes prior to December 1, 2003, original issue discount (the difference between the stated redemption price at maturity and the issue price of the Senior Discount Notes) will accrue from the issue date of the Senior Discount Notes. Consequently, holders of Senior Discount Notes generally will be required to include amounts in gross income for U.S. federal income tax purposes in advance of their receipt of the cash payments to which the income is attributable. Such amounts in the aggregate will be equal to the difference between the stated redemption price at maturity (inclusive of stated interest on the Senior Discount Notes) and the issue price of the Senior Discount Notes. See "Certain United States Federal Income Tax Consequences."

In the event a bankruptcy case is commenced by or against Holdings under the United States Bankruptcy Code, the claim of a holder of Senior Discount Notes may be limited to an amount equal to the sum of (i) the initial offering price and (ii) that portion of the original issue discount which is not deemed to constitute "unmatured interest" for purposes of the Bankruptcy Code. Any original issue discount that was not amortized as of the date of any such bankruptcy filing would constitute "unmatured interest." To the extent that the Bankruptcy Code differs from the Internal Revenue Code in determining the method of amortization of original issue discount, a holder of Senior Discount Notes may realize taxable gain or loss on payment of such holder's claim in bankruptcy.

Control by Cypress Affiliates

Approximately 58% of the issued and outstanding shares of Common Stock is held by Cypress and its affiliates. Accordingly, Cypress and its affiliates control Holdings and have the power to elect all

of its directors, appoint new management and approve any action requiring the approval of its stockholders, including adopting amendments to its certificate of incorporation and approving mergers or sales of substantially all of its assets. There can be no assurance that the interests of Cypress and its affiliates will not conflict with the interests of the holders of the Notes. See "Management," "Security Ownership of Certain Beneficial Ownership and Management" and "Certain Relationships and Related Transactions."

Lack of Public Market for the Notes; Restrictions on Transferability

The Exchange Notes are being offered to the holders of the Old Notes. The Old Notes were offered and sold in June 1998 to a small number of institutional investors in reliance upon an exemption from registration under the Securities Act and applicable state securities laws. Therefore, although the Old Notes are eligible for trading in the PORTAL market of the National Association of Securities Dealers, Inc., the Old Notes may be transferred or resold only in a transaction registered under or exempt from the Securities Act and applicable state securities laws.

The Exchange Notes generally will be permitted to be resold or otherwise transferred by each holder without the requirement of further registration. Each series of Exchange Notes, however, constitutes a new issue of securities with no established trading market. The Exchange Offers will not be conditioned upon any minimum or maximum aggregate principal amount of Notes being tendered for exchange. The Issuers do not intend to apply for a listing of any series of the Exchange Notes on a securities exchange or an automated quotation system, and there can be no assurance as to the liquidity of markets that may develop for the Exchange Notes, the ability of the holders of the Exchange Notes to sell their Exchange Notes or the price at which such holders would be able to sell their Exchange Notes. If markets for the Exchange Notes were to exist, the Exchange Notes could trade at prices that may be lower than the initial market values thereof depending on many factors. The liquidity of, and trading market for, the Exchange Notes may be adversely affected by movements of interest rates, the performance of the Company and general declines in the market for similar securities. Such a decline may adversely affect such liquidity and trading market independent of the financial performance of, and prospects for, the Company. The Initial Purchasers are not obligated to make a market in any of the Notes, and any market making with respect to the Notes may be discontinued at any time without notice. In addition, such market making activity may be limited during the pendency of the Exchange Offers or the effectiveness of a shelf registration statement in lieu thereof. See "Transfer Restrictions" and "Plan of Distribution."

In the case of non-exchanging holders of Old Notes, no assurance can be given as to the liquidity of any trading market for the Old Notes following the Exchange Offers.

Forward-Looking Statements

This Prospectus contains certain forward-looking statements regarding the business of the Issuers. When used in this Offering Memorandum, the words "anticipates," "plans," "believes," "estimates," "intends," "expects," "projects" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. Such statements, including, but not limited to, the Issuers' statements regarding their business strategy, growth strategy, growth trends in the industry and various markets, acquisitions, international expansion, productivity and profitability enhancement, new product and service introductions and liquidity and capital resources are based on management's beliefs, as well as on assumptions made by, and information currently available to, management, and involve various risks and uncertainties, certain of which are beyond the Issuers' control. The Issuers' actual results could differ materially from those expressed in any forward-looking statement made by or on behalf of the Issuers. In light of these risks and uncertainties there can be no assurance that the forward-looking information will in fact prove to be accurate. Factors that might cause actual results to differ from such forward-looking statements include, but are not limited to, those discussed in "Risk Factors." The Issuers have undertaken no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

THE RECAPITALIZATION

On June 5, 1998, pursuant to the Recapitalization Agreement: (i) Holdings (x) repurchased all of the Common Stock held by CD&R, Westinghouse and all other non-management stockholders of Holdings for $595.2 million in the aggregate, (y) cashed-out all of the stock options held by non-management optionholders for $57.5 million in the aggregate and (z) cashed-out a portion of the stock options held by certain members of management for $0.9 million in the aggregate (the aggregate funds necessary to effect such purchase of shares and cash-out of options is herein referred to as the "Equity Consideration"); (ii) Holdings sold shares of Common Stock to the Investor Group for $318.1 million in the aggregate (the "Cash Equity Contribution"); (iii) the Investor Group purchased shares of Common Stock from certain members of management for $1.9 million in the aggregate; and (iv) management continued to retain the remainder of their shares of Common Stock and stock options with an implied aggregate value of approximately $97.7 million. The Recapitalization valued each share of Common Stock at $621.08.

In addition to the proceeds of the Cash Equity Contribution, Holdings and the Company funded the Equity Consideration, the repayment of approximately $379.1 million of outstanding indebtedness of the Company and its subsidiaries and the payment of transaction fees and expenses from: (i) the initial borrowings of $170.0 million under the Credit Facilities; (ii) the proceeds of $250.0 million from a sale of accounts receivable pursuant to the Receivables Facility; and (iii) the proceeds of the Old Notes.

The foregoing transactions are collectively referred to herein as the "Recapitalization." As a result of the Recapitalization, management owns approximately 11.3% of the outstanding shares of Common Stock (which, together with existing stock options and new stock options expected to be granted in connection with the Recapitalization, will represent over 30% of the common equity of Holdings on a fully diluted basis). The Investor Group owns the remaining 88.7% of the outstanding shares of Common Stock, with Cypress owning approximately 58% of the outstanding shares of Common Stock. See "Security Ownership of Certain Beneficial Owners and Management."

The representations and warranties relating to the Company's business made by Holdings in the Recapitalization Agreement do not survive the closing of the Recapitalization. In connection with the Recapitalization, the Investor Group succeeded to the rights of CD&R and Westinghouse under the Registration and Participation Agreement (as defined). See "Certain Relationships and Related Transactions."

Holdings expects to treat the Recapitalization as a recapitalization for financial reporting purposes; accordingly, the historical basis of Holdings' assets and liabilities will not be affected by the transaction.

The following table sets forth the cash sources and uses of funds of the Issuers for the Recapitalization on a pro forma basis as of March 31, 1998:

	(dollars in millions)
Sources:	
Credit Facilities	
Revolving Facility(1)	$ --
Delayed Draw Term Facility(1)	--
Term Loans	170.0
Receivables Facility	250.0
Senior Subordinated Old Notes	300.0
Senior Discount Old Notes	50.5
Cash Equity Contribution	318.1
Total sources	$ 1,088.6
Uses:	
Repayment of existing indebtedness(2)	$ 379.1
Equity Consideration	653.5
Estimated transaction fees and expenses(3)	54.8
Cash proceeds to the Company	1.2
Total uses	$ 1,088.6

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(1) The Revolving Facility provides for U.S. and Canadian dollar borrowings of up to U.S. $100.0 million, including $25.0 million for letters of credit. No actual amounts were drawn on the Revolving Facility on the closing date of the Offerings. The Delayed Draw Term Facility will provide for future term loans of up to $100.0 million for permitted acquisitions.

(2) The actual amount of existing indebtedness repaid was approximately $388 million.

(3) Includes Initial Purchasers' discounts and offering discounts on the Senior Subordinated Old Notes, fees related to the Credit Facilities and the Receivables Facility, and other fees and expenses incurred in connection with the Recapitalization.

USE OF PROCEEDS

There will be no proceeds to the Issuers from the exchange of Notes pursuant to the Exchange Offers. The proceeds of the Offerings were used to fund a portion of the Recapitalization, including the payment of the Equity Consideration, the repayment of certain outstanding existing indebtedness of the Company and its subsidiaries and the payment of fees and expenses related to the Recapitalization. For a further discussion of the sources and uses related to the Recapitalization, see "The Recapitalization."

CAPITALIZATION

The following table sets forth the capitalization of Holdings and the Company as of March 31, 1998 on a pro forma basis. This table should be read in conjunction with "Use of Proceeds," "Unaudited Pro Forma Financial Information," "Selected Historical Consolidated Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Holdings' consolidated financial statements and the notes thereto included elsewhere in this Prospectus.

	March 31, 1998	
	Pro Forma Holdings	Pro Forma Company
	(dollars in millions)	
Cash and cash equivalents	$ 19.6	$ 19.6
Total Debt(1):		
Existing Indebtedness(2)	$ 23.2	$ 23.2
Credit Facilities:		
Revolving Facility(3)	--	--
Delayed Draw Term Facility(3)	--	--
Term Loans	170.0	170.0
Senior Subordinated Old Notes	300.0	300.0
Senior Discount Old Notes	50.5	--
Total debt	543.7	493.2
Redeemable Common Stock	11.4	11.4
Stockholders' Equity (Deficit):	(165.5)	(115.0)
Total capitalization	$ 389.6	$ 389.6

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(1) Excludes $250.0 million of proceeds from the sale of accounts receivable through the Receivables Facility entered into in connection with the Recapitalization. See "Description of the Receivables Facility."

(2) Includes $4.6 million of current indebtedness.

(3) The Revolving Facility provides for U.S. and Canadian borrowings of up to U.S. $100.0 million, including $25.0 million for letters of credit. No amounts were drawn on the Revolving Facility on the closing date of the Offerings. The Delayed Draw Term Facility will provide for future term loans of up to $100.0 million for permitted acquisitions.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma financial information of Holdings and the Company has been prepared to give effect to the Recapitalization and the Recent Acquisitions. Holdings expects to treat the Recapitalization as a recapitalization for financial reporting purposes; accordingly, the historical basis of Holdings' assets and liabilities will not be affected by the transaction. For a discussion of the Recapitalization, see "The Recapitalization."

The pro forma adjustments presented are based upon available information and include certain assumptions and adjustments that Holdings believes are reasonable under the circumstances. These adjustments are directly attributable to the transactions referenced above and are expected to have a continuing impact on Holdings' and the Company's business, results of operations and financial condition. The historical condensed consolidated statement of income of Holdings and the Company for the three months ended March 31, 1998 and the historical condensed consolidated balance sheet of Holdings and the Company as of March 31, 1998 were derived from the unaudited consolidated financial statements of Holdings included elsewhere herein. The historical condensed consolidated statement of income of Holdings and the Company for the year ended December 31, 1997 was derived from the audited consolidated financial statements of Holdings included elsewhere herein. Holdings has as its only asset all of the outstanding capital stock of the Company; accordingly, the historical financial information of Holdings presented herein is identical to those of WESCO.

The unaudited pro forma condensed consolidated statement of income of Holdings and the Company for the year ended December 31, 1997 and for the twelve months ended March 31, 1998 give effect to: (i) the Recapitalization as if it had occurred on January 1, 1997 and (ii) the acquisitions of Diversified Electric Supply Company, Inc. ("DESCO") (for the year ended December 31, 1997 only), Maydwell & Hartzell, Inc. ("M & H"), Avon Electrical, Brown Wholesale and Reily, all of which occurred during 1997 and 1998, as if they had occurred on January 1, 1997. The historical financial data for the acquired companies was derived from their respective unaudited financial statements. The unaudited pro forma condensed consolidated statement of income of Holdings and the Company for the three months ended March 31, 1998 gives effect to the Recapitalization and the acquisition of Reily as if they had occurred on January 1, 1997. The unaudited pro forma condensed consolidated balance sheet of Holdings and the Company as of March 31, 1998 give effect to the Recapitalization and the acquisition of Reily as if they were consummated on March 31, 1998. None of the acquisitions described above met the individual or aggregate criteria outlined by the Commission's Significant Subsidiary Test. The Recent Acquisitions were accounted for using the purchase method of accounting pursuant to which the total purchase price of the Recent Acquisitions were allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. The purchase price allocations for Reily and Avon Electrical are preliminary. Final allocations will be made based upon valuations and other studies that have not been completed, but are not expected to differ significantly from those presented herein.

The unaudited pro forma financial information should be read in conjunction with the historical consolidated financial statements of Holdings and the notes thereto, "Management's Discussion and Analysis of Financial Condition and Results of Operations," "The Recapitalization" and "The Summary - - - - -- Recent Developments" included elsewhere in this Prospectus.

The unaudited pro forma financial information and related notes are provided for informational purposes only and do not necessarily reflect: (i) the results of operations or financial condition of Holdings or the Company that would have actually resulted had the events referred to above or in the notes to the unaudited pro forma financial information been consummated as of the dates indicated and are not intended to project Holdings' or the Company's financial condition or results of operations for any future period or (ii) the effect of certain non-recurring income statement charges expected to result from the Recapitalization, including compensation charges of approximately $11.0 million associated with one-time bonuses paid to certain members of management, compensation charges of approximately $6.3 million associated with the cash settlement relating to certain stock options, compensation charges of approximately $4.1 million associated with the acceleration of vesting of one recently hired executive's stock options issued at a discount, estimated non-capitalized transaction fees and expenses amounting to $25.1 million and a charge of approximately $0.5 million related to the write-off of existing deferred financing costs.

WESCO INTERNATIONAL, INC.
AND
WESCO DISTRIBUTION, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

As of March 31, 1998
(dollars in thousands)

	WESCO International,Inc. Historical	Reily Historical Reclassified(A)	Reily Pro Forma Adjustments
ASSETS			
Cash and cash equivalents	$ 18,405	$ 315	$ (315)(B)
Trade accounts receivable and other accounts receivable	393,368	22,066	
Other accounts receivable	16,400	--	--
Inventories	317,934	7,959	2,861 (C)
Other current assets	20,262	195	(195)(B)
Total current assets	766,369	30,535	2,351
Property, buildings and equipment, net	100,482	3,604	(2,000)(B) 396 (C)
Goodwill, net of accumulated amortization	80,031	--	27,020 (C)
Other assets	15,166	2,546	(2,546)(B)
Total assets	$962,048	$36,685	$ 25,221
LIABILITIES AND STOCKHOLDERS' EQUITY			
Accounts payable	$335,943	$12,755	$ --
Accrued payroll and benefit costs	15,565	320	--
Restructuring reserve	5,913	--	--
Other current liabilities	26,404	9,690	(8,059)(B)
Total current liabilities	383,825	22,765	(8,059)
Long term debt	350,544	5,347	41,853 (C)
Other noncurrent liabilities	6,020	--	--
Deferred income taxes	17,118	203	(203)(B)
Total liabilities	757,507	28,315	33,591
Redeemable common stock	11,416	--	--
Stockholders' equity	193,125	8,370	(8,370)(B)
Total liabilities and stockholders' equity	$962,048	$36,685	$ 25,221

	Recapitalization Adjustments	WESCO International, Inc. Pro Forma	Adjustments	WESCO Distribution, Inc. Pro Forma
ASSETS				
Cash and cash equivalents	$ 1,211(D)	$ 19,616	$ --	$ 19,616
Trade accounts receivable and other accounts receivable	(253,000)(E)	162,434	--	162,434
Other accounts receivable	--	16,400	--	16,400

Inventories	--	328,754	--	328,754
Other current assets	--	20,262	--	20,262
Total current assets	(251,789)	547,466	--	547,466
Property, buildings and equipment, net	--	102,482	--	102,482
Goodwill, net of accumulated amortization	--	107,051	--	107,051
Other assets	29,205 (F)	44,371	--	44,371
Total assets	$ (222,584)	$ 801,370	--	$ 801,370
LIABILITIES AND STOCKHOLDERS' EQUITY				
Accounts payable.....	$ --	$ 348,698	$ --	$ 348,698
Accrued payroll and benefit costs	9,600 (G)	25,485	--	25,485
Restructuring reserve	--	5,913	--	5,913
Other current liabilities	(14,890) (K)	13,145	--	13,145
Total current liabilities	(5,290)	393,241	--	393,241
Long term debt	141,378 (H)	539,122	(50,478)(J)	488,644
Other noncurrent liabilities	--	6,020	--	6,020
Deferred income taxes	--	17,118	--	17,118
Total liabilities	136,088	955,501	(50,478)	905,023
Redeemable common stock	--	11,416	--	11,416
Stockholders' equity	(358,672)(I)	(165,547)	50,478 (J)	(115,069)
Total liabilities and stockholders' equity	$ (222,584)	$ 801,370	$ --	$ 801,370

See Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet.

WESCO INTERNATIONAL, INC.
AND
WESCO DISTRIBUTION, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
as of March 31, 1998

(A) Certain reclassifications have been made to the Reily historical financial statements to conform to the presentation to be used by Holdings upon completion of the acquisition.

(B) Reflects the elimination of certain assets and liabilities not acquired and the elimination of historical stockholders' equity in connection with the Reily acquisition as follows:

Cash	$ 315
Other current assets	195
Property, buildings and equipment, net	2,000
Other assets	2,546
Other current liabilities	8,059
Deferred income taxes	203
Stockholders' equity	8,370

(C) The acquisition of Reily for approximately $47,200 is to be accounted for as a purchase business combination. The acquisition resulted in approximately $41,853 of new indebtedness resulting from $42,600 borrowed under the Company's credit agreement and $4,600 of seller notes, net of repayment of existing debt of $5,347 paid at closing. No assumptions were made regarding restructuring costs or recurring benefits from synergies associated with the consummation of the acquisition. For the purpose of these pro forma condensed consolidated financial statements, the purchase price allocation is as follows:

Purchase price	$ 47,200
Book value of assets acquired, net of liabilities assumed	(16,923)
Increase in basis	$ 30,277
Allocation of increase in basis:	
Increase in inventory value and conversion from LIFO	$ 2,861
Increase in value of property and equipment	396
Increase in goodwill	27,020
	$ 30,277

(D) Reflects adjustments relating to cash and cash equivalents in connection with the Recapitalization as follows:

Cash provided by the Senior Subordinated Notes	$ 300,000
Cash provided by the Senior Discount Notes	50,478
Cash provided by the Credit Facilities	170,000
Cash provided by the sale of certain accounts receivable in connection with the Receivables Facility less loss on sale	250,000
Cash Equity Contribution (512,186 shares at $621.08 per share)	318,108
Cash used to repay existing indebtedness	(379,100)
Cash used for estimated transaction fees and expenses	(54,775)
Cash used for Equity Consideration (958,282 shares and 111,996 options)	(653,500)
	$ 1,211

(E) In connection with the Receivables Facility, the Company and certain subsidiaries will: (i) sell or transfer all of their eligible accounts receivable to the SPC (as defined), which is wholly-owned by the Company; (ii) receive $250,000 in cash for the sale of such accounts receivable, and a note from, and an equity interest in, the SPC; (iii) record an estimated loss of $3,000 on the sale of such receivables; and (iv) the SPC will retain a residual interest in the receivables of $162,434.

(F) Reflects capitalized portion of the estimated $54,775 of expenses incurred in connection with the Recapitalization. An estimated $29,675, representing deferred issuance costs of the Offerings, the Credit Facilities and the Receivables Facility, will be capitalized and amortized over the lives of the respective debt issuances, net of the write-off of existing deferred financing costs of $470.

(G) Reflects non-recurring adjustments of $9,600 ($5,855 net of tax) relating to compensation charges in connection with the Recapitalization as follows:

Payment of one-time bonuses, net of tax benefit of $2,145	$3,355
Acceleration of vesting of stock options for one executive, net of tax benefit of $1,600	2,500
	$5,855

(H) Reflects adjustments relating to long-term debt in connection with the Recapitalization as follows:

Issuance of the Senior Subordinated Notes	$ 300,000
Issuance of the Senior Discount Notes	50,478
Borrowings under the Credit Facilities	170,000
Repayment of existing outstanding indebtedness	(379,100)
	$ 141,378

(I) Reflects adjustments relating to stockholders' equity in connection with the Recapitalization as follows:

Cash Equity Contribution	$ 318,108
Equity Consideration	(653,500)
Non-capitalized portion of estimated transaction fees and expenses, net of tax benefit of $9,790	(15,310)
Non-recurring compensation adjustments, net of tax benefit of $3,745	(5,855)
Write-off of existing deferred financing costs, net of tax benefit of $185	(285)
Loss on sale of certain receivables related to the Receivables Facility, net of tax benefit of $1,170	(1,830)
	$ (358,672)

(J) Reflects the elimination of the Senior Discount Notes issued by Holdings.

(K) Reflects the tax benefit of non-recurring adjustments for compensation of $3,745 and transaction expenses of $11,145.

WESCO INTERNATIONAL, INC.
AND
WESCO DISTRIBUTION, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the Three Months Ended March 31, 1998
(dollars in thousands)

	WESCO International, Inc. Historical	Reily Historical Reclassified(A)	Acquisition Adjustments(A)
Sales, net	$693,448	$32,977	$ (1,706)(B)
Cost of goods sold (exclusive of depreciation and amortization)	566,754	27,134	(1,936)(B)
Gross profit	126,694	5,843	230
Selling, general and administrative expenses	103,564	4,899	(225)(C) (482)(B)
Depreciation and amortization	2,956	86	227 (D) (36)(B)
Income from operations	20,174	858	746
Interest expense, net	6,202	320	644 (E)
Other expense	--	--	--
Income before income taxes	13,972	538	102
Provision for income taxes	5,449	213	40 (F)
Net income	$ 8,523	$ 325	$ 62
EBITDA (M)	$ 23,130	$ 944	$ 937

	Recapitalization Adjustments	WESCO International, Inc. Pro Forma	Adjustments	WESCO Distribution, Inc. Pro Forma
Sales, net	$ --	$724,719	$ --	$724,719
Cost of goods sold (exclusive of depreciation and amortization)	--	591,952	--	591,952
Gross profit		132,767	--	132,767
Selling, general and administrative expenses	(100)(G)	107,656	--	107,656
Depreciation and amortization	--	3,233	--	3,233
Income from operations	100	21,878	--	21,878
Interest expense, net	6,243(H)	13,409	(1,443)(J)	11,966
Other expense	3,859 (I)	3,859	--	3,859
Income before income taxes	(10,002)	4,610	(1,443)	6,053
Provision for income taxes	(3,901)(F)	1,801	562 (F)	2,363
Net income	$ (6,101)	$ 2,809	$ 881	$ 3,690
EBITDA (M)	$ 100	$ 25,111	$ --	$ 25,111

For the Year Ended December 31, 1997
(dollars in thousands)

	WESCO International, Inc. Historical	Acquisition Adjustments(A)	Recapitalization Adjustments	WESCO International, Inc. Pro Forma	Adjustments	WESCO Distribution, Inc. Pro Forma
Sales, net	$2,594,819	$ 304,576(K)	$ --	$2,899,395	$ --	$2,899,395
Cost of goods sold (exclusive of depreciation and amortization)	2,130,900	242,238 (K)	--	2,373,138	--	2,373,138
Gross profit	463,919	62,338	--	526,257	--	526,257
Selling, general and administrative expenses	372,532	44,583 (K)	(400)(G)	416,715	--	416,715
Depreciation and amortization	11,331	2,239 (K)	--	13,570	--	13,570
Income from operations	80,056	15,516	400	95,972	--	95,972
Interest expense, net	20,109	9,034 (K)	24,548 (H)	53,691	(5,772)(J)	47,919
Other expense	--	--	15,438 (I)	15,438	--	15,438
Income before income taxes	59,947	6,482	(39,586)	26,843	5,772	32,615
Provision for income taxes	23,710	2,528 (F)	(15,439)(F)	10,799	2,251 (F)	13,050
Net income	$ 36,237	$ 3,954	$ (24,147)	$ 16,044	$ 3,521	$ 19,565
EBITDA (M)	$ 91,387	$ 17,755	$ 400	$ 109,542	$ --	$ 109,542

See Notes to Unaudited Pro Forma Condensed Consolidated Income Statements.

WESCO INTERNATIONAL, INC.
AND
WESCO DISTRIBUTION, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the Twelve Months Ended March 31, 1998
(dollars in thousands)

	WESCO International, Inc. Historical	Acquisition Adjustments(A)	Brown Wholesale Adjustments(B)
Sales, net	$2,711,491	$ 255,538(L)	$(1,706)
Cost of goods sold (exclusive of depreciation and amortization)	2,225,218	205,062 (L)	(1,936)
Gross profit	486,273	50,476	230
Selling, general and administrative expenses	389,417	38,806 (L)	(482)
Depreciation and amortization	11,516	2,021 (L)	(36)
Income from operations	85,340	9,649	748
Interest expense, net	21,513	7,227 (L)	(1)
Other expense	--	--	--
Income before income taxes	63,827	2,422	749
Provision for income taxes	25,152	945 (F)	297 (F)
Net income	$ 38,675	$ 1,477	$ 452
EBITDA (M)	$ 96,856	$ 11,670	$ 712

	Recapitalization Adjustments	WESCO International, Inc. Pro Forma	Adjustments	WESCO Distribution, Inc. Pro Forma
Sales, net	$ --	$2,965,323	$ --	$2,965,323
Cost of goods sold (exclusive of depreciation and amortization)	--	2,428,344	--	2,428,344
Gross profit	--	536,979	--	536,979
Selling, general and administrative expenses	(400) (G)	427,341	--	427,341
Depreciation and amortization	--	13,501	--	13,501
Income from operations	400	96,137		96,137
Interest expense, net	24,951 (H)	53,690	(5,772)(J)	47,918
Other expense	15,438 (I)	15,438	--	15,438
Income before income taxes	(39,989)	27,009	(5,772)	32,781
Provision for income taxes	(15,596)(F)	10,798	2,251(F)	13,049
Net income	$ (24,393)	$ 16,211	$ 3,521	$ 19,732
EBITDA (M)	$ 400	$ 109,638	--	$ 109,638

See Notes to Unaudited Pro Forma Condensed Consolidated Income Statement.

WESCO INTERNATIONAL, INC.
AND
WESCO DISTRIBUTION, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME

(A) Certain reclassifications have been made to the acquired company's historical financial statements to conform to the presentation used by Holdings upon completion of the relevant Recent Acquisitions. (B) Reflects adjustments for the sales and related operating costs related to the closure of certain branches that were acquired in connection with the acquisition of Brown Wholesale. The financial results of the closed branches have been eliminated as they will not be part of continuing operations. (C) Reflects the elimination of non-recurring compensation based on employment agreements with certain members of management at Reily entered into in connection with the closing of the acquisition. (D) Reflects the amortization of goodwill on the Reily acquisition over an assumed period of 25 years amounting to $270, net of depreciation and amortization related to Reily buildings and leasehold improvements not purchased amounting to $43.

(E) Reflects incremental interest expense related to $47,200 in borrowings for the Reily acquisition at an assumed current rate of 8.175%.

(F) Reflects the income tax effects of the pro forma adjustments at an assumed rate of 39%.

(G) Reflects the elimination of non-recurring advisory, management consulting and monitoring fees paid to CD&R during the periods presented which amounted to $400 per annum.

(H) Reflects the incremental interest expense relating to the Offerings and the Credit Facilities assuming interest rates of 9.125% for the Senior Subordinated Notes, 11.125% for the Senior Discount Notes, 8.05% for the Tranche A Term Loan and 8.3% for the Tranche B Term Loan, as well as the incremental amortization expense resulting from the capitalization of estimated transaction fees and expenses of $29,675 related to the Offerings and the Credit Facilities. The amortization of debt issuance costs were $957 for the three months ended March 31, 1998 and $3,829 for the year ended December 31, 1997 and for the twelve months ended March 31, 1998. Assuming a 0.125% change in the interest rates, interest expense on the Credit Facilities would change by $53 for the three months ended March 31, 1998 and $213 for the year ended December 31, 1997 and for the twelve months ended March 31, 1998.

(I) Reflects the costs related to the sale of certain accounts receivable in connection with the Receivables Facility at an assumed discount rate of 6.175%.

(J) Reflects the elimination of interest expense related to the issuance of the Senior Discount Notes at an assumed interest rate of 11.125%.

(K) Reflects the acquisitions of DESCO (acquired March 31, 1997), M & H (acquired April 30, 1997), Avon Electrical (acquired January 1, 1998), Brown Wholesale (acquired January 1, 1998) and Reily (acquired May 8, 1998) as if the transactions had been consummated on January 1, 1997. The Recent Acquisitions have been accounted for as purchase business combinations. No assumptions were made regarding restructuring costs or recurring benefits from synergies associated with the consummation of the acquisitions. For the purpose of these unaudited pro forma condensed consolidated financial statements, the aggregate purchase price of the Recent Acquisitions was approximately $120,600, resulting in goodwill of $47,641. None of the acquisitions described above met the individual or aggregate criteria outlined by the Commission's Significant Subsidiary test.

Brown Wholesale's fiscal year end is September 30, 1997. For the purposes of these unaudited pro forma financial statements, Brown Wholesale's first quarter ended December 31, 1997 and 1996 have been added and deducted without adjustment to arrive at the year ended December 31, 1997. The historical financial results for DESCO and M & H are for periods prior to the acquisition date. The historical financial results for Avon Electrical, Brown Wholesale and Reily are for the year ended December 31, 1997.

Year Ended December 31, 1997	DESCO Historical	M & H Historical	Avon Electrical Historical
Sales, net	$6,231	$13,581	$84,500
Cost of goods sold (exclusive of depreciation and amortization)	5,139	12,104	61,328
Gross profit	1,092	1,477	23,172
Selling, general and administrative expenses	842	1,377	17,074
Depreciation and amortization	58	--	94
Income from operations	192	100	6,004
Interest expense, net	(12)	90	1,226
Income before income taxes	204	10	4,778
Provision for income taxes	80	4	1,863
Net income	$ 124	$ 6	$ 2,915

Year Ended December 31, 1997	Brown Wholesale Historical	Reily Historical	Acquisitions Pro Forma Adjustments	Acquisition Adjustments
Sales, net	$87,917	$136,232	$ (23,885) (i)	$304,576
Cost of goods sold (exclusive of depreciation and amortization)	70,250	111,882	(18,465) (i)	242,238
Gross profit	17,667	24,350	(5,420)	62,338
Selling, general and administrative expenses	16,432	20,067	(3,433) (ii) (7,776) (i)	44,583
Depreciation and amortization	393	358	1,559 (iii) (223) (i)	2,239
Income from operations	842	3,925	4,453	15,516
Interest expense, net	9	740	6,979 (iv) 2 (i)	9,034
Income before income taxes	833	3,185	(2,528)	6,482
Provision for income taxes	325	1,242	(986) (v)	2,528
Net income	$ 508	$ 1,943	$ (1,542)	$ 3,954

(i) Reflects adjustments for the sales and related operating costs related to the closure of certain branches that were acquired in connection with the acquisition of Brown Wholesale. The financial results of the closed branches have been eliminated as they will not be part of continuing operations.

(ii) Reflects the elimination of non-recurring compensation based on employment agreements entered into in connection with the closing of the relevant acquisitions with certain members of acquired company management amounting to $5,000 for the year ended December 31, 1997, net of compensation adjustment increases related to one of the acquisitions, amounting to $1,567 for the year ended December 31, 1997.

(iii) Represents the amortization of goodwill over an assumed period of 25 years amounting to $1,732 for the year ended December 31, 1997, net of depreciation and amortization related to Reily buildings and leasehold improvements not purchased amounting to $173.

(iv) Represents incremental interest expense related to $118,900 in aggregate borrowings for the Recent Acquisitions at rates ranging from 8.0% to 9.0%.

(v) Reflects the income tax effects of the pro forma adjustments at an assumed rate of 39%.

(L) Reflects the acquisitions of M & H (acquired April 30, 1997), Avon Electrical (acquired January 1, 1998), Brown Wholesale (acquired January 1, 1998) and Reily (acquired May 8, 1998) as if the transactions had been consummated on January 1, 1997. The Recent Acquisitions have been accounted for as purchase business combinations. No assumptions were made regarding restructuring costs or recurring benefits from synergies associated with the consummation of the acquisitions. For the purpose of these pro forma condensed consolidated financial statements, the aggregate purchase price of the Recent Acquisitions (other than DESCO) was approximately $111,000, resulting in goodwill of approximately $42,800.

Brown Wholesale's fiscal year end is September 30, 1997. For the purposes of these unaudited pro forma financial statements, Brown Wholesale's first quarter ended December 31, 1997 and 1996 have been added and deducted without adjustment to arrive at the year ended December 31, 1997. The historical financial results for M & H are for period April 1, 1997 to April 30, 1997. The historical financial results for Avon Electrical and Brown Wholesale are for the nine months ended December 31, 1997, and the historical financial results for Reily are for the year ended March 31, 1998.

Twelve Months Ended March 31, 1998	M & H Historical	Avon Electrical Historical	Brown Wholesale Historical
Sales, net	$3,230	$67,960	$66,097
Cost of goods sold (exclusive of depreciation and amortization)	2,841	51,725	52,686
Gross profit	389	16,235	13,411
Selling, general and administrative expenses	423	14,734	12,227
Depreciation and amortization	--	77	393
Income from operations	(34)	1,424	791
Interest expense, net	22	997	30
Income before income taxes	(56)	427	761
Provision for income taxes	(22)	167	297
Net income	$ (34)	$ 260	$ 464

Twelve Months Ended March 31, 1998	Reily Historical	Acquisitions Pro Forma Adjustments	Acquisition Adjustments
Sales, net	$136,439	$ (18,188) (i)	$255,538
Cost of goods sold (exclusive of depreciation and amortization)	111,742	(13,932) (i)	205,062
Gross profit	24,697	(4,256)	50,476
Selling, general and administrative expenses	20,503	(3,075) (ii) (6,006) (i)	38,806
Depreciation and amortization	365	1,353 (iii) (167) (i)	2,021
Income from operations	3,829	3,639	9,649
Interest expense, net	805	5,371 (iv) 2 (v)	7,227
Income before income taxes	3,024	(1,734)	2,422
Provision for income taxes	1,179	(676) (v)	945
Net income	$ 1,845	$ (1,058)	$ 1,477

(i) Reflects adjustments for the sales and related operating costs related to the closure of certain branches that were acquired in connection with the acquisition of Brown Wholesale. The financial statement results of the closed branches has been eliminated as they will not be part of continuing operations.

(ii) Represents the elimination of non-recurring compensation based on employment agreements entered into in connection with the closing of the relevant acquisitions with certain members of acquired company management amounting to $4,250 for the twelve months ended March 31, 1998, net of compensation adjustment increases related to one of the acquisitions, amounting to $1,175 for the twelve months ended March 31, 1998.

(iii) Represents the amortization of goodwill over an assumed period of 25 years amounting to $1,526 for the twelve months ended March 31, 1998, net of depreciation and amortization related to Reily buildings and leasehold improvements not purchased amounting to $173.

(iv) Represents incremental interest expense related to $109,300 in aggregate borrowings for the Recent Acquisitions (other than DESCO) at rates

ranging from 8.0% to 9.0%.

(v) Reflects the income tax effects of the pro forma adjustments at an assumed rate of 39%.

(M) EBITDA represents income from operations plus depreciation and amortization. EBITDA is presented because management understands that such information is considered by certain investors to be an additional basis for evaluating the Issuers' ability to pay interest and repay debt. EBITDA should not be considered as an alternative to measures of operating performance as determined in accordance with generally accepted accounting principles or as a measure of the Issuers' operating results and cash flows or as a measure of the Issuers' liquidity. Because EBITDA is not calculated identically by all companies, the presentation herein may not be comparable to other similarly titled measures of other companies.

For purposes of calculating the ratio of earnings to fixed charges, "earnings" represents income from operations before income taxes and extraordinary charges plus fixed charges. "Fixed charges" consist of interest expense, amortization of deferred financing cost and the component of rental expense that management believes is representative of the interest component of rental expense. The pro forma ratio of earnings to fixed charges for Holdings was 1.3x for the three months ended March 31, 1998 and 1.4x for the year ended December 31, 1997 and for the twelve months ended March 31, 1998.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth (i) selected historical consolidated financial data of the Predecessor as of and for the year ended December 31, 1993 and as of and for the two months ended February 28, 1994, (ii) selected historical consolidated financial data of Holdings as of and for the ten months ended December 31, 1994 and as of and for the years ended December 31, 1995, 1996 and 1997, which have been derived from audited financial statements and (iii) selected historical consolidated financial data of Holdings as of and for the three months ended March 31, 1997 and 1998 (unaudited). The selected historical consolidated financial data of the Predecessor have been derived from the Predecessor's financial statements, which have been audited by the Predecessor's accountants. The Commission, in Staff Accounting Bulletin Number 55 (SAB 55), requires that historical financial statements of a subsidiary, division or lesser business component of another entity include certain expenses incurred by the parent on its behalf. These expenses include officer and employee salaries; rent; depreciation; advertising; accounting and legal services; other selling, general and administrative expenses; and other such expenses. The financial statements of the Predecessor include such adjustments, estimates or allocations as the management of Westinghouse believed necessary to reflect these expenses. Because of such items, certain aspects of the consolidated results of operations for periods prior to the period beginning February 28, 1994 are not comparable with those for subsequent periods.

The selected historical consolidated financial data of Holdings as of and for the years ended December 31, 1995, 1996 and 1997 have been derived from Holdings' consolidated financial statements, which have been audited by Coopers & Lybrand L.L.P. The selected historical consolidated financial data of Holdings' as of and for the three months ended March 31, 1997 and 1998 (unaudited) have been derived from unaudited interim consolidated financial statements of Holdings and include, in the opinion of management, all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations and financial position for and as of the end of such periods. Results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or for any future period. The adjusted combined selected data for 1994 combines the audited results of operations of the Predecessor for the two months ended February 28, 1994 and of Holdings for the ten months ended December 31, 1994. The adjusted combined selected data for the year ended December 31, 1994 does not purport to represent what Holdings' consolidated results of operations would have been if the Divestiture had actually occurred on January 1, 1994. Holdings has as its only asset all of the outstanding capital stock of the Company; accordingly, the historical financial data presented herein are identical to those of WESCO. The selected financial data should be read in conjunction with, and is qualified in its entirety by, the historical consolidated financial statements of Holdings and the accompanying notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Prospectus.

Selected Historical Consolidated Financial Data
(dollars in millions)

	The Predecessor		Holdings	
	Year Ended December 31, 1993	Two Months Ended February 28, 1994	Ten Months Ended December 31, 1994	Adjusted Combined Year Ended December 31, 1994
Income Statement Data:				
Sales, net	$ 1,570.8	$ 237.3	$ 1,398.5	$ 1,635.8
Gross profit (exclusive of depreciation and amortization)	238.1	32.5	230.0	262.5
Selling, general and administrative expenses	241.2	34.9	197.7	232.6
Depreciation and amortization	7.9	1.2	7.5	8.7
Income (loss) from operations	(11.0)	(3.6)	24.8	21.2
Other income and expense, net	1.7	--	--	--
Interest expense, net (1)	14.2	2.4	17.6	20.0
Income (loss) before income taxes	(23.5)	(6.0)	7.2	1.2
Provision (benefit) for income taxes (2)	(9.7)	(1.9)	3.6	1.7
Income (loss) before cumulative effect and extraordinary charge, net of taxes	(13.8)	(4.1)	3.6	(0.5)
Cumulative effect of change in accounting, net of taxes (3)	1.6	--	--	--
Extraordinary charge, net of applicable taxes (4)	--	--	--	--
Net income (loss)	$ (15.4)	$ (4.1)	$ 3.6	$ (0.5)
Cash Flow Data:				
Net cash provided by (used for) operating activities	$ 13.2	$ (11.5)	$ 63.7	
Net cash provided by (used for) investing activities	(3.9)	0.1	(256.6)	
Net cash provided by (used for) financing activities	(9.4)	11.9	197.5	
Other Financial Data:				
EBITDA (5)	(1.4)	(2.4)	32.3	
Capital expenditures	4.0	0.5	1.7	
Ratio of earnings to fixed charges (6)	--	--	1.3 x	
Balance Sheet Data:				
Adjusted working capital (7)	$ 224.8	$ 228.7	$ 196.5	
Total assets	521.0	504.5	533.7	
Total long-term debt	--	--	180.6	
Redeemable common stock(8)	--	--	5.5	
Stockholders' equity	--	--	99.5	

	Holdings				
	Year Ended December 31			(unaudited) Three Months Ended March 31,	
	1995	1996	1997	1997	1998
Income Statement Data:					
Sales, net	$ 1,857.0	$ 2,274.6	$ 2,594.8	$ 576.7	$ 693.4
Gross profit (exclusive of depreciation and amortization)	321.0	405.0	463.9	104.4	126.7
Selling, general and administrative expenses	258.0	326.0	372.5	86.7	103.5
Depreciation and amortization	7.3	10.8	11.3	2.8	3.0

Income (loss) from operations	55.7	68.2	80.1	14.9	20.2
Other income and expense, net	--	--	--	--	--
Interest expense, net (1)	15.8	17.4	20.1	4.8	6.2
Income (loss) before income taxes	39.9	50.8	60.0	10.1	14.0
Provision (benefit) for income taxes (2)	14.8	18.3	23.8	4.0	5.5
Income (loss) before cumulative effect and extraordinary charge, net of taxes	25.1	32.5	36.2	6.1	8.5
Cumulative effect of change in accounting, net of taxes (3)	--	--	--	--	--
Extraordinary charge, net of applicable taxes (4)	8.1	--	--	--	--
Net income (loss)	$ 17.0	$ 32.5	$ 36.2	$ 6.1	$ 8.5
Cash Flow Data:					
Net cash provided by (used for) operating activities	$ 25.7	$ 15.2	$ (11.1)	$ (32.5)	$ 13.2
Net cash provided by (used for) investing activities	(12.0)	(111.0)	(22.4)	(10.7)	(47.6)
Net cash provided by (used for) financing activities	(9.8)	87.2	41.1	44.0	45.2
Other Financial Data:					
EBITDA (5)	63.0	79.0	91.4	17.7	23.2
Capital expenditures	6.5	9.4	12.4	1.4	3.7
Ratio of earnings to fixed charges (6)	2.9 x	3.1 x	3.1 x	2.7 x	2.8 x
Balance Sheet Data:					
Adjusted working capital (7)	$ 222.5	$ 291.6	$ 338.8	$ 315.9	$ 375.4
Total assets	581.3	773.5	870.9	802.6	962.0
Total long-term debt	172.0	260.6	294.3	295.7	350.5
Redeemable common stock(8)	7.7	8.9	9.0	9.0	11.4
Stockholders' equity	116.4	148.7	184.5	154.7	193.1

(1) The Predecessor received a charge from Westinghouse in the form of interest expense for the portion of Westinghouse investment that, for internal reporting purposes, represented debt. For the year ended December 31, 1993 and the two months ended February 28, 1994, approximately 40% of the average Westinghouse investment was considered to be debt for internal reporting purposes. The effective annual interest rates for all periods was approximately 10%. This method of reporting interest expense for internal reporting purposes is not necessarily indicative of interest expense that would have been incurred had the Predecessor operated as a separate stand-alone entity.

(2) The Predecessor's results of domestic operations were included in the consolidated U.S. federal income tax return of Westinghouse. The Predecessor's results of operations in Puerto Rico and certain operations in Canada were also included with other operations of Westinghouse in the tax returns in those jurisdictions. For operations that did not pay their own income tax, Westinghouse internally allocated income tax expense at the statutory rate after adjustment for state income taxes and several other items. The income tax expense and other tax-related information in the Predecessor's consolidated financial statements were calculated as if the Predecessor had not been eligible to be included in the consolidated tax returns of Westinghouse (i.e., on a "stand-alone" basis). The calculation of tax provisions and deferred taxes necessarily required certain assumptions, allocations and estimates that the Predecessor's management believed were reasonable to accurately reflect the tax reporting for the Predecessor as if a stand-alone taxpayer.

(3) Represents a charge, net of deferred taxes, for the cumulative effect of a change in accounting for postemployment benefits at January 1, 1993.

(4) Represents a charge, net of taxes, relating to the write-off of unamortized debt issuance and other costs associated with the early termination of debt.

(5) EBITDA represents income from operations plus depreciation and amortization. EBITDA is presented because management understands that such information is considered by certain investors to be an additional basis for evaluating the Issuers' ability to pay interest and repay debt. EBITDA should not be considered an alternative to measures of operating performance as determined in accordance with generally accepted accounting principles or as a measure of the Issuers' operating results and cash flows or as a measure of the Issuers' liquidity. Since EBITDA is not calculated identically by all companies, the presentation herein may not be comparable to other similarly titled measures of other companies.

(6) For purposes of calculating the ratio of earnings to fixed charges, "earnings" represents income before income taxes and extraordinary charges plus fixed charges. "Fixed charges" consist of interest expense, amortization of deferred financing cost and the component of rental expense that management believes is representative of the interest component of rental expense. For the year ended December 31, 1993 and for the two months ended February 28, 1994, earnings were insufficient to cover fixed charges in the amount of $23.5 million and $6.0 million, respectively.

(7) Defined as trade accounts receivable plus inventories less accounts payable.

(8) Represents redeemable common stock as described in Note 9 to the consolidated financial statements. Under certain conditions, the holders thereof have the right to require Holdings to repurchase all of the redeemable shares and the exercisable portion of the options. These repurchase rights terminate upon consummation of an initial equity public offering. See "Certain Relationships and Related Transactions -- Management Stockholders."

General

WESCO believes it is the second largest electrical wholesale distributor in North America, with over 325 branches located in 48 states and nine Canadian provinces. The Company sells over 210,000 products, sourced from over 6,000 suppliers, to more than 130,000 customers. WESCO complements its product offerings with a range of services and procurement solutions. Growth in revenue is dependent upon several factors, including industry trends, general economic conditions and the ability of the Company to grow market share and consummate acquisitions. From 1993 to 1997 the Company's sales rose from $1.6 billion to $2.6 billion, a 13.4% compound annual rate. This strong rate of growth has been achieved in part through the Company's acquisition program, which accounted for approximately half of this sales increase. The remaining sales increase was due to new sales initiatives established by the Company's management team, including a focus on National Accounts, Major Projects, increasing market share, and expanding the Company's product offerings, as well as strong industry growth generally.

The Company's sales can be categorized as stock sales, direct shipments or special orders. Stock sales are filled directly from branch inventory and over the past three years represented 40% to 50% of total sales. Direct ship orders are shipped to the customer by the manufacturer since generally they involve large orders or products that are too bulky to be easily handled and over the past three years represented 35% to 45% of total sales. Special orders are for products that are not ordinarily stocked in branch inventories and are ordered from the manufacturer pursuant to a customer's request. Special orders represent the remainder of total sales. Gross profit margins on stock and special order sales are approximately 50% higher than those on direct ship sales. Although direct ship gross margins are lower, operating profits are comparable since the selling and inventory handling costs associated with direct shipments are lower.

The Company pays its sales force commissions based on a standard percent of billing margin dollars. Since stock and special order sales are typically at higher gross profit margins than direct ship sales, the commissions paid are also higher as a percent of sales.

Since the Divesture, the Company has experienced a significant improvement in its income from operations, which has more than doubled from 1.3% of sales in 1994 to 3.1% of sales in 1997. This margin improvement has resulted primarily from: (i) better leveraging of the Company's existing infrastructure due to growth in sales; (ii) focusing on higher margin products and services such as National Accounts; and (iii) acquisitions of companies with average operating margins in excess of that for WESCO's existing business.

At March 31, 1998, the Company's adjusted working capital was $375.4 million, composed of $393.4 million in accounts receivable and $317.9 million in inventory, offset by $335.9 million in accounts payable. The Company is implementing a number of initiatives designed to improve its working capital performance, primarily in the area of inventory management. Such initiatives include: (i) coordinating purchasing and inventory investment activities among groups of branches or "districts;" (ii) upgrading the automated stock replenishment programs used to supply branches from the distribution centers; (iii) negotiating improved inventory return and consignment arrangements with important suppliers; (iv) increasing the use of preferred suppliers; and (v) shortening and stabilizing lead times between order and delivery from suppliers.

The Company has historically financed its acquisitions, new branch openings, working capital needs and capital expenditures through internally generated cash flow and borrowings under its credit facilities. During the initial phase of an acquisition or new branch opening, the Company typically incurs expenses related to installing or converting information systems, training employees and other initial operating activities. In some acquisitions, the Company may incur expenses in connection with the closure of any of its own redundant branches. Historically, the costs associated with opening new branches, and closing branches in connection with certain acquisitions, have not been material. The Company has accounted for its acquisitions under the purchase method of accounting.

Results of Operations

The following table sets forth the percentage relationship to net sales of certain items in the Company's Statement of Income for the periods presented:

	Year Ended December 31,			Three Months Ended March 31,	
	1995	1996	1997	1997	1998
Sales, net	100.0%	100.0%	100.0%	100.0%	100.0%
Gross profit (exclusive of depreciation and amortization)	17.3	17.8	17.9	18.1	18.3
Selling, general and administrative expenses	13.9	14.3	14.3	15.0	14.9
Depreciation and amortization	0.4	0.5	0.5	0.5	0.5
Income from operations	3.0	3.0	3.1	2.6	2.9
Interest expense	0.9	0.8	0.8	0.8	0.9
Income before income taxes	2.1	2.2	2.3	1.8	2.0
Income taxes	0.8	0.8	0.9	0.7	0.8
Income before extraordinary charge	1.3	1.4	1.4	1.1	1.2
Extraordinary charge, net of taxes	0.4	--	--	--	--
Net income	0.9%	1.4%	1.4%	1.1%	1.2%

Three Months Ended March 31, 1998
Compared to Three Months Ended March 31, 1997

Net Sales. Sales for the three months ended March 31, 1998 were $693.4 million, compared with $576.7 million for the three months ended March 31, 1997. This represented an increase of $116.7 million, or 20.2%. Sales of comparable branches (those open throughout both periods) rose 9.4% with branches in the U.S. and Canada increasing 9.5% and 8.9%, respectively. The remainder of the sales increase was primarily attributable to sales from companies acquired since March 1997. Stock sales, direct shipments and special order sales all experienced similar increases, rising 19.6%, 22.8% and 15.1% respectively. In the U.S., sales to utility customers continued to grow at a higher rate than those to other customers.

Gross Profit (exclusive of depreciation and amortization). Gross profit for the three months ended March 31, 1998 was $126.7 million, compared with $104.4 million for the comparable period in 1997. The increase of $22.3 million, or 21.4%, was due to the increased sales discussed above as well as an increase in the gross profit margin as a percentage of sales, which increased to 18.3% in the first quarter of 1998 from 18.1% in the first quarter of 1997. The increase in the gross margin was primarily attributable to a number of product pricing initiatives and training programs designed to improve gross profit as well as certain newly acquired companies whose gross profit margins were higher than that of the Company.

Selling General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses increased $16.8 million, or 19.4%, to $103.5 million in the first quarter of 1998 from $86.7 million in the first quarter of 1997. Approximately two-thirds of this increase was associated with an increase in certain expenses that are variable in nature and increase when sales increase. These expenses included sales commissions, transportation and supplies. The remainder of the increase was primarily due to expenses associated with companies acquired since March 1997. As a percent of sales, SG&A expenses decreased to 14.9% in the first quarter of 1998 from 15.0% in the first quarter of 1997.

Interest Expense. Interest expense increased $1.4 million in the first quarter of 1998 to $6.2 million, from $4.8 million in the first quarter of 1997. This increase is primarily due to the increased level of borrowings outstanding as a result of increased debt levels associated with the acquisition of four companies since March 1997.

Income Taxes and Net Income. The effective tax rate was 39.0% in the first quarter of 1998 compared to 39.7% for the first quarter of 1997. Net income in the first quarter of 1998 increased to $8.5 million from $6.1 million in the first quarter of 1997. This increase was due to the higher sales and gross profit, partially offset by the increase in SG&A discussed above.

1997 Compared to 1996

Net Sales. Sales for the year ended December 31, 1997 were $2,594.8 million, compared with $2,274.6 million for the year ended December 31, 1996. This represented an increase of $320.2 million, or 14.1%. Sales of comparable branches rose 7.0%, with branches in the U.S. and Canada increasing 7.1% and 5.9%, respectively, in each case without giving effect to a one-time international construction project described below. Within the U.S., the branches with a high volume of sales to utility customers experienced a somewhat higher level of comparable branch sales. In addition to growth in sales of comparable branches, the remaining sales increase resulted primarily from the nine companies acquired since the beginning of 1996. Sales of product from stock rose 21%, as compared to the prior period, increasing the mix of stock sales three percentage points to 48% of total sales. This was a result of several ongoing initiatives designed to increase stock sales, such as the continued emphasis on growing National Accounts sales, and, to a lesser extent, the impact of acquired company sales, which have tended to have a higher mix of stock sales. Direct ship sales rose 4% over the prior period. This sales increase was below that experienced by the Company in other areas and was primarily due to the slower growth in the non-residential construction market for commercial and industrial projects, which constitutes the majority of direct ship sales.

Gross Profit (exclusive of depreciation and amortization). Gross profit for the year ended December 31, 1997 was $463.9 million, compared with $405.0 million for 1996. The increase of $58.9 million, or 14.5%, was primarily due to the higher sales volume in 1997 from both acquisitions and comparable branch operations. Gross profit as a percentage of sales increased to 17.9% in 1997 from 17.8% in 1996. In 1996, approximately $9.3 million of gross profit was recorded in connection with a one-time international construction project with a gross profit margin that was higher than the Company's usual margins on large construction projects due to service requirements and risk considerations associated with the order. Without this international order, the Company's gross profit margin would have been 17.6% in 1996, compared to 17.9% for 1997. The increase in the gross profit margin was primarily due to the increase in the mix of higher margin stock sales, including sales associated with acquired companies.

Selling, General and Administrative Expenses. SG&A expenses for the year ended December 31, 1997 were $372.5 million, compared with $326.0 million in 1996. This increase of $46.5 million, or 14.3%, was primarily due to expenses associated with the companies acquired in 1997 and 1996. SG&A expenses as a percentage of sales remained unchanged at 14.3%. Acquisitions with higher SG&A expense rates were offset by cost containment in the Company's core business, as well as cost reductions in the acquired companies.

Interest Expense. Interest expense increased by $2.7 million primarily due to the higher levels of borrowings outstanding associated with the acquisitions made since the beginning of 1996, partially offset by lower interest rates during 1997.

Income Taxes and Net Income. The effective tax rate was 39.6% for the year ended December 31, 1997 compared to 36.1% for the same period in 1996. The increase in the effective tax rate was primarily due to the reduction of a valuation allowance for deferred tax assets in 1995 and 1996, which had the effect of reducing the income tax rate during those periods. The Company began its operations as a stand-alone entity in early 1994 with no history of generating taxable income. Accordingly, a valuation allowance was established for the net deferred tax assets that were generated during 1994. In 1995 and 1996, as the Company subsequently demonstrated an ability to utilize such deferred tax assets, the valuation allowance was reduced and had the effect of reducing the effective tax rate for both 1995 and 1996. Since the valuation allowance was reduced to zero during 1996, there was no similar effect on the 1997 tax rate. Net income in 1997 increased $3.7 million, or 11.4%, to $36.2 million from $32.5 million in 1996, primarily as a result of the increase in gross profit, partially offset by the increase in operating expenses and a higher effective tax rate.

1996 Compared to 1995

Net Sales. Sales for the year ended December 31, 1996 were $2,274.6 million, an increase of $417.6 million, or 22.5%, from $1,857.0 million for the year ended December 31, 1995. Approximately 74% of the sales increase was attributable to the seven acquisitions made during 1996 as well as the

full-year effect of the two acquisitions made in the second half of 1995. The balance of the sales increase was due to the continued growth in the base of the existing business, with no significant differences in the growth rates of the various markets. Comparable branch sales increased 3.8% during the period, with branches in the U.S. increasing at a 5.1% rate and Canada declining at a 3.0% rate, in each case without giving effect to a one-time international construction project discussed above, reflecting a decline in the Canadian market overall, particularly for the construction project business.

Gross Profit (exclusive of depreciation and amortization). Gross profit for 1996 of $405.0 million increased 26.2%, or $84.0 million, over the $321.0 million recorded in 1995. The increase in gross profit was primarily due to the increase in sales discussed above. As a percent of sales, gross profit increased to 17.8% in 1996 from 17.3% in 1995. The one-time international construction project discussed above increased the gross profit margin by 0.2%. Without this project, the Company's gross profit margin would have been 17.6% in 1996. The remainder of this increase in the gross profit margin was attributable to the higher mix of stock sales in the acquired companies, which sales typically have higher gross margins.

Selling, General and Administrative Expenses. SG&A expenses increased $68.0 million, or 26.4%, to $326.0 million in 1996 from $258.0 million in 1995. This increase was primarily due to the expenses associated with the acquisitions discussed above. As a percent of sales, SG&A expenses increased to 14.3% in 1996 from 13.9%. This increase was primarily due to the higher expense rate of the acquired companies, typically associated with their higher stock sales mix.

Interest Expense. Interest expense increased $1.6 million in 1996 to $17.4 million from $15.8 million in 1995 primarily due to the increased level of borrowings outstanding as a result of the nine companies acquired in 1995 and 1996, partially offset by lower interest rates during 1996.

Income Taxes and Income Before Extraordinary Charge. The effective tax rate was 36.1% for 1996, compared to 37.0% for 1995. Income before extraordinary charge increased $7.4 million, or 29.5%, to $32.5 million in 1996 from $25.1 million in 1995. This increase was due to the higher sales and gross profit partially offset by the higher selling, general and administrative expenses discussed above.

Extraordinary Charge. During 1996, the Company refinanced its revolving credit facilities and, as a result, wrote off $8.1 million, representing unamortized debt issuance costs net of applicable taxes.

Liquidity and Capital Resources

Historical. The Company's liquidity needs arise from seasonal working capital requirements, capital expenditures, interest and principal payment obligations and acquisitions. The Company has historically met its liquidity and capital investment needs with internally generated funds and borrowings under its existing credit facilities.

For the year ended December 31, 1997, cash used for operating activities was $11.1 million compared to cash provided by operating activities of $15.2 million for the year ended December 31, 1996. The cash used for operating activities was primarily due to the $54.6 million increase in certain components of net working capital offset by the $36.2 million in net income. The $32.6 million increase in receivables was primarily due to the increased level of sales. The $31.7 million increase in inventories was due, in part, to the increased sales and to the increase in the mix of stock sales. In addition, the Company increased its inventory investment in its five regional distribution centers by $13.8 million during 1997, primarily in connection with the addition of certain supplier lines historically purchased directly by the branches. This initial increase will be offset as the Company reduces its existing investment in those supplier lines at the branch locations.

Net cash used in investing activities was $22.4 million for the year ended December 31, 1997, compared to $111.0 million for the year ended December 31, 1996. The primary reason for the cash used in investing activities for the periods presented was acquisitions. The Company used $13.9 million and $103.9 million for acquisitions in the periods ended December 31, 1997 and 1996, respectively. The decrease was due to a reduction in the size and number of acquisitions completed in 1997 versus 1996.

The Company's capital expenditures, excluding acquisitions, for the year ended December 31, 1997 were $12.4 million as compared to $9.4 million for the year ended December 31, 1996. Such capital expenditures were primarily for branch and distribution center facility improvements, forklifts and delivery vehicles and computer equipment and software. The increase in such expenditures reflects the necessary investments in fixed assets to position the Company for its growth plans.

Cash provided by financing activities decreased $46.1 million to $41.1 million for the year ended December 31, 1997 compared to $87.2 million for the year ended December 31, 1996. The decrease was due to borrowings as a result of fewer completed acquisitions.

For the three months ended March 31, 1998 cash provided by operating activities was $13.2 million compared to cash used for operating activities of $32.5 million for the three months ended March 31, 1997. The primary reason for the difference was attributable to a $6.3 million decrease in inventories, excluding the effect of acquisitions, in the first quarter of 1998 compared to a $24.9 million increase in inventories in the first quarter of 1997. The decrease in inventories was attributable to several inventory programs initiated by the Company in the second half of 1997. The increase in the first quarter of 1997 was due primarily to the addition of certain suppliers lines historically purchased directly by the branches. The remainder of the difference in cash provided by operations was due to a change in the timing of federal and state income tax payments.

Net cash used in investing activities was $47.6 million for the three months ended March 31, 1998 compared to $10.7 million for the three months ended March 31, 1997. The primary reason for cash used in investing activities during the periods presented was acquisitions. The Company used $44.0 million and $9.6 million for acquisitions in the periods ended March 31, 1998 and 1997, respectively. The increase was due to an increase in the size and number of acquisitions completed in 1998 versus 1997.

The Company's capital expenditures, excluding acquisitions, for the three months ended March 31, 1998 were $3.7 million as compared to $1.4 million for the three months ended March 31, 1997. Such capital expenditures were primarily for branch and distribution center facility improvements, forklifts and delivery vehicles and computer equipment and software. The increase in such expenditures reflects the necessary investments in fixed assets to position the Company for its growth plans. Capital expenditures for fiscal 1998 are expected to total approximately $15 million.

Cash provided by financing activities increased $1.2 million to $45.2 million for the three months ended March 31, 1998 compared to $44.0 million for the three months ended March 31, 1997. The increase was due to borrowings as a result of more completed acquisitions and the issuance of common stock.

Following the Recapitalization. As a result of the Recapitalization, Holdings and the Company have significant amounts of debt, with the interest payments on the Notes and interest and principal repayments under the Credit Facilities representing significant obligations of Holdings and the Company. The Senior Subordinated Notes require semi-annual interest payments and the Credit Facilities require quarterly payments of principal and interest commencing approximately six months after the closing date (the "Closing Date") of the Recapitalization. Prior to June 1, 2003, Holdings' interest expense on the Senior Discount Notes will consist solely of non-cash accretions of principal. On June 1, 2003, Holdings will be required to pay the Mandatory Principal Redemption Amount. After June 1, 2003, the Senior Discount Notes will require semi-annual interest payments. The Company's remaining liquidity needs relate to working capital needs, capital expenditures and potential acquisitions.

The Company intends to fund its working capital, capital expenditures and debt service requirements through cash flows generated from operations, borrowings under the Credit Facilities and amounts available under the Receivables Facility. The Credit Facilities consist of a $100 million Revolving Facility and $270 million of Term Facilities, consisting of $80 million of Tranche A Term Loans, $90 million of Tranche B Term Loans and a $100 million Delayed Draw Term Facility. All amounts under the Revolving Facility were available immediately following the Recapitalization and $25 million of the Revolving Facility are available for the purpose of financing permitted acquisitions. The Delayed Draw Term Facility provides for up to $100 million of term loan borrowings for two years following the Closing Date

solely to fund permitted acquisitions. The Revolving Facility will mature six years after the Closing Date. The Delayed Draw Term Facility will mature seven years after the Closing Date. The Tranche A Term Loan will mature six years after the Closing Date, with quarterly amortization payments during the term of such loan. The Tranche B Term Loan will mature eight years after the Closing Date, with nominal quarterly amortization prior to the maturity of the Tranche A Term Loans and with the remaining amounts amortizing on a quarterly basis thereafter. The Credit Facilities are secured by substantially all the assets of Holdings and its subsidiaries. In addition to the Credit Facilities, upon the Recapitalization the Company entered into the Receivables Facility, which is also available to finance working capital needs. The Receivables Facility provides for $300 million of financing through the sale of accounts receivable to a wholly owned, bankruptcy remote, special purpose subsidiary, although based on the current composition of the Company's receivables, on the Closing Date only approximately $250 million were available under the Receivables Facility. Although the Receivables Facility is available for six years, the Company currently intends to replace the Receivables Facility through a securitization of the receivables in the capital markets or another securitization transaction. However, no assurance can be made that such transaction will be completed or, if completed, whether such transaction may have materially different terms from the Receivables Facility. See "Description of the Credit Facilities" and "Description of the Receivables Facility."

Management believes that cash generated from operations, together with amounts under the Credit Facilities and the Receivables Facility, will be sufficient to meet the Company's working capital, capital expenditure and other cash needs, including financing for acquisitions, in the foreseeable future. There can be no assurance however, that this will be the case. Holdings and Company may consider other options available to them in connection with future liquidity needs, including the issuance of additional debt and equity securities.

Year 2000

The Company is in the process of modifying, upgrading or replacing its computer software applications and systems to accommodate the "Year 2000" changes required for correct recording of dates in the year 2000 and beyond. The Company does not expect that the cost of its Year 2000 compliance program will be material to its financial condition or results of operations. The Company believes that it will be able to achieve compliance by the beginning of 1999, and does not currently anticipate any material disruption in its operations. The Company has very limited information concerning the compliance status of its suppliers. In the event that the Company or any of the Company's significant suppliers do not successfully achieve Year 2000 compliance, the Company's business or operations could be adversely affected.

Inflation

The rate of inflation, as measured by changes in the consumer price index, did not have a material effect on the sales or operating results of the Company during the periods presented. However, inflation in the future could affect the Company's operating costs. Price changes from suppliers have historically been consistent with inflation and have had little impact on the Company's profitability.

Seasonality

The Company's operating results are affected by certain seasonal factors. Sales are typically at their lowest during the first quarter due to a reduced level of construction activity during the winter months. Sales increase during the warmer months beginning in March and continuing through November. Sales drop again slightly in December as the weather cools and also as a result of reduced level of activity during the holiday season. As a result, the Company reports sales and earnings in the first quarter that are generally lower than that of the remaining quarters.

The following table presents unaudited quarterly operating results for each of the Company's last nine quarters as well as the percentage of the Company's sales represented by each item. This information has been prepared by Holdings on a basis consistent with Holdings' audited financial statements and includes all adjustments (consisting only of normal recurring adjustments) that management considers necessary for a fair presentation of the data. These quarterly results are not necessarily

indicative of future results of operations. This information should be read in conjunction with Holdings' consolidated financial statements and notes thereto included elsewhere in this Offering Memorandum.

	Quarter Ended							
	March 31		June 30		September 30		December 31	
	(Dollars in millions)							
1996:								
Sales, net	$ 477.1	100.0%	$ 584.6	100.0%	$ 606.6	100.0%	$ 606.3	100.0%
Gross profit*	89.3	18.7	102.4	17.5	104.0	17.1	109.3	18.0
Income from operations	15.2	3.2	16.9	2.9	16.6	2.7	19.5	3.2
Net income	7.4	1.6	7.7	1.3	7.7	1.3	9.7	1.6
1997:								
Sales, net	$ 576.7	100.0%	$ 659.4	100.0%	$ 680.0	100.0%	$ 678.7	100.0%
Gross profit*	104.4	18.1	114.7	17.4	120.9	17.8	123.9	18.3
Income from operations	14.9	2.6	20.8	3.2	23.4	3.4	21.0	3.1
Net income	6.1	1.1	9.5	1.4	11.0	1.6	9.6	1.4
1998:								
Sales, net	$ 693.4	100.0%						
Gross profit*	126.7	18.3						
Income from operations	20.2	2.9						
Net income	8.5	1.2						

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* Exclusive of depreciation and amortization.

Impact of Recently Issued Accounting Standards

In June 1997, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income," which establishes standards for reporting and displaying comprehensive income and its components. This Statement requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. The provisions of SFAS No. 130 have been adopted in the three month period ended March 31, 1998 and all years presented have been adjusted to reflect the adoption. In Holdings' case, comprehensive income includes net income and unrealized gains and losses from currency translation.

The FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and related disclosures about products and services, geographic areas and major customers. The SFAS No. 131 is effective for fiscal years beginning after December 15, 1997. Additionally, the Accounting Standards Executive Committee issued Statement of Position (SOP) 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use," which provides guidance on accounting for the costs of computer software developed or obtained for internal use. The SOP is effective for fiscal years beginning after December 15, 1998. Management is currently evaluating the impact of these standards on the financial statements.

BUSINESS

Overview

WESCO is the second largest provider of products and related services in the U.S. electrical wholesale distribution industry and believes that it is also the second largest in North America. The Company operates over 325 branches and five regional distribution centers in 48 states and nine Canadian provinces to serve virtually the entire U.S. and Canadian market. WESCO provides a broad product offering consisting of over 210,000 products sourced from over 6,000 suppliers to over 130,000 customers. WESCO complements this broad product offering with a range of services and procurement solutions, including integrated supply, whereby it manages all aspects of the customer's supply processes, and electronic commerce, which enables procurement to be automated for improved service at lower cost. WESCO's diversified customer base includes a wide variety of industrial companies, contractors for industrial, commercial and residential projects, utility companies, and commercial, institutional and governmental customers. WESCO's national infrastructure, extensive local geographic coverage and complementary service offerings have allowed WESCO to specialize in developing combined product and service solutions tailored to meet the specific needs of its individual customers. WESCO is particularly well positioned to meet the complex procurement needs of multi-site customers seeking total supply chain cost reduction through preferred supplier alliances.

Since WESCO's divestiture from Westinghouse in 1994 (the "Divestiture"), management has realigned operations to achieve substantial growth in sales and profitability. The current management team has: (i) substantially improved operating margins; (ii) realigned WESCO's branch network to focus on key customer markets; (iii) significantly expanded WESCO's National Accounts (as defined) and other marketing programs; (iv) implemented a new incentive system for branch managers and sales personnel; and (v) actively pursued industry consolidation opportunities. As a result of management's actions and growth in the industry generally, sales have increased from $1.6 billion in 1993 to $3.0 billion on a pro forma basis in the twelve months ended March 31, 1998, a compound annual growth rate of 16.1%, and EBITDA has improved from a loss of $1.4 million in 1993 to Adjusted EBITDA of $113.8 million on a pro forma basis in the twelve months ended March 31, 1998. Pursuant to the Recapitalization, management retained approximately $97.7 million of equity in Holdings and, together with new stock options expected to be granted in connection with the Recapitalization, will hold or have the right to acquire over 30% of the common equity of Holdings on a fully diluted basis. See "The Recapitalization."

Industry Overview

The electrical wholesale distribution industry serves customers in the industrial, commercial, construction and utility markets. Electrical wholesalers provide logistical and technical services for customers by bundling together a wide range of products typically required for the construction and maintenance of electrical supply networks, including wire, lighting, distribution and control equipment and a wide variety of electrical supplies. The wholesale channel enables customers to efficiently access a broad range of products and has the capacity to deliver value-added services. Customers are increasingly demanding that distributors provide a broader and more complex package of services as customers seek to outsource non-core functions and achieve documented cost savings in purchasing, inventory and supply chain management. As a result of these customer demands, electrical wholesalers have approximately doubled their share of total electrical products sold in the United States from 1972 to 1997, and sales by electrical wholesalers now represent approximately 60% of the U.S. electrical market.

The electrical wholesale distribution industry in the U.S. is large, growing and highly fragmented. Industry sources estimate that total electrical wholesale distributor sales were $67 billion in 1997, a 9.6% compound annual growth rate since 1994. In 1996, the latest year for which data is available, the four largest wholesale distributors, including WESCO, accounted for only 14% of estimated total industry sales. In that year, no single distributor accounted for more than 5% of estimated industry sales, and 57% of such sales were generated by distributors with less than $21 million in annual sales.

Competitive Strengths

WESCO believes it is well positioned to both capitalize on the growing customer demand for value-added services and procurement outsourcing and play a leading role in the continued consolidation in the electrical products distribution industry as a result of the following competitive advantages:

Market Leadership. WESCO believes it is the second largest electrical wholesale distributor in North America, serving virtually the entire U.S. and Canadian market. Management believes that WESCO is the industry's leading wholesale supplier of electrical products in North America to several important and growing markets, including: (i) customers with large, complex plant maintenance operations requiring a national multi-site service solution for their electrical distribution product needs; (ii) large contractors for major industrial and commercial construction projects; (iii) the electric utility industry; and (iv) manufacturers of factory-built homes, recreational vehicles and other modular structures. These leadership positions provide WESCO with an extensive base from which to continue to grow sales.

Established National and Local Distribution Infrastructure. WESCO's North American distribution network consists of over 325 branches and five regional distribution centers in 48 states and nine Canadian provinces. This established network provides WESCO with a number of competitive advantages, including the ability to: (i) offer multi-site agreements with the broad geographic scope required by major customers who seek to coordinate their maintenance, repair and operating ("MRO") supplies purchasing activity across multiple locations ("National Accounts"); (ii) enter into favorable preferred supplier agreements which provide for improved payment terms, volume rebates, marketing programs and geographic franchises; (iii) utilize a specialized and technical nationwide sales force to meet specific customer demands for a broad range of products and services across multiple geographic markets; and (iv) provide same-day shipments. Management believes these competitive strengths allow it to more effectively meet the service needs and expectations of both large national customers who are increasingly demanding a single source supply capability and local customers who require high service levels for their electrical product procurement needs.

Broad Product Offering. WESCO provides its customers with a broad product selection consisting of over 210,000 electrical, industrial and data communications products sourced from over 6,000 suppliers. The Company's products range from basic wire to advanced automation and control products.

Value Added Services. In partnership with its customers, WESCO combines its product offerings with a wide range of supply management services to create value for its customers. Examples of such services include: (i) outsourcing of the entire MRO purchasing process; (ii) implementing inventory optimization programs; (iii) participating in joint cost savings teams; (iv) assigning Company employees as on-site support personnel; (v) recommending energy-efficient product upgrades; (vi) offering safety and product training for customer employees; and (vii) providing manufacturing process improvements using automated solutions. This combination of products and value-added services enhances WESCO's competitive position by allowing it to offer comprehensive and documented cost-efficient solutions to a customer's specific procurement needs.

Diverse Revenue Base. WESCO's diverse revenue base is derived from the sale of its broad range of over 210,000 electrical, industrial and data communications products to over 130,000 customers, including: (i) industrial companies from numerous manufacturing and process industries and original equipment manufacturers ("OEMs"); (ii) contractors for industrial, commercial and residential projects; (iii) electrical utility customers; and (iv) commercial, institutional and governmental customers. No customer accounted for more than 1% of WESCO's total sales in 1997. WESCO's geographic diversity encompasses sales in all 50 states in the U.S. and all 10 Canadian provinces. This diversity of customers and products provides WESCO with a broad base from which to grow sales and reduces exposure to any particular customer, industry or regional economic cycle.

Proven and Committed Management Team. WESCO's management team has successfully repositioned the Company following the Divestiture. The current management team has: (i) substantially improved operating margins; (ii) realigned WESCO's branch network to focus on key customer markets; (iii) significantly expanded WESCO's National Accounts and other marketing programs; (iv) implemented a new incentive system for branch managers and sales personnel; and (v) actively pursued

industry consolidation opportunities. Since August 1995, WESCO's management has successfully completed 14 acquisitions which currently account for estimated annualized sales of over $800 million. As a result of management's actions as well as growth in the industry generally, sales have increased from $1.6 billion in 1993 to $3.0 billion on a pro forma basis in the twelve months ended March 31, 1998, a compound annual growth rate of 16.1%, and EBITDA has improved from a loss of $1.4 million in 1993 to Adjusted EBITDA of $113.8 million on a pro forma basis in the twelve months ended March 31, 1998. Pursuant to the Recapitalization, approximately 200 managers continued to retain equity in Holdings representing an aggregate value of approximately $97.7 million. In addition, certain managers will have the opportunity to invest an aggregate of up to approximately $15 million in newly issued common stock of Holdings. Holdings also plans to adopt a new stock option plan in connection with the Recapitalization. As a result, management will hold or have the right to acquire over 30% of the common equity of Holdings on a fully diluted basis.

Business Strategy

Increase Large National Programs. WESCO has successfully established National Accounts relationships with approximately 300 customers and believes it can continue to expand revenue generated through its National Accounts program by: (i) increasing the number of products and sites covered by its existing National Accounts relationships; (ii) expanding MRO agreements to include capital projects; and (iii) extending the program to new customers. National Accounts provide WESCO with a recurring base of revenue through strategic multi-year agreements. In addition, through its Major Projects Group, the Company plans to intensify its focus on large construction projects, such as new stadiums, industrial sites, wastewater treatment plants, airport expansions, healthcare facilities and correctional facilities. The Company intends to secure new National Accounts and Major Projects contracts through: (i) aggressive national marketing of WESCO's demonstrated project management capabilities; (ii) further development of relationships with leading construction and engineering firms; and (iii) close coordination with National Accounts customers on their major renovation and new construction projects.

Continue to Improve Operating Profit Margins and Cash Flow. WESCO has successfully improved its operating profit margins over the past four years, increasing Adjusted EBITDA to over $113.8 million on a pro forma basis for the twelve months ended March 31, 1998 from a loss in EBITDA of $1.4 million in 1993. WESCO believes a successful business strategy must include the commitment to continuous improvement in profitability and productivity. The Company is emphasizing the widespread use of innovative and disciplined approaches to managing its business processes, employee productivity, and working capital and capital expenditure efficiency. These continuous improvement initiatives include: (i) improving product pricing controls to maximize gross margin; (ii) utilizing activity-based costing to more accurately measure and enhance profitability by customer, supplier and other categories; (iii) enhancing the coordination of purchasing and inventory management across its branch network and regional distribution centers; (iv) improving information systems processing capabilities in order to realize more efficient branch and headquarters operations; and (v) leveraging the existing corporate infrastructure by continuing to eliminate redundant back-office functions of acquired companies.

Encourage Branch Level Entrepreneurship. A distributor's reputation is often determined at the local branch level, where timely supply and customer service are critical. Accordingly, WESCO grants its branch managers substantial autonomy and responsibility to best respond to customer needs in local markets. WESCO's branch managers are responsible for optimizing business activities in their local markets, including managing the branch sales force, configuring inventories, selecting potential customers for targeted marketing efforts and developing local service options. WESCO's compensation system for branch managers, a significant portion of which is incentive based, strongly encourages sales and cash flow growth as well as efficient working capital management at the branch level.

Gain Share in Key Local Markets. WESCO intends to increase its market share in key geographic markets with a substantial base of potential customers through a combination of new branch openings, increased sales and marketing efforts and acquisitions. In addition, WESCO's marketing team, together with local branch managers, are expanding the Company's program of detailed market analysis and opportunity identification on a branch-by-branch and product line basis. The Company has developed a detailed database of potential customers for its individual markets which it will utilize to implement this

strategy. Furthermore, the Company intends to leverage its existing relationships with preferred suppliers to increase sales of their products in local markets through various initiatives, including sales promotions, cooperative marketing efforts, direct participation by suppliers in National Accounts implementation, dedicated sales forces and product exclusivity.

Expand Product and Service Offering. WESCO intends to build on its demonstrated ability to introduce new products and services to meet customer demands and capitalize on market opportunities. For example, the Company plans to expand its presence in the fast-growing data communications market. In the past two years, WESCO has significantly increased its focus on this market, generating sales of $83 million in 1997, up from $52 million in 1995. By utilizing a dedicated data communications sales team and leveraging its existing sales force, the Company intends to expand sales to new and existing customers, as well as broaden its offering into additional data communications product lines. In addition, the Company plans to expand its integrated supply programs with both new and existing accounts. Given the initial success of its integrated supply initiatives and the rapid growth in the demand for such services anticipated by the Company, WESCO believes it has a significant opportunity to develop additional customer relationships by leveraging its comprehensive service and supply expertise.

Pursue Consolidation Opportunities. WESCO utilizes a disciplined approach toward acquisitions which includes established targets for cash return on investment. Since August 1995, WESCO's management has successfully completed 14 acquisitions which currently account for estimated annualized sales of over $800 million. WESCO intends to continue to pursue its consolidation strategy and believes that the highly fragmented nature of the electrical distribution industry will provide WESCO with a significant number of acquisition opportunities. The Company evaluates potential acquisitions based on their ability to: (i) accelerate expansion into key growth markets; (ii) add support capabilities for important new customers; (iii) enhance sales of acquired branches by immediately broadening the product and service mix; (iv) expand local presence to better serve existing customers; (v) strengthen relationships with manufacturers; and (vi) provide operating efficiencies by leveraging WESCO's existing infrastructure.

Acquisitions

In mid-1995 WESCO launched its program to make acquisitions that complement its existing business. See " -- Business Strategy." Since August 1995, WESCO has completed 14 acquisitions which currently account for estimated annualized sales of over $800 million. In order to improve operating efficiencies, management has closed or consolidated 25 of the acquired branches due to overlapping locations. The Company paid cash consideration of approximately $6.2, $103.9, $13.9 and $87.6 million for acquisitions in 1995, 1996, 1997 and 1998 (through May 12, 1998), respectively. See Notes 14 and 15 to the consolidated financial statements of Holdings included elsewhere in this Offering Memorandum. These acquisitions and the key rationale for each are summarized below.

Year	Company	Headquarters	Number of Branches	Annual Sales(1)	Key Rationale
				(millions)	
1995	Fife Electric Company	Detroit, MI	1	$ 42	Capitalized on strong relationships with auto manufacturers and obtained a Square D distributorship.
	Manufactured Housing Supply	Monroe, NC	1	5	Expanded product offering for Manufactured Structures customers.
1996	Murco, Inc.	Monroe, LA	3	14	Leveraged systems integration capabilities with paper manufacturing and wastewater treatment customers.
	Standard Electric Company, Inc.	Bangor, ME	9	25	Improved coverage of pulp and paper National Accounts.
	EESCO, Inc.	Chicago, IL	36	288	Increased Midwest industrial presence and obtained a major Allen-Bradley distributorship.
	Hamby-Young Power Supply Products, Inc.	Aurora, OH	2	22	Introduced product and design capabilities for electrical substation facilities.
	Nevada Electric Supply	Las Vegas, NV	1	5	Expanded into growing Las Vegas market.
	Power Supply, Inc.	Houston, TX	5	20	Enhanced utility market share in Texas.
	Ace Electric Supply Company	Jacksonville, FL	11	44	Obtained an additional Allen-Bradley distributorship in the Southeast.
1997	Diversified Electric Supply Company, Inc.	Little Rock, AR	2	28	Further consolidated utility leadership in the Southeast.
	Maydwell & Hartzell, Inc.	Brisbane, CA	7	24	Built utility leadership in the West.
1998	Avon Electrical Supplies, Inc.	Hauppauge, NY	2	80	Expanded presence in metropolitan New York.
	Brown Wholesale Electric Company	Sun Valley, CA	9	70	Expanded industrial/construction market share in the Southwest.
	Reily Electric Supply, Inc.	New Orleans, LA	7	140	Enhanced existing National Accounts customer relationship.
		Total	96	$807	

(1) Represents WESCO's estimate of annual sales at the time of acquisition, based on WESCO's review of internal and/or audited statements of the acquired business.

The largest acquisition completed to date was EESCO, Inc. ("EESCO"), the eighth largest electrical wholesale distributor in the U.S. at the time it was acquired by WESCO in April 1996. As a result of the EESCO acquisition, WESCO increased coverage in the key Chicago and Minneapolis markets, developed important new supplier relationships (Allen-Bradley and General Electric), increased scale and realized cost savings through the consolidation of branches and the reduction of selling, general and administrative expenses. WESCO has substantially increased the sales and profitability of EESCO by: (i) increasing investment capital for new and existing EESCO branches; (ii) expanding EESCO's

technical support group; and (iii) including EESCO branches in National Accounts programs and preferred supplier agreements. Since its acquisition, EESCO's annual net sales have increased to $341 million in 1997 from $288 million in 1995.

On January 1, 1998, WESCO acquired the electrical distribution businesses of Avon Electrical and Brown Wholesale. Avon Electrical, operating two branch locations, is a leading distributor in the New York metropolitan area. Brown Wholesale, with two branches in Arizona, is the leader in the high-growth Phoenix market. Brown Wholesale also had seven branches which were closed or sold in California and Hawaii to improve operating efficiency. These acquisitions will add approximately $150 million in annualized sales.

On May 8, 1998, WESCO acquired the assets of, and assumed certain liabilities of, Reily, a distributor headquartered in New Orleans, Louisiana with seven branches in the Gulf Coast region. The Reily acquisition provides the Company with several strategic benefits, including: (i) strengthening its market position in the Gulf Coast region; (ii) complementing an existing National Accounts customer relationship in the petrochemical industry; and (iii) improving its position in the Houston market, where Reily's strong market position will complement WESCO's existing branch operations.

As a result of the acquisitions of Avon Electrical, Brown Wholesale and Reily, the Company contemplates consolidating and/or closing 5 WESCO branches by the end of 1998 which the Company expects will result in $3.6 million of annual cost savings. The Company does not expect to incur any material expenses or charges in connection therewith.

Products and Services

WESCO's network of branches and distribution centers contains approximately 210,000 product stock keeping units ("SKUs"), and the average branch maintains in its warehouse stock approximately 4,000 to 8,000 SKUs, tailored to meet the needs of the customers in its markets. WESCO's major product categories, and the representative products and the percentage of 1997 sales for each such category, are set forth below:

Product Category	Representative Products	Percent of 1997 Sales
Supplies	Fuses, terminals, connectors, boxes fittings, tools, lugs, tapes and other miscellaneous supplies	25
Distribution Equipment	Circuit breakers, transformers, switchboards, panelboards and busway	23
Wire and Conduit	Wire, cable, steel and PVC conduit	22
Lighting	Lamps (light bulbs), fixtures and ballasts	19
Control, Automation and Motors	Motor control centers, drives, programmable logic controllers, pushbuttons and operator interfaces	8
Data Communications	Premise wiring, patch panels, terminals, connectors, hubs and routers	3

In conjunction with product sales, WESCO offers customers a range of services and procurement solutions that draws on its product and supply management expertise and systems capabilities. These services include National Accounts programs, integrated supply programs and electronic commerce.

National Accounts Programs. The typical National Accounts customer is a Fortune 500 industrial company, a large utility or other major customer, in each case with multiple locations. Recently, through rigorous selection processes, these customers have been seeking to substantially reduce their electrical supply base -- in some cases from several hundred suppliers to just one -- with expectations for documented cost reductions, high levels of service and consistent product and pricing across all locations. WESCO's national platform, strong branch network and product breadth give it the capacity to offer multi-site agreements with the scope required by National Accounts.

WESCO's National Accounts programs provide customers with total supply chain cost reductions by coordinating purchasing activity for MRO supplies across multiple locations. WESCO is able to demonstrate documented savings of over 10% within the first year of program launch. Comprehensive roll-out plans establish jointly-managed implementation teams at the local and national level to prioritize

activities, track progress against objectives, and identify key performance measures. WESCO is increasingly involving its preferred suppliers early in the implementation process, where they can contribute expertise and product knowledge to accelerate program implementation and the achievement of savings.

Integrated Supply Programs. WESCO's integrated supply programs offer customers a variety of services to support their objectives for improved supply chain management. WESCO integrates its personnel, product and distribution expertise, electronic technologies and service capabilities with the customer's own internal resources to meet particular service requirements. Each integrated supply program is uniquely configured to deliver a significant reduction in the number of MRO suppliers, reduce total procurement costs, improve operating controls and lower administrative expenses. Although integrated supply programs currently account for a small portion of revenue, management believes that customers will increasingly seek to utilize WESCO as an "integrator," responsible for selecting and managing the supply of a wide range of MRO and OEM products.

Electronic Commerce. WESCO enhances its ability to service customers accurately and efficiently by incorporating technologies such as EDI, electronic mail, electronic cataloging (such as CD-ROM and Internet ordering), direct order entry and barcoded bin labelling to streamline inventory replenishment. WESCO also employs technological and logistical innovations in its internal operating processes to improve customer service, including paperless warehousing, cross-docking, barcoding and automatic stock replenishment. Although constituting a small percentage of WESCO's total number of transactions, WESCO typically completes in excess of 65,000 EDI transactions per month.

Suppliers and Purchasing

WESCO's supplier relationships are strategically important to WESCO, providing access to a wide range of products, technical training and sales and marketing support. Suppliers often take an active role in marketing products to the customer by deploying their own sales force and/or independent manufacturers' representatives to work together with WESCO's sales organization. WESCO's growth, size, geographic scope and marketing initiatives with large, high profile customers make it an attractive partner for suppliers by allowing them to expand customer access to their product offerings, improve their market position and introduce new products. As a result, WESCO has been able to negotiate broad access to most product lines, including preferred supplier agreements with regard to volume discounts, payment terms, marketing support and logistics.

WESCO purchases products from a diverse group of over 6,000 suppliers. In 1997, the ten largest suppliers accounted for approximately 45% of the Company's purchases, and the top 200 suppliers accounted for approximately 85% of purchases. The largest of these was Eaton Corporation, through its Cutler-Hammer division, successor to the Distribution and Control Business Unit of Westinghouse, accounting for approximately 18% of total purchases. No other supplier accounted for more than 6%. WESCO's ten largest suppliers in 1997 and their principal products are as follows:

Supplier	Products
Cutler-Hammer	Distribution and control equipment
Allen-Bradley	Control and automation equipment
Asea Brown Boveri	Transformers
Philips Lighting	Lamps
Southwire Company	Wire and cable
Cooper Lighting	Lighting fixtures
Thomas & Betts	Electrical supplies
Lithonia Lighting	Lighting fixtures
Crouse Hinds	Fittings
General Electric	Lamps and distribution equipment

WESCO has preferred supplier agreements with approximately 150 of its suppliers, and purchases approximately 60% of its stock inventories from suppliers pursuant to these agreements. Consistent

with industry practice, most of WESCO's agreements with suppliers, including both distribution agreements and preferred supplier agreements, are terminable by either party on no more than 60 days notice. See "Risk Factors -- Product Supply."

In order to capitalize on its buying power as a national network, WESCO has increasingly centralized buying by supplying a larger proportion of branch stock sales through its five regional distribution centers. To preserve local flexibility in tailoring their inventories to meet local customer requirements, branches are often offered the option of purchasing a choice of competing lines from the distribution centers. In limited cases where a product ordered by a customer is not otherwise available, a branch may purchase such product from a competitor to resell to the customer.

Certain suppliers to the electrical wholesale market supply their products pursuant to exclusive geographic arrangements whereby the distributor is granted the exclusive ability to sell the supplier's products in a geographic market and may be restricted from offering competing products. Although relatively few suppliers have such exclusive geographic distributorship arrangements, some involve much sought after product lines. The most notable of these is the highly regarded Allen-Bradley distributorship. In 1996, as a result of two acquisitions, the Company significantly increased the number of branches offering the Allen-Bradley product.

WESCO has a product management group which manages key supplier relationships, including negotiating preferred supplier agreements, managing cooperative marketing funds, organizing product training, developing joint marketing plans with suppliers and evaluating supplier performance.

Markets and Customers

WESCO has a large base of approximately 130,000 customers diversified across its principal markets. With no customer accounting for more than 1% of 1997 sales, WESCO is not dependent on any single customer. WESCO's broad customer base includes: (i) industrial companies from numerous manufacturing and process industries, and OEMs, including manufacturers of factory-built homes and other modular structures; (ii) contractors for industrial, commercial and residential projects; (iii) investor-owned utilities, municipal power authorities and rural electric cooperatives; and (iv) commercial, institutional and governmental ("CIG") customers.

Industrial Customers. Sales to industrial customers, which include MRO and OEM sales, accounted for approximately 40% of WESCO's sales in 1997 and approximately 25% of the electric wholesale market in 1996.

Electrical MRO products are needed to maintain and upgrade the electrical network at all industrial sites. Expenditures are greatest in the heavy process industries, such as pulp and paper and petrochemical. Typically, electrical MRO is the first or second ranked product category by purchase value for total MRO requirements for an industrial site. Other MRO product categories include, among other things, lubricants; pipe, valves and fittings; fasteners; and power transmission products. MRO activity has been difficult for industrial users to manage, as it is characterized by a fragmented supply base, a high volume of low dollar transactions, poor usage and cost information and relatively high inventory levels. For example, it is not unusual for a customer to inventory as many as 10,000 MRO SKUs. Furthermore, customers are sensitive to supply reliability, since a lack of critical spares could cause an entire manufacturing process to shut down.

WESCO is responding aggressively to the needs of this market, particularly for the high-use customers in heavy process industries. To more efficiently manage the MRO process on behalf of its customers, WESCO offers a range of supply management services, including: (i) outsourcing of the entire MRO purchasing process; (ii) implementing inventory optimization programs; (iii) participating in joint cost savings teams; (iv) assigning Company employees as on-site support personnel; (v) recommending energy-efficient product upgrades; (vi) offering safety and product training for customer employees; and (vii) providing manufacturing process improvements using automated solutions. WESCO's most distinctive service is its National Accounts program, with the ability to offer multi-site agreements to large industrial customers to ensure local supply with nationwide consistency in product and pricing.

OEM customers incorporate electrical assemblies and components into their own products and typically require a reliable, high-volume supply of a narrow range of electrical items. The wholesale channel generally serves the smaller and medium-sized OEMs, while the larger OEMs typically purchase directly from manufacturers. Customers in this segment are particularly service and price sensitive due to the volume and the critical nature of the product used. OEMs also expect value-added services such as design and technical support, just-in-time supply and electronic commerce. While prices tend to be lower in this market due to higher volume, long-term relationships are typical, which leads to an efficient supply process and stable, recurring revenues.

WESCO serves the OEM market by: (i) providing experienced, technically-oriented sales specialists who assist in product specification and selection, prototype development and supplier coordination; (ii) offering supply management services similar to those provided to industrial MRO customers; (iii) securing access to product lines that are commonly specified by OEMs; (iv) working with suppliers on product applications; and (v) offering specialized packaging or kitting services that bring efficiencies to the customer's manufacturing process.

Management believes that WESCO is the leading electrical wholesaler in the manufactured structures market (factory built homes, recreational vehicles and other modular structures), a particular type of OEM. For the past several years WESCO has been expanding its service to these customers by offering integrated supply solutions including a wide range of non-electrical products such as structural components, air conditioning units, plumbing fixtures, cabinets and kitchen ventilation equipment.

Electrical Contractors. Sales to electrical contractors accounted for approximately 38% of WESCO's sales in 1997 and approximately 40% of the electrical wholesale market in 1996. These customers range from large contractors for major industrial and commercial projects, the customer types which WESCO principally serves, to small residential contractors which represent a small portion of WESCO's sales. Electrical products purchased by contractors typically account for approximately 40% to 50% of the total installed cost, and therefore accurate cost estimates and competitive material costs are critical to a contractor's success in obtaining profitable projects. Contractors choose wholesale suppliers on the basis of price, availability and various support services such as design assistance, bill of material development, credit policies and inventory management.

WESCO is one of the industry leaders in serving the complex needs of large commercial and industrial contractors, and has established a Major Projects Group to focus some of its most experienced personnel on serving the needs of the top 50 U.S. electrical contractors on a multi-regional basis. WESCO also offers a wide range of services to meet the needs of contractors, including blanket purchase agreements, on-line ordering, CD-ROM catalogs, on-site trailers, lighting and distribution equipment lay-outs and access to low voltage products, particularly data communications products. WESCO has also worked to strengthen its relationships with independent manufacturers' representatives who provide additional sales coverage, technical assistance and training on behalf of manufacturers.

Utilities. Sales to utilities accounted for approximately 14% of WESCO's sales in 1997 and approximately 4% of the electrical wholesale market in 1996. The Company believes that its estimated 13% market share positions it as the leading electrical wholesaler to this market, which includes large investor-owned utilities, smaller rural electric cooperatives and municipal power authorities. WESCO provides its utility customers with an extensive range of supplies to meet their MRO and capital projects needs. Integrated supply arrangements are also important in this market as cost pressures and deregulation cause utility customers to streamline procurement practices. WESCO has been selected for supply management agreements with ComEd, PECO Energy and Wisconsin Electric Power Company.

Traditionally, investor-owned utilities have purchased products directly from manufacturers, while smaller rural electric cooperatives and municipal power authorities have been supplied by electrical wholesalers, including WESCO. Both large and small utility customers require relatively high dollar volumes of specialized product to maintain their electrical networks. Access to these specialized utility products is limited by geographic distributorship agreements granted by manufacturers. These products are, therefore, not generally available to all electrical wholesalers at the pricing required by utility customers. Recent trends in the utility industry favor utility-oriented electrical wholesalers, such as WESCO. The most important trend is the deregulation of utility power generation, which has forced large utilities

to seek better asset utilization and cost savings in all aspects of their operations, including purchasing and supply management. Investor-owned utilities, in focusing on their core business, have moved to outsource certain supply functions to wholesalers in order to reduce costs and enhance cash flow.

Commercial, Institutional and Governmental Customers. Sales to CIG customers accounted for approximately 7% of WESCO's sales in 1997 and approximately 21% of the electrical wholesale market in 1996. This is a fragmented market which includes schools, hospitals, property management firms, retailers (for their own use) and government agencies of all types. These customers often have complex infrastructure construction requirements, but their MRO requirements are typically less complex than large industrial or utility customers. WESCO's locally oriented and entrepreneurial branch operations are well positioned to serve both construction and MRO needs of these customers. WESCO's Major Products Group often assists in new construction and the National Accounts group supports the MRO needs of multi-site financial institutions, department stores and amusement parks. National retail or service chains tend to favor distributors such as WESCO who can meet their recurring needs at dozens or hundreds of store or office locations.

Other Electrical Customers. Sales to other electrical customers accounted for less than 1% of WESCO's sales in 1997 and approximately 10% of the electrical wholesale market in 1996. These customers include the general public, retailers (for resale), farmers and other wholesalers.

Data Communications Customers. WESCO provides its customers with a wide range of data communications products including (i) components of facilities and premise wiring for data networks and (ii) electronic devices and processors that transmit and manage the data flowing through a network. WESCO's customers in this market include Bell Atlantic, IBM, Kodak and LTV Steel. Because of the convergence of voice, data, and video applications, this growing market consists of a wide range of new products and manufacturers that are not included in the market size estimates for the electrical industry. The premise wiring component of the data communications market is estimated by industry sources to grow to approximately $4 billion in total sales by the year 2001 from an estimated $3 billion in 1997. The Company's sales to this market increased from $52 million in 1995 to $83 million in 1997, and the Company believes that such sales will continue to grow at a greater rate than most of its other product categories. The Company's sales to this market in the first quarter of 1998 were 22% higher than that of the comparable period in 1997.

Distribution Network

Branch Network. WESCO operates a system of over 325 branches, of which approximately 275 are located in the U.S., approximately 50 are located in Canada and the remainder are located in Puerto Rico, Mexico and Guam. Over the last two years WESCO has opened approximately 15 branches per year, principally to service National Accounts customers. In addition to consolidations in connection with acquisitions, the Company occasionally closes or consolidates existing branch locations to improve operating efficiency.

The size of individual branches within WESCO's nationwide network varies broadly. In 1997, WESCO's branches had annual sales as high as $66 million, with an average of approximately $8 million. A representative branch employs 10 to 15 people and typically stocks a product mix of 4,000 to 8,000 SKUs, tailored to its local customer base. Customers can typically place orders at the branches through facsimile, telephone, mail, EDI, on-line order entry or counter appearances.

WESCO grants its branch managers substantial autonomy in directing the branch sales force, configuring inventories, selecting markets served and developing local service options. Branches operate as separate profit and loss centers. A key aspect of WESCO's growth strategy is to encourage higher levels of productivity by creating appropriate economic incentives for branch managers through a mix of bonuses and stock options tied to the branch's growth and profit improvement. Since the Divestiture and the implementation of this incentive system, WESCO's average compensation for branch managers has increased by approximately 60%. See "Management -- Stock Option Plan for Branch Employees."

Distribution Centers. To support its branch network, WESCO has a system of five regional distribution centers ("DCs") which supply approximately 40% of stock purchases. The DCs add value to customers through: (i) shorter lead times for product supply; (ii) better product selection and availability; (iii) same day shipments; and (iv) central order handling and fulfillment for certain multi-site customers. In addition to creating value for customers, the DCs improve WESCO's supply chain management through: (i) automatic replenishment of branch stock; (ii) on-line ordering for branches; (iii) redeployment of slow-moving branch stock; (iv) automation of branch purchasing administration; (v) bulk purchasing to achieve order discounts; and (vi) advanced distribution techniques such as paperless picking, flow racking, barcoding, weight verification, electronic freight management and cross-docking. Suppliers also benefit from the DCs due to larger order sizes and lower transportation costs. DCs ship to branches every day, for same-day orders or orders previously generated through WESCO's computerized automated stock replenishment system.

Transportation and Logistics. WESCO offers its customers a variety of delivery methods, including: (i) direct shipment from the manufacturer, which is employed for many large orders and engineered products; (ii) branch shipment, which is used for the large majority of stock and special order sales; (iii) branch pick-up, which is used by some customers, particularly contractors, for their day-to-day business; and (iv) shipment from a DC on an exception or emergency basis, since DCs are primarily used to replenish branch stock. Substantially all branch shipments to customers are made by contract carriers or by Company or third party delivery vehicles, with minimal use of overnight parcel services.

Typically, manufacturers pay freight charges for inbound shipments to DCs, branches or customers. In some instances, prepaid freight terms are contingent upon WESCO meeting certain minimum order requirements. For some suppliers and where it results in lower overall transportation costs, WESCO has negotiated pick-up allowances in lieu of prepaid freight.

Sales Organization

General Sales Force. WESCO's general sales force is based at the local branches, and comprises approximately 2,000 Company employees, split equally between outside sales representatives and inside sales personnel. Outside sales representatives, who have an average of more than eight years of experience at WESCO, are paid under a compensation structure which is heavily weighted towards commissions. They are responsible for making direct customer calls, performing on-site technical support, generating new customer relations and developing existing territories. The inside sales force supports the outside sales force and is a key point of contact for responding to routine customer inquiries such as price and availability requests and for entering and tracking orders.

National Accounts. WESCO has what management believes to be the largest National Accounts sales force in the industry, led by an experienced group of sales executives who negotiate and administer contracts, coordinate branch participation and identify sales and service opportunities. National Accounts managers' efforts are aligned by targeted customer industries, including automotive, pulp and paper, petrochemical, steel, mining and food processing.

Data Communications. Data communications products are supported by a dedicated sales force of approximately 70 inside and outside representatives who focus primarily on the premise wiring systems market. This team is supported by additional resources in the purchasing, inventory management, product training, product management and regional sales areas. WESCO also operates a training facility where customers and the general sales force can receive industry-recognized certification in data communications product installation.

Major Projects. In 1995, WESCO established a group of highly experienced sales managers to target, on a national basis, the market for large construction projects with electrical material valued in excess of $1 million. WESCO's approach distinguishes it from almost all of its competitors, who typically handle even the largest construction projects on a local basis. Through the Major Projects Group, WESCO can meet the needs of contractors for complex construction projects such as new stadiums, industrial sites, wastewater treatment plants, airport expansions, healthcare facilities and correctional facilities.

Industrial Automation Specialists. According to industry estimates, sales of automation and control products are growing faster than the overall industry average as technology advances and industrial firms of all types seek more productive processes. The Company's EESCO Division, with its highly regarded Allen-Bradley distributorship, specializes in automation and control products. The Company's general sales staff is highly trained in assisting customers with process control applications, and a separate staff of 58 technical support and automation specialists provides sales assistance for analysis, design, specification and implementation. In addition, other WESCO branches which primarily serve industrial MRO and OEM customers draw on a dedicated staff of technically trained industrial automation specialists, who are strategically located in selected high-potential market areas and provide support and assistance to multiple branches. Overall, a total of approximately 90 automation and control specialists are currently employed throughout WESCO.

Canada

To serve the Canadian market, WESCO operates a network of approximately 50 branches in nine provinces. Branch operations are supported by two distribution centers located near Montreal and Vancouver. With sales of approximately US$280 million, Canada represented 11% of total WESCO sales in 1997. The Canadian market for electrical wholesale is considerably smaller than the U.S. market, with roughly US$2.4 billion in total sales in 1997 according to industry sources. The Canadian market is also far more concentrated than the U.S. market, based on estimated market data, with Westburne (33% share), Guillevin, owned by Consolidated Electrical Distributors (12% share), WESCO's Canadian branches (11% share) and Sonepar (8% share) collectively representing approximately 64% of the market in 1997, compared to approximately 14% for the top four U.S. wholesalers.

WESCO's Canadian operations have a strong reputation for serving the needs of medium and large contractors, which in 1997 represented 61% of WESCO's Canadian sales. More recently, WESCO has been successful in growing sales with industrial customers, through marketing of control products and the development and expansion of instrumentation product sales. National Accounts programs are also being successfully applied to this market, building on WESCO's U.S. experience with industrial customers. Data communications product sales have grown rapidly in Canada from a negligible amount in 1993 to approximately 8% of WESCO's total Canadian sales in 1997.

International

WESCO is continuing to build its international presence outside of the U.S. and Canada, principally by following its National Accounts customers and key suppliers into their high-growth markets, thereby limiting start-up risk and enhancing profit. Other opportunities to grow international sales include expanding and improving the quality of the network of the Company's independent export sales representatives outside of North America, increasing the number of North American-based export sales offices and building closer relationships with global engineering, procurement and construction firms. With sales of approximately US$64 million, international sales (excluding Canada) represented 2% of total WESCO sales in 1997. WESCO channels its international sales principally through 13 sales offices, six of which are located within North America as export offices and seven of which are in international locations, and through sales representatives in 22 foreign countries. WESCO is in the process of opening an administrative office in the United Kingdom to support its sales efforts in Europe, Africa and the former Soviet Union.

WESCO recently opened two branches in the Mexico City area, where WESCO was awarded the highly regarded Allen-Bradley distributorship for the Federal District and three surrounding states. WESCO estimates that the Mexico City market area represents 40% of total purchases in the $1.5 to $2.0 billion Mexican market. Up to three additional branches may be opened in the states surrounding Mexico City in the next three years.

A sales contact database of the foreign locations of WESCO's National Accounts customers is under development. It is estimated that over 1,000 plant sites outside of North America will eventually be covered by a direct sales and telemarketing program.

Management Information Systems

WESCO's corporate information system, WESCOM, provides low-cost, highly functional processing of a full range of WESCO's business operations, such as customer service, inventory and logistics management, accounting and administrative support. The system has been upgraded with decision support, executive information system analysis and retrieval capabilities to provide detailed income statement and balance sheet variance and trend reporting at the branch level. The system also provides activity based costing capabilities for analyzing profitability by customer, supplier, sales representative and shipment type. Sales and margin trends and variances can be analyzed by branch, customer, product category, supplier, or account representative.

The WESCOM system is fully distributed within WESCO, and every branch (other than EESCO and certain newly acquired branches) utilizes its computer system to support local business activities, on a real time basis, from sales quotation to delivery of products to customers. Telecommunication links through a central system in Pittsburgh give each branch access to information on inventory status in WESCO's distribution centers as well as other branches and an increasing number of on-line suppliers. EESCO operates its own system which is linked to the Company's central system. The Company intends to integrate EESCO into the WESCOM system over the next 12 to 18 months which is expected to reduce costs associated with operating dual systems.

WESCO conducts a portion of its business through EDI transactions, typically completing in excess of 65,000 EDI transactions per month with its trading partners. WESCO's electronic commerce strategy calls for tighter linkages to both customers and suppliers through greater use of technological advances, including Internet and CD-ROM catalogs, barcoding, enhanced EDI, electronic funds transfer and other innovative improvements.

Competition

WESCO competes directly with national, regional and local distributors. National competitors who offer a broad base of products include Graybar Electric Company, Inc., Consolidated Electrical Distributors and General Electric Supply Company. Regional competitors include Rexel, Inc., Crescent Electric Supply Company, Cameron & Barkley Company, Platt Electric Supply Inc., Sonepar and Westburne Inc. Certain other competitors, such as W.W. Grainger Inc., which focuses primarily on industrial supplies distribution, overlap with electrical wholesale distributors in some product lines. Distinct from these full-line distributors are niche distributors that carry only certain products such as wire, lighting products, or data communications equipment.

Competition among electrical wholesale distributors is primarily focused on the local service area, and is generally based on product line breadth, product availability and price. WESCO believes that it has certain competitive advantages over many of its local competitors, which are not able to carry the range of products stocked by WESCO or achieve purchasing economies of scale. However, some of WESCO's competitors are larger and have access to greater financial and marketing resources than WESCO. Another source of competition is buying groups formed by smaller distributors to increase purchasing power and provide some cooperative marketing capability. The two largest of these are Affiliated Distributors, representing an estimated $5 billion of electrical wholesale distribution sales in 1996, and IMARK, representing an estimated $3 billion of sales in 1996, based on industry sources. While increased buying power may improve the competitive position of buying groups locally, WESCO does not believe these groups have been able to compete effectively with WESCO for National Accounts customers due to the difficulty in coordinating a diverse ownership group.

Outside of the wholesale distribution channel, manufacturers employ, and may increase the use of, direct sales and/or independent manufacturers representatives. Some manufacturers with sufficient size, geographic scope and financial and marketing resources may be in a position to offer customers National Accounts services. Consumer channels such as hardware stores, DIY retail outlets (such as Home Depot), mass merchants and grocery stores also compete for certain customers. Some retail chains, with nationwide purchasing advantages, can in certain product categories offer prices comparable to those of the wholesale distributors, although with a much narrower product offering overall. These channels attract smaller residential contractors who work on projects generally requiring basic

electrical supplies. Such contractors represent a small portion of WESCO's sales. The Company's customers typically require a broader range of products and services than those provided by these retail channels.

Employees

As of March 31, 1998, WESCO had approximately 4,900 employees worldwide, of which approximately 4,200 were located in the U.S. and approximately 700 in Canada and WESCO's other foreign locations. Less than 5% of WESCO's employees are represented by unions. WESCO believes its labor relations to be generally good.

Properties

WESCO operates a system of over 325 branches, of which approximately 275 are located in the U.S., approximately 50 are located in Canada and the remainder are located in Puerto Rico, Mexico and Guam. Approximately 30% of branches are owned facilities, and the remainder are leased.

Set forth below is a table summarizing the Company's DC facilities:

Location	Square Feet	Regions Served	Leased/Owned
Warrendale, PA	252,700	Eastern U.S.	Owned and Leased
Sparks, NV	195,800	Western U.S.	Leased
Byhalia, MS	148,000	Southeastern U.S.	Owned
Dorval, QE	97,000	Eastern and Central Canada	Leased
Burnaby, BC	34,300	Western Canada	Owned

WESCO also leases its 60,400 square foot headquarters in Pittsburgh, Pennsylvania. WESCO does not regard the real property associated with any single branch location as material to its operations. WESCO believes its facilities are in good operating condition.

Intellectual Property

WESCO's trade and service mark, composed of the words "WESCO the extra effort people(R)," together with the running man design, is registered in the United States Patent and Trademark Office, the Canadian Trademark Office and the Mexican Instituto de la Propriedad Industrial. WESCO considers this mark to be material to its businesses.

Environmental Matters

WESCO believes that it is in compliance in all material respects with applicable Environmental Laws. There are no significant capital expenditures for environmental control matters either estimated in the current year or expected in the near future. In connection with the Divestiture, Westinghouse agreed to indemnify the Company for certain liabilities under Environmental Laws resulting from conditions at the Predecessor's branch locations and other real property at the time of the Divestiture. By the terms of this indemnity, the Company is not entitled to indemnification for claims made under the indemnity after February 27, 1996. Based on its due diligence investigation, including environmental assessments, Holdings made a claim under this indemnity in the amount of approximately $1.5 million, which Westinghouse is disputing. See "Risk Factors -- Environmental Risks."

Legal Proceedings

WESCO is party to routine litigation incidental to WESCO's business. WESCO does not believe that any legal proceedings to which it is a party or to which any of its property is subject will have a material adverse effect on WESCO's financial position or results of operations.

Directors and Executive Officers

The directors and executive officers of Holdings and WESCO and their respective ages and positions are set forth below.

Name	Age	Position
Roy W. Haley	51	Chairman, President and Chief Executive Officer
David F. McAnally	42	Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer
Stanley C. Weiss	69	Executive Vice President, Industry Affairs
Steven A. Burleson	39	Vice President and Corporate Controller
John R. Burke	50	Vice President, Operations
William M. Goodwin	52	Vice President, Operations
James H. Mehta	42	Vice President, Business Development
James V. Piraino	38	Vice President, Marketing
Patrick M. Swed	55	Vice President, Operations
Donald H. Thimjon	54	Vice President, Operations
Robert E. Vanderhoff	43	Vice President, Operations
Jeffrey B. Kramp	38	Corporate Secretary and General Counsel
James L. Singleton	42	Director
James A. Stern	47	Director
Anthony D. Tutrone	33	Director

Messrs. Haley, Kramp, Singleton, Stern and Tutrone hold the same positions with both Holdings and WESCO.

Messrs. Weiss, Burleson, Burke, Goodwin, Mehta, Piraino, Swed, Thimjon and Vanderhoff hold these positions with WESCO only.

Mr. McAnally is Treasurer of Holdings and WESCO, and Executive Vice President, Chief Operating Officer and Chief Financial Officer of WESCO only.

Set forth below is biographical information for the executive officers and directors of Holdings and WESCO listed above.

Roy W. Haley became Chairman of the Board upon the Recapitalization. Mr. Haley has been President and Chief Executive Officer and a Director of Holdings and WESCO since February 1994. Prior to joining the Company, from 1988 to 1993, Mr. Haley was an executive at American General Corporation, a diversified financial services company, where he served as Chief Operating Officer and as President and Director. Between 1989 and 1991, Mr. Haley was President and Chief Executive Officer of American General Finance, Inc., a consumer finance company. Previously Mr. Haley was a partner with Arthur Andersen & Co., working as a management consultant principally for manufacturing and distribution clients. Mr. Haley is also a director of United Stationers, Inc.

David F. McAnally has been Executive Vice President, Chief Operating Officer and Chief Financial Officer of WESCO and Treasurer of Holdings and WESCO since December 1997. Prior to joining WESCO, from 1996 to November 1997, Mr. McAnally was Senior Vice President, Chief Financial Officer of Rykoff-Sexton, Inc., a foodservice distribution company. Between 1992 and 1996, Mr. McAnally was Senior Vice President and Chief Financial Officer of U.S. Foodservice, Inc., also a foodservice distribution company.

Stanley C. Weiss has been Executive Vice President, Industry Affairs since April 1996. From 1956 to April 1996, Mr. Weiss held a number of senior executive positions at EESCO, most recently Chairman of the Board and Chief Executive Officer.

Steven A. Burleson joined WESCO in January 1995 as Corporate Controller and became Vice President and Corporate Controller in 1997. From 1990 to 1995, Mr. Burleson was Vice President and Treasurer of The Bon-Ton Stores, Inc. in York, Pennsylvania.

John R. Burke has been Vice President, General Manager of WESCO's EESCO Division since April 1996. Prior to joining WESCO, Mr. Burke was a Vice President of EESCO, an electrical distributor acquired by the Company in April 1996. Prior to joining EESCO in 1986, Mr. Burke occupied various positions with General Electric Corporation, where he began his career in 1973.

William M. Goodwin has been Vice President, International Group of WESCO since March 1984. Since 1977, Mr. Goodwin has served as a branch, district and region manager for WESCO in various locations and also served as Managing Director of WESCOSA, a former Westinghouse manufacturing and distribution business in Saudi Arabia.

James H. Mehta has been Vice President, Business Development of WESCO since November 1995. Prior to joining WESCO, from 1993 to 1995 Mr. Mehta was a principal with Schroder Ventures, a private equity investment firm based in London, England. From 1991 to 1993 he was managing private family investments. From 1988 to 1990 Mr. Mehta was Vice President, Corporate Development with the Uniroyal Goodrich Tire Company, and from 1990 to 1991 he was a consultant to CD&R.

James V. Piraino has been Vice President, Marketing since joining WESCO in August 1996. From 1995 to 1996, Mr. Piraino was a Vice President of AlliedSignal Corp. From 1989 to 1995, Mr. Piraino occupied marketing and sales management positions with W.W. Grainger, Inc. Prior to joining W.W. Grainger, Inc., Mr. Piraino worked in product and sales management with General Electric Corporation, where he began his career in 1981.

Patrick M. Swed has been Vice President, Industrial Group of WESCO since March 1994. Prior to joining WESCO, Mr. Swed had been Vice President of Branch Operations for the Predecessor from 1991 to 1994. Mr. Swed joined Westinghouse as a sales engineer in 1966 and first moved to the Predecessor in 1978 as a division marketing manager.

Donald H. Thimjon has been Vice President, Utility Group of WESCO since March 1994. Prior to joining WESCO, Mr. Thimjon served as Vice President, Utility Group for the Predecessor from 1991 to 1994 and as Regional Manager from 1980 to 1991.

Robert E. Vanderhoff has been Vice President, Manufactured Structures Group since March 1994. Prior to joining WESCO, Mr. Vanderhoff had been Vice President of the Predecessor since April 1993. Prior to 1993, Mr. Vanderhoff acted as District Manager from 1990 to 1993, Branch Manager from March to June 1990 and Account Executive from 1986 to 1990 of the Predecessor.

Jeffrey B. Kramp has been Corporate Secretary and General Counsel of Holdings and WESCO since March 1994. From 1987 to February 1994 Mr. Kramp served as Assistant General Counsel at Westinghouse, with WESCO as his primary legal responsibility during this time period.

James L. Singleton became a Director of Holdings and WESCO upon the Recapitalization. Mr. Singleton has been a Vice Chairman of Cypress since its formation in April 1994. Prior to joining Cypress, he was a Managing Director in the Merchant Banking Group at Lehman Brothers Inc. Mr. Singleton is also a director of Able Body Corporation, Cinemark USA, Inc., Genesis ElderCare Corp., L.P. Thebault Company and Williams Scotsman, Inc.

James A. Stern became a Director of Holdings and WESCO upon the Recapitalization. Mr. Stern has been Chairman of Cypress since its formation in April 1994. Prior to joining Cypress, Mr. Stern spent his entire career with Lehman Brothers Inc., most recently as head of the Merchant Banking Group. During his twenty years with Lehman Brothers, he also served as head of Lehman's High Yield and Primary Capital Markets Groups, and was co-head of Investment Banking. In addition, Mr. Stern was a member of Lehman's Operating Committee. Mr. Stern is also a director of AMTROL Inc., Cinemark USA, Inc., Frank's Nursery & Crafts, Inc., Lear Corporation, Noel Group, Inc., R.P. Scherer Corporation, Genesis ElderCare Corp. and a trustee of Tufts University.

Anthony D. Tutrone became a Director of Holdings and WESCO upon the Recapitalization. Mr. Tutrone has been a Principal of Cypress since its formation in April 1994. Prior to joining Cypress, he was a member of the Merchant Banking Group of Lehman Brothers Inc. Mr. Tutrone is also a director of AMTROL Inc.

Composition of Board and Committees

The Board of Directors of both Holdings and WESCO (the "Board") has three standing committees: an Executive Committee, an Audit Committee and a Compensation Committee.

The Executive Committee consists of Messrs. Singleton, Haley and Stern, with Mr. Singleton serving as Chairman. It is responsible for overseeing the management of the affairs and business of Holdings and WESCO and has been delegated authority to exercise the powers of the Board during intervals between Board meetings.

The Audit Committee consists of Messrs. Singleton and Tutrone, with Mr. Singleton serving as Chairman. It is responsible for recommending the firm to be appointed as independent accountants to audit the Company's financial statements and to perform services related to the audit; reviewing the scope and results of the audit with the independent accountants; reviewing with the management and the independent accountants the Company's year-end operating results; considering the adequacy of the internal accounting and control procedures of the Company; reviewing the non-audit services to be performed by the independent accountants, if any, and considering the effect of such performance on the accountants' independence.

The Compensation Committee consists of Messrs. Singleton, Tutrone and Stern, with Mr. Stern serving as Chairman. It is responsible for the review, recommendation and approval of compensation arrangements for directors and executive officers, for the approval of such arrangements for other senior level employees, and for the administration of certain benefit and compensation plans and arrangements of the Company.

Cypress intends to appoint one or more additional directors who are not affiliated with Holdings.

Executive Compensation

The information set forth below describes the components of the total compensation of the Chief Executive Officer and the four other most highly compensated executive officers of the Company, based on 1997 salary and bonuses (the "Named Executives"). The principal components of such individuals' current cash compensation are the annual base salary and bonus included in the Summary Compensation Table. Also described below is other compensation such individuals can receive under Holdings' stock and option programs.

SUMMARY COMPENSATION TABLE

		Annual Compensation		
Name and Principal Position	Year	Salary	Bonus	All Other Compensation(1)
Roy W. Haley, President & CEO	1997	$466,667	$425,000	$ 52,300
Stanley C. Weiss Executive Vice President, Industry Affairs	1997	300,000	150,000	62,010(2)
James H. Mehta, Vice President, Business Development	1997	258,339	115,000	13,325
Patrick M. Swed, Vice President, Industrial/Construction	1997	200,000	130,000	33,000
James V. Piraino, Vice President, Marketing	1997	165,000	110,000	14,463

(1) (A) Includes contributions by the Company under the WESCO Distribution, Inc. Retirement Savings Plan in the amounts of $9,550, $13,700, $7,675, $15,950, and $7,543 for Messrs. Haley, Weiss, Mehta, Swed and Piraino, respectively.

(B) Includes contributions by the Company under the WESCO Distribution, Inc. Deferred Compensation Plan in the amounts of $42,750, $31,900, $5,650, $17,050 and $6,920 for Messrs. Haley, Weiss, Mehta, Swed and Piraino, respectively.

(2) Includes life insurance premiums in the amount of $16,410.

Employment Agreements

In connection with WESCO's acquisition of EESCO, WESCO entered into an employment agreement with Mr. Weiss (the "Weiss Agreement"), pursuant to which WESCO agreed to employ Mr. Weiss during the period commencing on the date of the acquisition and ending on December 31, 1998, subject to WESCO's right to terminate Mr. Weiss' employment prior to such date for "cause" (as defined in the Weiss Agreement) without any continuing liability. During the employment term under the Weiss Agreement, Mr. Weiss is entitled to an annual base salary of $300,000 and, provided WESCO attains annual performance objectives established from year to year by WESCO, an annual incentive bonus equal to a percentage of his annual base salary, not to exceed 75%. In the event of the termination of Mr. Weiss' employment with WESCO by Mr. Weiss for "good reason" (as defined in the Weiss Agreement), Mr. Weiss will continue to receive payments of his annual base salary for the remainder of the employment term. The Weiss Agreement also contains customary covenants regarding nondisclosure of confidential information and non-competition and non-solicitation restrictions.

In connection with the Recapitalization, WESCO has entered into an employment agreement with Mr. Haley (the "Haley Agreement") providing for a rolling employment term of three years. Pursuant to the Haley Agreement, Mr. Haley is entitled to an annual base salary of $500,000 and an annual incentive bonus equal to a percentage of his annual base salary ranging from 0% to 200%. The actual amount of Mr. Haley's annual incentive bonus will be determined based upon the financial performance of WESCO as compared to the annual performance objectives established by Holdings for the relevant fiscal year. Under the proposed terms of the Haley Agreement, if Mr. Haley's employment with Holdings and WESCO is terminated by Holdings and WESCO without "cause" (as defined in the Haley Agreement), by Mr. Haley for "good reason" (as so defined) or as a result of Mr. Haley's death or disability (any such termination, a "Qualifying Termination"), Mr. Haley (or, in the event of his death, Mr. Haley's spouse) is entitled to continued payments of his average annual base salary and his average annual incentive bonus (reduced by any disability payments, if applicable) for the three-year period, or in the case of a termination due to Mr. Haley's death or disability, the two-year period, following such termination, and continued welfare benefit coverage for the two-year period following such termination. In addition, in the event of any such Qualifying Termination, all outstanding options held by Mr. Haley will become fully vested. The Haley Agreement further provides that, in the event of the termination of Mr. Haley's employment by Holdings and WESCO without cause or by Mr. Haley for good reason, in either such case, within the two-year period following a "change in control" of Holdings or WESCO (as defined in such agreement) (such termination, a "Qualifying CIC Termination"), in addition to the termination benefits described above, Mr. Haley is entitled to receive continued welfare benefit coverage and payments in lieu of additional contributions to WESCO's Retirement Savings Plan and Deferred Compensation Plan for the three year period following such Qualifying CIC Termination. WESCO has agreed to provide Mr. Haley with an excise tax gross up with respect to any excise taxes Mr. Haley may be obligated to pay pursuant to Section 4999 of the United States Internal Revenue Code of 1986, as amended, on any excess parachute payments. In addition, following a change in control, Mr. Haley is entitled to a minimum annual bonus equal to 50% of his base salary and the definition of "good reason" is modified to include certain additional events. The Haley Agreement also contains customary covenants regarding nondisclosure of confidential information and non-competition and non-solicitation restrictions.

Holdings and WESCO also intend to enter in an employment agreement with David McAnally (the "McAnally Agreement"), the Executive Vice President, Chief Operating Officer and Chief Financial Officer of WESCO and Treasurer of each of Holdings and WESCO, providing for an employment term of two years, subject to automatic renewal at the end of each year for an additional year. Pursuant to the proposed terms of the McAnally Agreement, Mr. McAnally will be entitled to an annual base salary of $300,000 and, depending upon the extent, if any, to which WESCO achieves the performance objectives established for an applicable fiscal year, an annual incentive bonus ranging from 0 to 100% of his annual base salary; provided that Mr. McAnally is entitled to a minimum annual bonus for 1998 of $150,000. The proposed terms of the McAnally Agreement provide that in the event of a Qualifying Termination of Mr. McAnally's employment, Mr. McAnally (or, in the event of his death, his spouse) will be entitled to continued payments of his average annual base salary and average annual incentive bonus

(reduced by any disability payments, if applicable) and to continued welfare benefit coverage, in each such case, for a period ending on the later of (1) the date of the expiration of the then current employment term and (2) the first anniversary of the date of such Qualifying Termination, provided that if such Qualifying Termination occurs prior to the second anniversary of Mr. McAnally's commencement of employment with WESCO, such payments and benefit coverage will be provided for a period of one year following such termination. In addition, in the event of a Qualifying Termination of Mr. McAnally's employment following the second anniversary of the commencement of his employment, 50% of any outstanding options granted to Mr. McAnally will become vested. It is expected that the McAnally Agreement will contain provisions similar to the provisions of the Haley Agreement concerning a "change in control" of Holdings or WESCO, except that in the event of a Qualifying CIC Termination, Mr. McAnally will be entitled to continued payments of his average annual base salary and average bonus and continued welfare benefit coverage for up to two years following such termination and Mr. McAnally will be entitled to receive a cash-out payment in respect of his options if (i) he does not resign from employment without "good reason" (as defined in the McAnally Agreement), or (ii) he is terminated without "cause" (as defined in the McAnally Agreement) by a successor, prior to the first anniversary of the change in control. The McAnally Agreement also contains customary covenants regarding nondisclosure of confidential information and non-competition and non-solicitation restrictions.

New Stock Option Plan

In connection with the Recapitalization, Holdings will establish a new stock option plan that will provide certain members of management options to purchase shares of Common Stock at an exercise price per share determined by the Board to represent the estimated fair market value per share on the date of the grant. It is anticipated that a majority of such stock options will be granted in connection with the closing of the Recapitalization. Approximately one-half of the new stock options will vest ratably over four years. The remainder of the new stock options will vest based upon meeting certain performance targets.

Stock Option Plan for Branch Employees

Under Holdings' Stock Option Plan for Branch Employees (the "Branch Option Plan"), the Compensation Committee, which is responsible for administering the Branch Option Plan, may grant to branch managers and other key employees of the Company employed at a branch or contributing significantly to growth and profitability of a branch (the "Branch Participants") options to purchase shares of Common Stock (the "Branch Options"). The outstanding Branch Options have an exercise price per share determined by the Board to represent the estimated fair market value per share on the date of grant. None of the Named Executives currently participate in the Branch Option Plan. Under the terms of the Recapitalization Agreement, the Compensation Committee has adopted a resolution causing 100% of all Branch Options to be rolled over and remain outstanding without any acceleration of the vesting schedule.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table sets forth information for each Named Executive with regard to the aggregate stock options held at December 31, 1997. No stock options were granted to, or exercised by, any of the Named Executives during 1997.

Name	Number of Securities Unexercised Options at FY-End (#) (Exercisable/Unexercisable)	Value of Unexercised In-the-Money Options at FY-End ($)(1) (Exercisable/Unexercisable)
Roy W. Haley	13,368\8,912	$8,302,597\$5,535,065
Stanley C. Weiss	--\--	--\--
James H. Mehta	3,428\5,142	2,129,062\3,193,593
Patrick M. Swed	3,426\2,284	2,127,820\1,418,547
James V. Piraino	286\1,144	177,629\710,516

(1) Based on a price per share of common stock of $621.08. The price reflects the estimated fair market value as of December 31, 1997.

The foregoing options were issued under Holdings' existing stock option plan. In connection with the Recapitalization, the Board caused all unvested options (including those held by the Named Executives) under such plan to vest (and become exercisable) upon the closing of the Recapitalization.

Retention Bonus Payment

Holdings paid an aggregate amount of approximately $11 million to a group of approximately 45 managers (including the Named Executives) upon the closing of the Recapitalization. With respect to each such manager, such payment was equal to approximately one to two times base salary. Immediately prior to the closing of the Recapitalization, CD&R made an equity contribution to Holdings equal to one-half of such aggregate amount.

Compensation Committee Interlocks and Insider Participation

During 1997, a former outside director and three former directors affiliated with CD&R served on the Compensation Committee.

Holdings paid an affiliate of CD&R fees of $400,000 for advisory, management consulting and monitoring services rendered during 1997. Holdings has agreed to indemnify certain members of the Board and such CD&R affiliate against liabilities incurred under securities laws or with respect to their services for Holdings.

Amended and Restated Registration and Participation Agreement

In connection with the Recapitalization, the Investor Group, CD&R, Westinghouse and Holdings entered into an Amended and Restated Registration and Participation Agreement (the "Registration and Participation Agreement"), which amended and restated the previous agreement among CD&R, Westinghouse and Holdings, to reflect, among other things, the succession of the Investor Group to CD&R's and Westinghouse's rights and obligations thereunder. Pursuant to the Registration and Participation Agreement, the Investor Group and the Management Stockholders (as defined) have the right, under certain circumstances and subject to certain conditions, to request that Holdings register under the Securities Act shares of Common Stock held by them. Subject to certain conditions and exceptions, the Investor Group and the Management Stockholders also have the right to require that shares of Common Stock held by them be included in any registration under the Securities Act commenced by Holdings. The Registration and Participation Agreement provides that Holdings will pay all expenses in connection with the first three registrations requested by the Investor Group and the Management Stockholders. The Registration and Participation Agreement also provides that Holdings will indemnify the Investors and the Management Stockholders and their affiliates for certain liabilities they may incur under the securities laws.

The Registration and Participation Agreement also contains certain restrictions which prohibit the sale of Common Stock by Cypress unless Cypress provides each holder of Common Stock entitled to the benefits of the Registration and Participation Agreement (including the other members of the Investor Group and the Management Stockholders) with a 30-day prior notice pursuant to which such holders may agree to participate in such sale on a pro rata basis with Cypress. The Registration and Participation Agreement provides that, if Cypress sells all of its shares of Common Stock to a third party, Cypress may require such other holders of Common Stock to sell all of their shares to such third party pursuant to such sale at the same price and on the same terms as Cypress. In addition, the Registration and Participation Agreement provides that if prior to any equity public offering by Holdings, Holdings issues additional shares of Common Stock to Cypress (subject to certain exceptions), Holdings will offer to all holders of registrable securities that are "accredited investors" the right to purchase a pro rata share of such newly-issued shares (based on such holder's equity interest in Holdings) at the same price and on the same terms as Cypress.

In addition, the Registration and Participation Agreement provides that so long as Cypress owns any securities of Holdings, Cypress shall have the right to designate one director to the board of directors of each of Holdings, the Company and WESCO Distribution-Canada, Inc.

Management Stockholders

Each member of management who holds Common Stock (a "Management Stockholder") is a party to a stock subscription agreement with Holdings which provides that such Management Stockholder is entitled to certain benefits of, and bound by certain obligations in, the Registration and Participation Agreement, including certain registration rights thereunder. Such stock subscription agreements also provide the Management Stockholder with the right to require Holdings to purchase all such Management Stockholder's shares of Common Stock at the then fair market value based upon certain events. Pursuant to the stock option agreements governing each Management Stockholder's stock options, such Management Stockholder also has the right to require Holdings to purchase all of such Management Stockholder's options at the then fair market value of the Common Stock minus the exercise price upon such events. Such rights terminate upon an initial equity public offering of Holdings. In addition, such stock subscription agreements and stock option agreements provide that such rights are subject to, and limited by, any restrictions on Holdings' ability to redeem or repurchase its equity contained in the Credit Facilities, the Indentures or other debt instruments.

A portion of the purchase price paid for the Common Stock purchased by certain Management Stockholders has been financed by full-recourse bank loans guaranteed by the Company. Since February 28, 1994, Messrs. Burke, Burleson, Goodwin, Haley, Kramp, Mehta, Piraino, Swed, Thimjon and

Vanderhoff have had outstanding loans guaranteed by the Company in the amount of $167,262, $68,800, $161,200, $1,377,956, $68,800, $587,959, $167,262, $343,200, $155,000 and $34,400, respectively.

Payment of Certain Fees and Expenses

In connection with the Recapitalization, Cypress received a transaction fee of approximately $9.5 million from Holdings and will be reimbursed for all out-of-pocket expenses. Holdings has also agreed to indemnify Cypress to the fullest extent allowable under applicable Delaware law and against any suits, claims, damages or expenses which may be made against or incurred by Cypress under applicable securities laws, including in connection with the Offerings.

Payments to CD&R and Westinghouse Pursuant to the Recapitalization

Approximately $517.5 and $62.1 million of the Equity Consideration paid in connection with the Recapitalization was paid to CD&R and Westinghouse, respectively, to purchase their shares of Common Stock. In addition, approximately $52.1 million of the Equity Consideration was paid to cash-out an option held by Westinghouse to purchase 100,000 shares of Common Stock at an exercise price of $100 per share. Westinghouse also held approximately $66.6 million of the formerly existing indebtedness of WESCO which was repaid in connection with the Recapitalization.

Certain Relationships With Chase

Chase Securities Inc. ("CSI"), one of the Initial Purchasers, is an affiliate of The Chase Manhattan Bank ("Chase") which is the agent bank and a lender to the Company under the Credit Facilities and is the funding agent, liquidity bank and trustee under the Receivables Facility. Chase was also a lender to the Company under an existing revolving credit facility and received its proportionate share of the repayment by the Company of amounts outstanding under such facility pursuant to the Recapitalization. Chase Capital Partners, an affiliate of CSI and Chase, is a member of the Investor Group and owns approximately 13.9% of the outstanding Common Stock as a result of the Recapitalization. In addition, CSI, Chase and their affiliates perform various investment banking and commercial banking services on a regular basis for Cypress, CD&R and their respective affiliates.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

All of the outstanding capital stock of the Company is owned by Holdings. The following table sets forth certain information as to the beneficial ownership of Common Stock by (i) owners of more than 5% of the outstanding shares of Common Stock, (ii) each executive officer and director of Holdings and the Company and (iii) all such executive officers and directors, as a group. Except as indicated in the footnotes to this table, Holdings believes that the persons named in the table have sole voting and investment power with respect to all shares shown as beneficially owned by them.

Name	Shares of Common Stock	Percentage Owned
Cypress Merchant Banking Partners L.P.(1) c/o The Cypress Group L.L.C. 65 East 55th Street New York, New York 10022	321,470	55.4%
Cypress Offshore Partners L.P.(1) Bank of Bermuda (Cayman) Limited P.O. Box 513 G.T. Third Floor British America Tower George Town, Grand Cayman Cayman Islands, B.W.I.	16,650	2.9%
Chase Equity Associates, L.P.(2) c/o Chase Capital Partners, L.P. 380 Madison Avenue, 12th Floor New York, New York 10017	80,504	13.9%
Co-Investment Partners, L.P. c/o CIP Partners, LLC 660 Madison Avenue New York, New York 10021	80,505	13.9%
Roy W. Haley	16,720	2.9%
David F. McAnally	1,932	*
Stanley C. Weiss	--	--
Steven A. Burleson	860	*
John R. Burke	804	*
William M. Goodwin	2,140	*
James H. Mehta	6,430	1.1%
James V. Piraino	1,070	*
Patrick M. Swed	4,290	*
Donald H. Thimjon	2,140	*
Robert E. Vanderhoff	430	*
Jeffrey B. Kramp	860	*
James L. Singleton(1)	--	--
James A. Stern(1)	--	--
Anthony D. Tutrone	--	--
All executive officers and directors as a group (15 persons)	37,676	6.5%

* Represents holdings of less than 1%.

(1) Cypress Merchant Banking Partners L.P. and Cypress Offshore Partners L.P. are affiliates of Cypress. Messrs. Singleton and Stern are members of Cypress and may be deemed to share beneficial ownership of the shares of Common Stock shown as beneficially owned by such Cypress funds. Such individuals disclaim beneficial ownership of such shares.

(2) These shares constitute shares of non-voting class B common stock.

DESCRIPTION OF THE CREDIT FACILITIES

The following is a summary of the material terms of the Credit Agreement entered into among the Company, WESCO Distribution-Canada, Inc. ("WESCO Canada"), Holdings, certain financial institutions to be party thereto, Chase, as U.S. administrative agent, syndication agent and U.S. collateral agent, The Chase Manhattan Bank of Canada, as Canadian administrative agent and Canadian collateral agent ("Chase Canada"), and Lehman Commercial Paper Inc. ("Lehman Commercial Paper"), as documentation agent. The following summary is qualified in its entirety by reference to the Credit Agreement, which has been filed as an exhibit to the Registration Statement of which this Prospectus is a part.

The Facilities

Structure. The Credit Agreement provides for (a) three Term Loan Facilities in an aggregate principal amount of up to $270.0 million (the "Term Facilities"), consisting of (i) a Tranche A Term Loan Facility (the "Tranche A Term Facility") providing for term loans ("Tranche A Term Loans") to the Company in an aggregate principal amount of up to $80.0 million, (ii) a Tranche B Term Loan Facility (the "Tranche B Term Facility") providing for term loans to the Company in an aggregate principal amount of up to $90.0 million and (iii) a Delayed Draw Term Loan Facility (the "Delayed Draw Term Facility") providing for term loans to the Company in an aggregate principal amount of up to $100.0 million and (b) a Revolving Credit Facility providing for (i) U.S. dollar revolving loans in an aggregate principal amount outstanding at any time not to exceed U.S. $50.0 million and (ii) U.S. dollar and/or Canadian dollar revolving loans in an aggregate principal amount outstanding at any time not to exceed U.S. $50.0 million (the "Revolving Facility" and, together with the Term Facilities, the "Credit Facilities"). An aggregate principal amount not to exceed $25.0 million is available under the Revolving Facility for acquisitions permitted under the Credit Agreement.

Availability. The full amount of the Tranche A Term Facility and the Tranche B Term Facility was required to be drawn on the Closing Date and amounts repaid or prepaid will not be able to be reborrowed. The Delayed Draw Term Facility is available for two years after the Closing Date solely for acquisitions permitted under the Credit Agreement and amounts repaid or prepaid will not be able to be reborrowed. Amounts under the Revolving Facility are available on a revolving basis.

Interest

Borrowings under the Term Facilities and borrowings in U.S. dollars under the Revolving Facility bear interest at a rate per annum equal (at the Company's option) to: (a) an adjusted London inter-bank offered rate ("LIBOR") plus a borrowing margin based on the Company's financial performance or (b) a rate equal to the highest of Chase's published prime rate, a certificate of deposit rate plus 1% and the Federal Funds effective rate plus 0.5% ("ABR") plus, in each case a borrowing margin based on the Company's financial performance. The borrowing margins applicable to the Tranche A Term Loans and U.S. dollar borrowings under the Revolving Facility will initially be 2.25% for LIBOR loans and 1.25% for ABR loans. The borrowing margins applicable to the Tranche B Term Loans and the Delayed Draw Term Facility will initially be 2.50% for LIBOR loans and 1.50% for ABR loans. Borrowings in Canadian dollars under the Revolving Facility bear interest at a rate per annum equal (at the Company's option) to: (a) the higher of Chase Canada's published prime rate and the Canadian Dollar Offered Rate plus 1% (the "Canadian Prime Rate") plus, in each case, a borrowing margin based on the Company's financial performance or (b) the Canadian banker's acceptance rate (the "B/A Rate"), plus a borrowing margin based on the Company's financial performance. The borrowing margins applicable to any Canadian dollar borrowing under the Revolving Facility will initially be 2.25% for B/A Rate loans and 1.25% for Canadian Prime Rate loans. Amounts outstanding under the Credit Facilities not paid when due will bear interest at a default rate equal to 2% above the rates otherwise applicable to the loans under the Credit Agreement.

Fees

The Company has agreed to pay certain fees with respect to the Credit Agreement, including (i) fees on the unused commitments of the lenders equal to 0.5% on the undrawn portion of the commitments in respect of the Revolving Facility and the Delayed Draw Term Facility (subject to a reduction based on the Company's financial performance); (ii) letter of credit fees on the aggregate face amount of outstanding letters of credit equal to the then applicable borrowing margin for LIBOR loans under the Revolving Facility and a negotiated per annum issuing bank fee for the letter of credit issuing bank; (iii) annual administration fees; and (iv) agent, arrangement and other similar fees.

Security; Guarantees

The obligations of the Company under the Credit Facilities are irrevocably guaranteed, jointly and severally, by Holdings and by each existing and subsequently acquired or organized domestic subsidiary and, to the extent no adverse tax consequences would result, foreign subsidiary of Holdings other than the Company and the Receivables Subsidiary (the "U.S. Guarantors"). In addition, the obligations of the Company under the Credit Facilities and the related guarantees are secured by substantially all of the assets of Holdings, the Company and each other existing and subsequently acquired or organized domestic subsidiary and, to the extent no adverse tax consequences would result, foreign subsidiary of Holdings other than the Receivables Subsidiary (collectively, the "U.S. Collateral"), including but not limited to (i) a first priority pledge of all the capital stock of the Company and of each existing and subsequently acquired or organized domestic subsidiary and, subject to the foregoing limitation, foreign subsidiary of Holdings and (ii) a perfected first priority security interest in, and mortgage on, substantially all tangible and intangible assets of the Company and the U.S. Guarantors (including, but not limited to, accounts receivable, documents, inventory, equipment, intellectual property, investment property, general intangibles, real property, cash and cash accounts and proceeds of the foregoing), in each case subject to certain exceptions.

The obligations of WESCO Canada under the Revolving Facility are irrevocably guaranteed, jointly and severally, by the Company, Holdings and by each existing and subsequently acquired or organized subsidiary of WESCO Canada and any other subsidiary of Holdings organized under the laws of Canada and the U.S. Guarantors. In addition, the obligations of WESCO Canada under the Revolving Facility and the related guarantees are secured by (i) the U.S. Collateral and (ii) substantially all of the assets of WESCO Canada and each existing and subsequently acquired or organized subsidiary of WESCO Canada and any other subsidiary of Holdings organized under the laws of Canada including but not limited to (A) a first priority pledge of all the capital stock of WESCO Canada and each existing and subsequently acquired or organized subsidiary of WESCO Canada and any other subsidiary of Holdings organized under the laws of Canada and (B) a perfected first-priority security interest in, and mortgage on, substantially all tangible and intangible assets of WESCO Canada and each existing and subsequently acquired or organized subsidiary of WESCO Canada and any other subsidiary of Holdings organized under the laws of Canada (including, but not limited to, accounts receivable, documents, inventory, equipment, intellectual property, investment property, general intangibles, real property, intercompany notes, cash and proceeds of the foregoing), in each case subject to certain exceptions.

Commitment Reductions and Repayments

The Revolving Facility will mature six years after the Closing Date. The Tranche A Term Loan will mature six years after the Closing Date with quarterly amortization payments during the term of such loan in an annual aggregate principal amount as follows: 1999, $4.0 million; 2000, $8.0 million; 2001, $12.0 million; 2002, $16.0 million; 2003, $20.0 million; and 2004, $20.0 million. The Tranche B Term Loan will mature eight years after the Closing Date, with quarterly amortization payments during the term of such loan in an annual aggregate principal amount as follows: 1999 through 2004, $500,000; 2005, $34.2 million; and 2006, $52.3 million. The Delayed Draw Term Facility will mature seven years after the Closing Date, with quarterly amortization payments during the term of such facility in an annual aggregate principal amount as follows: 2002, $25.0 million; 2003, $25.0 million; 2004, $25.0 million; and 2005, $25.0 million (assuming the Company borrows the full amount available under the Delayed Draw Term Facility); provided that on the last day of each fiscal quarter of the Company that loans are

outstanding under the Delayed Draw Term Facility, the Company is required to repay 1/4 of 1% of the aggregate principal amount of such loans, with any such repayment being applied against the amortization schedule set forth above.

In addition, the Credit Facilities will be subject to mandatory prepayment and reductions in an amount equal to (a) 100% of the net cash proceeds of certain equity issuances by Holdings, the Company, WESCO Canada or any of their respective subsidiaries, (b) 100% of the net cash proceeds of certain debt issuances of Holdings, the Company, WESCO Canada or any of their respective subsidiaries, (c) 75% of the Company's excess cash flow (subject to a reduction to 50% if the Company's long-term senior unsecured debt receives an investment grade rating from Standard and Poor's Rating Service or Moody's Investors Service, Inc.) and (d) 100% of the net cash proceeds of certain asset sales or other dispositions of property by Holdings, the Company or any of their respective subsidiaries, in each case subject to certain exceptions.

Affirmative, Negative and Financial Covenants

The Credit Agreement contains a number of covenants that, among other things, restrict the ability of Holdings, the Company, WESCO Canada and their respective subsidiaries to dispose of assets, incur additional indebtedness, incur or guarantee obligations, repay other indebtedness or amend other debt instruments, pay dividends, create liens on assets, make investments, loans or advances, make acquisitions, engage in mergers or consolidations, change the business conducted by the Company, WESCO Canada and their respective subsidiaries, make capital expenditures, or engage in certain transactions with affiliates and otherwise restrict certain corporate activities. In addition, the Credit Agreement requires Holdings to comply with specified financial ratios and tests, including a maximum leverage ratio, a minimum working capital test and a minimum interest coverage ratio. The Credit Agreement also contains provisions that prohibit any modifications of the Indentures in any manner adverse to the lenders under the Credit Agreement and that limit the Issuers' ability to refinance or otherwise prepay the Notes without the consent of such lenders.

Events of Default

The Credit Agreement contains customary events of default, including non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations or warranties in any material respect, cross default to certain other indebtedness, bankruptcy, ERISA events, material judgments and liabilities, actual or asserted invalidity of any material security interest and change of control.

DESCRIPTION OF THE RECEIVABLES FACILITY

The following is a summary of the material terms of the Receivables Facility entered into among the Company, WESCO Canada, WESCO Receivables Corp., a newly formed special purpose subsidiary of the Company (the "SPC"), Chase as liquidity bank (the "Liquidity Bank") and funding agent for a multi-seller asset-backed commerical paper issuer (the "CP Issuer"). The following summary is qualified in its entirety by reference to the Receivables Sale Agreements and the Pooling Agreement (each as defined below), which has been filed as exhibits to the Registration Statement of which this Prospectus is a part.

The Receivables Facility

The Company has established the SPC as a wholly-owned, special purpose, bankruptcy-remote subsidiary. The SPC purchases the receivables (the "Receivables") generated by the Company, WESCO Canada and certain other subsidiaries (the "Receivables Sellers") pursuant to two receivables sale agreements (collectively, the "Receivables Sale Agreements"). The Receivables Sale Agreements contain customary terms for similar transactions, including representations and warranties of the Receivables Sellers as to the Receivables and certain corporate matters, affirmative and negative covenants and purchase termination events, and will be limited recourse to the Receivables Sellers for breach of representations, warranties and covenants.

The SPC has entered into a pooling agreement, as supplemented (the "Pooling Agreement") with Chase as trustee (the "Trustee") pursuant to which the SPC transfers to a trust (the "Trust") all the Receivables, and the CP Issuer, or in certain circumstances, the Liquidity Bank (together with the CP Issuer, the "Purchasers") provides financing to the SPC (which in turn uses such financing to pay a portion of the purchase price of the Receivables purchased from the Receivables Sellers) through the purchase of an undivided percentage ownership interest in the Trust ("Transferred Interests"). If the CP Issuer no longer wishes to, or is unable to, provide financing, which may occur at any time, the Liquidity Bank is committed to thereafter be the Purchaser. The Receivables Facility will be supported by a commitment of the Liquidity Bank, subject to the terms and conditions of the Pooling Agreement, to purchase Transferred Interests for a period of approximately six years (the "Revolving Period") on a revolving basis in an amount not to exceed $300 million at any time outstanding. The availability of the Receivables Facility is subject to the Trust holding Receivables meeting certain eligibility requirements equal to the amount of the outstanding Transferred Interests and required reserves. On the Closing Date only approximately $250 million was funded under the Receivables Facility.

The Trust, on behalf of the Purchasers, has a first priority perfected ownership or security interest in the Receivables, the rights of the SPC under the Receivables Sale Agreements and cash collections and other proceeds received in respect of the Receivables.

Pursuant to a servicing agreement entered into by the Receivables Sellers, the SPC and the Trust, the Receivables Sellers have agreed to service the Receivables for the Trust; provided, that, upon the occurrence of certain events, the servicing agreement may be terminated by the Trustee.

Interest

The effective financing rate under the Receivables Facility will be the weighted average of the interest rates on all outstanding commercial paper issued by the CP Issuer to fund its purchase of the Transferred Interests, except if the Liquidity Bank is the Purchaser, the effective financing rate will be either (i) adjusted LIBOR plus a margin of up to 2.25% per annum or (ii) ABR plus a margin of up to 1.25% per annum, at the option of the SPC, plus in each case the fees described below.

Fees

The SPC has agreed to pay certain fees with respect to the Receivables Facility, including a commitment fee to the Liquidity Bank, calculated on the excess of the average aggregate purchase commitment for any monthly period over the average aggregate Transferred Interests funded by the Liquidity Banks for such period, a program fee and agent, arrangement and other similar fees.

Facility Reductions

After the end of the Revolving Period, all collections in respect of Receivables purchased by the SPC from the Receivables Sellers will be used to reduce the Transferred Interests of the Purchasers in the Receivables. Additionally, at any time, the SPC at its option may reduce the purchase commitment upon notice to the Purchasers or terminate the purchases of Transferred Interests by the Purchasers.

Early Termination Events

The Pooling Agreement contains certain early amortization events which will cause the termination of, or permit the Purchasers to terminate, the Revolving Period and effectively reduce the amount of financing available under the Receivables Facility to zero. Early amortization events include nonpayment of amounts when due, violation of covenants, inaccuracy of representations and warranties in any material respect, cross-acceleration and certain cross-defaults to certain other indebtedness of the Company (including the Credit Facilities), failure to comply with specified Receivables performance tests, purchase termination events under the Receivables Sale Agreements, bankruptcy, material judgments, imposition of PBGC liens and actual or asserted invalidity of the Purchasers' ownership interest in the Receivables. Purchase termination events under the Receivables Sale Agreements relating to the Receivables Sellers include nonpayment of amounts when due, violation of covenants, inaccuracy of representations and warranties in any material respect, bankruptcy, ERISA events, imposition of PBGC liens and actual or asserted invalidity of the Company's ownership interest in the Receivables.

Replacement Facility

Although the Company has received a six-year commitment, the Company currently intends to replace the Receivables Facility through a securitization of the Receivables in the capital markets or another securitization transaction. However, no assurance can be made that such transaction will be completed or, if completed, whether such transaction may have materially different terms from the Receivables Facility.

THE SENIOR SUBORDINATED EXCHANGE OFFER

General

The Company hereby offers, upon the terms and subject to the conditions set forth in this Prospectus and in the applicable Letter of Transmittal (which together constitute the Senior Subordinated Exchange Offer), (i) to exchange an aggregate of up to $300,000,000 principal amount of its Senior Subordinated Exchange Notes for an equal principal amount of its issued and outstanding Senior Subordinated Old Notes properly tendered on or prior to the Senior Subordinated Expiration Date and not withdrawn as permitted pursuant to the procedures described below. This Prospectus and the Letter of Transmittal related to the Senior Subordinated Notes together constitute the Senior Subordinated Exchange Offer. The Senior Subordinated Exchange Notes will be unconditionally guaranteed by Holdings (the "Holdings Guarantee") on a senior subordinated basis. Throughout this Prospectus, references to the "Letter of Transmittal" refer to the form of Letter of Transmittal that is applicable to the Senior Subordinated Notes or the Senior Discount Notes, as the context requires, whether so expressed or not. The Senior Subordinated Exchange Offer is being made with respect to all of the Senior Subordinated Old Notes.

As of the date of this Prospectus, $300,000,000 aggregate principal amount of Senior Subordinated Old Notes is outstanding. This Prospectus and the applicable Letter of Transmittal are first being sent on or about , 1998, to all holders of Senior Subordinated Old Notes known to the Company. The Company's obligation to accept Senior Subordinated Old Notes for exchange pursuant to the Senior Subordinated Exchange Offer is subject to certain conditions set forth under "Certain Conditions to the Senior Subordinated Exchange Offer" below. The Company currently expects that each of the conditions will be satisfied and that no waivers will be necessary.

Purpose of the Senior Subordinated Exchange Offer

The Senior Subordinated Old Notes were issued on June 5, 1998 in transactions exempt from the registration requirements of the Securities Act. Accordingly, the Senior Subordinated Old Notes may not be reoffered, resold, or otherwise transferred unless so registered or unless an applicable exemption from the registration and prospectus delivery requirements of the Securities Act is available.

In connection with the issuance and sale of the Senior Subordinated Old Notes, the Company and Holdings entered into the Senior Subordinated Registration Rights Agreement, which requires the Company to file with the Commission a registration statement relating to the Senior Subordinated Exchange Offer not later than 90 days after the date of issuance of the Senior Subordinated Old Notes and to use its best efforts to cause the registration statement relating to the Senior Subordinated Exchange Offer to become effective under the Securities Act not later than 200 days after the date of issuance of the Senior Subordinated Old Notes. In addition, the Senior Subordinated Registration Rights Agreement provides for certain remedies if the Senior Subordinated Exchange Offer is not consummated or a shelf registration statement with respect to Senior Subordinated Old Notes is not made effective within the time periods specified therein. See "Senior Subordinated Exchange Offer; Senior Subordinated Registration Rights."

The Senior Subordinated Exchange Offer is being made by the Company to satisfy its obligations with respect to the Senior Subordinated Registration Rights Agreement. The term "holder," with respect to the Senior Subordinated Exchange Offer, means any person in whose name Senior Subordinated Old Notes are registered on the books of the Company or any other person who has obtained a properly completed bond power from the registered holder, or any person whose Senior Subordinated Old Notes are held of record by The Depository Trust Company or its nominee. Other than pursuant to the Senior Subordinated Registration Rights Agreement, the Company and Holdings are not required to file any registration statement to register any outstanding Senior Subordinated Old Notes. Holders of Senior Subordinated Old Notes who do not tender their Senior Subordinated Old Notes or whose Senior Subordinated Old Notes are tendered but not accepted would have to rely on exceptions to the registration requirements under the securities laws, including the Securities Act, if they wish to sell their Senior Subordinated Old Notes.

The Company is making the Senior Subordinated Exchange Offer in reliance on the position of the Staff of the Commission as set forth in certain interpretive letters addressed to third parties in other

transactions. However, the Company has not sought its own interpretive letter and there can be no assurance that the Staff would make a similar determination with respect to the Senior Subordinated Exchange Offer as it has in such interpretive letters to third parties. Based on these interpretations by the Staff, the Company believes that the Senior Subordinated Exchange Notes issued pursuant to the Senior Subordinated Exchange Offer in exchange for Senior Subordinated Old Notes may be offered for resale, resold and otherwise transferred by a Holder (other than any Holder who is a broker-dealer or an "affiliate" of the Company within the meaning of Rule 405 of the Securities Act) without further compliance with the registration and prospectus delivery requirements of the Securities Act, provided that such Senior Subordinated Exchange Notes are acquired in the ordinary course of such Holder's business and that such Holder is not participating, and has no arrangement or understanding with any person to participate, in a distribution (within the meaning of the Securities Act) of such Senior Subordinated Exchange Notes. See " -- Resale of Senior Subordinated Exchange Notes." Each broker-dealer that receives Senior Subordinated Exchange Notes for its own account in exchange for Senior Subordinated Old Notes, where such Senior Subordinated Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Subordinated Exchange Notes. See "Plan of Distribution."

Terms of the Exchange

The Company hereby offers, subject to the conditions set forth herein and in the applicable Letter of Transmittal accompanying this Prospectus, to exchange $1,000 principal amount of Senior Subordinated Exchange Notes for each $1,000 principal amount of its issued and outstanding Senior Subordinated Old Notes properly tendered on or prior to the Senior Subordinated Expiration Date and not withdrawn as permitted pursuant to the procedures described below. The terms of the Senior Subordinated Exchange Notes are identical in all material respects to the terms of the Senior Subordinated Old Notes for which they may be exchanged pursuant to the Senior Subordinated Exchange Offer, except that the Senior Subordinated Exchange Notes will generally be freely transferable by holders thereof and will not be subject to any covenant regarding registration. The Senior Subordinated Exchange Notes will evidence the same indebtedness as the Senior Subordinated Old Notes and will be entitled to the benefits of the Senior Subordinated Indenture. See "Description of Senior Subordinated Exchange Notes."

The Senior Subordinated Exchange Offer is not conditioned upon any minimum aggregate principal amount of Senior Subordinated Old Notes being tendered for exchange.

The Company has not requested, and does not intend to request, an interpretation by the Staff of the Commission with respect to whether the Senior Subordinated Exchange Notes issued pursuant to the Senior Subordinated Exchange Offer in exchange for the Senior Subordinated Old Notes may be offered for sale, resold or otherwise transferred by any holder without compliance with the registration and prospectus delivery provisions of the Securities Act. Instead, based on an interpretation by the Staff of the Commission set forth in a series of no-action letters issued to third parties, the Company believes that Senior Subordinated Exchange Notes issued pursuant to the Senior Subordinated Exchange Offer in exchange for Senior Subordinated Old Notes may be offered for sale, resold and otherwise transferred by any holder of such Senior Subordinated Exchange Notes (other than any such holder that is a broker-dealer or is an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such Senior Subordinated Exchange Notes are acquired in the ordinary course of such holder's business and such holder has no arrangement or understanding with any person to participate in the distribution of such Senior Subordinated Exchange Notes and neither such holder nor any other such person is engaging in or intends to engage in a distribution of such Senior Subordinated Exchange Notes. Since the Commission has not considered the Senior Subordinated Exchange Offer in the context of a no-action letter, there can be no assurance that the Staff of the Commission would make a similar determination with respect to the Senior Subordinated Exchange Offer. Any holder who is an affiliate of the Company or who tenders in the Senior Subordinated Exchange Offer for the purpose of participating in a distribution of the Senior Subordinated Exchange Notes cannot rely on such interpretation by the Staff of the Commission and must comply with the registration and prospectus delivery

requirements of the Securities Act in connection with any resale transaction. Each holder, other than a broker-dealer, must acknowledge that it is not engaged in, and does not intend to engage in, a distribution of Senior Subordinated Exchange Notes. Each broker-dealer that receives Senior Subordinated Exchange Notes for its own account in exchange for Senior Subordinated Old Notes, where such Senior Subordinated Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Subordinated Exchange Notes. A broker-dealer may not participate in the Senior Subordinated Exchange Offer with respect to Senior Subordinated Old Notes acquired other than as a result of market-making activities or other trading activities. See "Plan of Distribution."

Interest on the Senior Subordinated Exchange Notes will accrue from the last Interest Payment Date on which interest was paid on the Senior Subordinated Old Notes so surrendered or, if no interest has been paid on such Notes, from June 5, 1998.

Tendering holders of the Senior Subordinated Old Notes will not be required to pay brokerage commissions or fees or, subject to the instructions in the Letter of Transmittal, transfer taxes with respect to the exchange of the Senior Subordinated Old Notes pursuant to the Senior Subordinated Exchange Offer.

Expiration Date; Extension; Termination; Amendment

The Senior Subordinated Exchange Offer will expire at 5:00 p.m., New York City time, on , 1998 (the "Senior Subordinated Expiration Date"), unless the Senior Subordinated Exchange Offer is extended, in which case the term "Senior Subordinated Expiration Date" means the latest date and time to which the Senior Subordinated Exchange Offer is extended. The Senior Subordinated Expiration Date will be at least 20 business days after the commencement of the Senior Subordinated Exchange Offer in accordance with Rule 14e-1(a) under the Exchange Act. The Company expressly reserves the right, at any time or from time to time, to extend the period of time during which the Senior Subordinated Exchange Offer is open, and thereby delay acceptance for exchange of any Senior Subordinated Old Notes by giving oral or written notice to the Senior Subordinated Exchange Agent and by timely public announcement no later than 9:00 a.m. New York City time, on the next business day after the Senior Subordinated Expiration Date previously in effect. During any such extension, all Senior Subordinated Old Notes previously tendered will remain subject to the Senior Subordinated Exchange Offer unless properly withdrawn. The Company does not anticipate extending the Senior Subordinated Expiration Date.

The Company expressly reserves the right to (i) terminate or amend the Senior Subordinated Exchange Offer and not to accept for exchange any Senior Subordinated Old Notes not theretofore accepted for exchange upon the occurrence of any of the events specified below under "Certain Conditions to the Senior Subordinated Exchange Offer" which have not been waived by the Company and (ii) amend the terms of the Senior Subordinated Exchange Offer in any manner which, in its good faith judgment, is advantageous to the holders of the Senior Subordinated Old Notes, whether before or after any tender of Senior Subordinated Old Notes. If any such termination or amendment occurs, the Company will notify the Senior Subordinated Exchange Agent and will either issue a press release or give oral or written notice to the holders of the Senior Subordinated Old Notes as promptly as practicable.

For purposes of the Senior Subordinated Exchange Offer, a "business day" means any day other than Saturday, Sunday or a date on which banking institutions are required or authorized by New York State law to be closed, and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time. Unless the Company terminates the Senior Subordinated Exchange Offer prior to 5:00 p.m., New York City time, on the Senior Subordinated Expiration Date, the Company will exchange the Senior Subordinated Exchange Notes for Senior Subordinated Old Notes on the Senior Subordinated Exchange Date.

Procedures for Tendering Senior Subordinated Old Notes

The tender to the Company of Senior Subordinated Old Notes by a holder thereof as set forth below and the acceptance thereof by the Company will constitute a binding agreement between the

tendering holder and the Company upon the terms and subject to the conditions set forth in this Prospectus and in the applicable Letter of Transmittal.

A holder of Senior Subordinated Old Notes may tender the same by (i) properly completing and signing the applicable Letter of Transmittal or a facsimile thereof (all references in this Prospectus to a Letter of Transmittal shall be deemed to include a facsimile thereof) and delivering the same, together with the certificate or certificates representing the Senior Subordinated Old Notes being tendered and any required signature guarantees and any other documents required by the Letter of Transmittal, to the Senior Subordinated Exchange Agent at its address set forth below on or prior to the Senior Subordinated Expiration Date (or complying with the procedure for book-entry transfer described below) or (ii) complying with the guaranteed delivery procedures described below.

The method of delivery of Senior Subordinated Old Notes, Letters of Transmittal and all other required documents is at the election and risk of the holders. If such delivery is by mail, it is recommended that registered mail properly insured, with return receipt requested, be used. In all cases, sufficient time should be allowed to insure timely delivery. No Senior Subordinated Old Notes or Letters of Transmittal should be sent to the Company.

If tendered Senior Subordinated Old Notes are registered in the name of the signer of the Letter of Transmittal and the Senior Subordinated Exchange Notes to be issued in exchange therefor are to be issued (and any untendered Senior Subordinated Old Notes are to be reissued) in the name of the registered holder (which term, for the purposes described herein, shall include any participant in The Depository Trust Company (also referred to as a "book-entry transfer facility") whose name appears on a security listing as the owner of Senior Subordinated Old Notes), the signature of such signer need not be guaranteed. In any other case, the tendered Senior Subordinated Old Notes must be endorsed or accompanied by written instruments of transfer in form satisfactory to the Company and duly executed by the registered holder, and the signature on the endorsement or instrument of transfer must be guaranteed by a bank, broker, dealer, credit union, savings association, clearing agency or other institution (each an "Eligible Institution") that is a member of a recognized signature guarantee medallion program within the meaning of Rule 17Ad-15 under the Exchange Act. In addition, if the Senior Subordinated Exchange Notes and/or Senior Subordinated Old Notes not exchanged are to be delivered to an address other than that of the registered holder appearing on the note register for such Senior Subordinated Old Notes, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution.

The Senior Subordinated Exchange Agent will make a request within two business days after the date of receipt of this Prospectus to establish accounts with respect to the Senior Subordinated Old Notes at the book-entry transfer facility for the purpose of facilitating the Senior Subordinated Exchange Offer, and subject to the establishment thereof, any financial institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of Senior Subordinated Old Notes by causing such book-entry transfer facility to transfer such Senior Subordinated Old Notes into the Senior Subordinated Exchange Agent's account with respect to the Senior Subordinated Old Notes in accordance with the book-entry transfer facility's procedures for such transfer. Although delivery of Senior Subordinated Old Notes may be effected through book-entry transfer into the Senior Subordinated Exchange Agent's account at the book-entry transfer facility, a Letter of Transmittal with any required signature guarantee and all other required documents must in each case be transmitted to and received or confirmed by the Senior Subordinated Exchange Agent at its address set forth below on or prior to the Senior Subordinated Expiration Date, or, if the guaranteed delivery procedures described below are complied with, within the time period provided under such procedures.

If a holder desires to accept the Senior Subordinated Exchange Offer and time will not permit the Letter of Transmittal or Senior Subordinated Old Notes to reach the Senior Subordinated Exchange Agent before the Senior Subordinated Expiration Date or the procedure for book-entry transfer cannot be completed on a timely basis, a tender may be effected if the Senior Subordinated Exchange Agent has received at its address set forth below on or prior to the Senior Subordinated Expiration Date, a letter, telegram or facsimile transmission (receipt confirmed by telephone and an original delivered by guaranteed overnight courier) from an Eligible Institution setting forth the name and address of the tendering holder, the names in which the Senior Subordinated Old Notes are registered and, if possible,

the certificate numbers of the Senior Subordinated Old Notes to be tendered, and stating that the tender is being made thereby and guaranteeing that within three business days after the Senior Subordinated Expiration Date, the Senior Subordinated Old Notes in proper form for transfer (or a confirmation of book-entry transfer of such Senior Subordinated Old Notes into the Senior Subordinated Exchange Agent's account at the book-entry transfer facility), will be delivered by such Eligible Institution together with a properly completed and duly executed Letter of Transmittal (and any other required documents). Unless Senior Subordinated Old Notes being tendered by the above-described method are deposited with the Senior Subordinated Exchange Agent within the time period set forth above (accompanied or preceded by a properly completed Letter of Transmittal and any other required documents), the Company may, at its option, reject the tender. Copies of the forms of notice of guaranteed delivery ("Notice of Guaranteed Delivery") relating to the Senior Subordinated Notes which may be used by Eligible Institutions for the purposes described in this paragraph are available from the Senior Subordinated Exchange Agent.

A tender will be deemed to have been received as of the date when (i) the tendering holder's properly completed and duly signed Letter of Transmittal accompanied by the Senior Subordinated Old Notes (or a confirmation of book-entry transfer of such Senior Subordinated Old Notes into the Senior Subordinated Exchange Agent's account at the book-entry transfer facility) is received by the Senior Subordinated Exchange Agent, or (ii) the applicable Notice of Guaranteed Delivery or letter, telegram or facsimile transmission to similar effect (as provided above) from an Eligible Institution is received by the Senior Subordinated Exchange Agent. Issuances of Senior Subordinated Exchange Notes in exchange for Senior Subordinated Old Notes tendered pursuant to a Notice of Guaranteed Delivery or letter, telegram or facsimile transmission to similar effect (as provided above) by an Eligible Institution will be made only against deposit of the applicable Letter of Transmittal (and any other required documents) and the tendered Senior Subordinated Old Notes.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of Senior Subordinated Old Notes tendered for exchange will be determined by the Company in its sole discretion, which determination shall be final and binding. The Company reserves the absolute right to reject any and all tenders of any particular Senior Subordinated Old Notes not properly tendered or not to accept any particular Senior Subordinated Old Notes which acceptance might, in the judgment of the Company or its counsel, be unlawful. The Company also reserves the absolute right to waive any defects or irregularities or conditions of the Senior Subordinated Exchange Offer as to any particular Senior Subordinated Old Notes either before or after the Senior Subordinated Expiration Date (including the right to waive the ineligibility of any holder who seeks to tender Senior Subordinated Old Notes in the Senior Subordinated Exchange Offer). The interpretation of the terms and conditions of the Senior Subordinated Exchange Offer (including the Letter of Transmittal and the instructions thereto) by the Company shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Senior Subordinated Old Notes for exchange must be cured within such reasonable period of time as the Company shall determine. Neither the Company, the Senior Subordinated Exchange Agent nor any other person shall be under any duty to give notification of any defect or irregularity with respect to any tender of Senior Subordinated Old Notes for exchange, nor shall any of them incur any liability for failure to give such notification.

If a Letter of Transmittal is signed by a person or persons other than the registered holder or holders of Senior Subordinated Old Notes, such Senior Subordinated Old Notes must be endorsed or accompanied by appropriate powers of attorney, in either case signed exactly as the name or names of the registered holder or holders appear on the Senior Subordinated Old Notes.

If a Letter of Transmittal or any Senior Subordinated Old Notes or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and, unless waived by the Company, proper evidence satisfactory to the Company of its authority to so act must be submitted.

By tendering, each holder will represent to the Company that, among other things, the Senior Subordinated Exchange Notes acquired pursuant to the Senior Subordinated Exchange Offer are being

acquired in the ordinary course of business of the person receiving such Senior Subordinated Exchange Notes, whether or not such person is the holder, that neither the holder nor any such other person has an arrangement or understanding with any person to participate in the distribution of such Senior Subordinated Exchange Notes and that neither the holder nor any such other person is an "affiliate," as defined under Rule 405 of the Securities Act, of the Company, or if it is an affiliate it will comply with the registration and prospectus requirements of the Securities Act to the extent applicable.

Each broker-dealer that receives Senior Subordinated Exchange Notes for its own account in exchange for Senior Subordinated Old Notes where such Senior Subordinated Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Subordinated Exchange Notes. See "Plan of Distribution."

Terms and Conditions of the Letter of Transmittal

The Letter of Transmittal contains, among other things, the following terms and conditions, which are part of the Senior Subordinated Exchange Offer.

The party tendering Notes for exchange (the "Transferor") exchanges, assigns and transfers the Senior Subordinated Old Notes to the Company and irrevocably constitutes and appoints the Senior Subordinated Exchange Agent as the Transferor's agent and attorney-in-fact to cause the Senior Subordinated Old Notes to be assigned, transferred and exchanged. The Transferor represents and warrants that it has full power and authority to tender, exchange, assign and transfer the Senior Subordinated Old Notes and to acquire Senior Subordinated Exchange Notes issuable upon the exchange of such tendered Notes, and that, when the same are accepted for exchange, the Company will acquire good and unencumbered title to the tendered Senior Subordinated Old Notes, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim. The Transferor also warrants that it will, upon request, execute and deliver any additional documents deemed by the Senior Subordinated Exchange Agent or the Company to be necessary or desirable to complete the exchange, assignment and transfer of tendered Senior Subordinated Old Notes or transfer ownership of such Senior Subordinated Old Notes on the account books maintained by a book-entry transfer facility. The Transferor further agrees that acceptance of any tendered Senior Subordinated Old Notes by the Company and the issuance of Senior Subordinated Exchange Notes in exchange therefor shall constitute performance in full by the Company of certain of its obligations under the Senior Subordinated Registration Rights Agreement. All authority conferred by the Transferor will survive the death or incapacity of the Transferor and every obligation of the Transferor shall be binding upon the heirs, legal representatives, successors, assigns, executors and administrators of such Transferor.

The Transferor certifies that it is not an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act and that it is acquiring the Senior Subordinated Exchange Notes offered hereby in the ordinary course of such Transferor's business and that such Transferor has no arrangement with any person to participate in the distribution of such Senior Subordinated Exchange Notes. Each holder, other than a broker-dealer, must acknowledge that it is not engaged in, and does not intend to engage in, a distribution of Senior Subordinated Exchange Notes. Each Transferor which is a broker-dealer receiving Senior Subordinated Exchange Notes for its own account must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Subordinated Exchange Notes. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Senior Subordinated Exchange Notes received in exchange for Senior Subordinated Old Notes where such Senior Subordinated Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Company will, for a period of 180 days after the Senior Subordinated Expiration Date, make copies of this Prospectus available to any broker-dealer for use in connection with any such resale.

Withdrawal Rights

Tenders of Senior Subordinated Old Notes may be withdrawn at any time prior to the Senior Subordinated Expiration Date.

For a withdrawal to be effective, a written notice of withdrawal sent by telegram, facsimile transmission (receipt confirmed by telephone) or letter must be received by the Senior Subordinated Exchange Agent at the address set forth herein prior to the Senior Subordinated Expiration Date. Any such notice of withdrawal must (i) specify the name of the person having tendered the Senior Subordinated Old Notes to be withdrawn (the "Depositor"), (ii) identify the Senior Subordinated Old Notes to be withdrawn (including the certificate number or numbers and principal amount of such Senior Subordinated Old Notes), (iii) specify the principal amount of Senior Subordinated Old Notes to be withdrawn, (iv) include a statement that such holder is withdrawing his election to have such Senior Subordinated Old Notes exchanged, (v) be signed by the holder in the same manner as the original signature on the Letter of Transmittal by which such Senior Subordinated Old Notes were tendered or as otherwise described above (including any required signature guarantees) or be accompanied by documents of transfer sufficient to have the Senior Subordinated Trustee under the Senior Subordinated Indenture register the transfer of such Senior Subordinated Old Notes into the name of the person withdrawing the tender and (vi) specify the name in which any such Senior Subordinated Old Notes are to be registered, if different from that of the Depositor. The Senior Subordinated Exchange Agent will return the properly withdrawn Senior Subordinated Old Notes promptly following receipt of notice of withdrawal.

If Senior Subordinated Old Notes have been tendered pursuant to the procedure for book-entry transfer, any notice of withdrawal must specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn Senior Subordinated Old Notes or otherwise comply with the book-entry transfer facility procedure. All questions as to the validity of notices of withdrawals, including time of receipt, will be determined by the Company and such determination will be final and binding on all parties.

Any Senior Subordinated Old Notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the Senior Subordinated Exchange Offer. Any Senior Subordinated Old Notes which have been tendered for exchange but which are not exchanged for any reason will be returned to the holder thereof without cost to such holder (or, in the case of Senior Subordinated Old Notes tendered by book-entry transfer into the Senior Subordinated Exchange Agent's account at the book-entry transfer facility pursuant to the book-entry transfer procedures described above, such Senior Subordinated Old Notes will be credited to an account with such book-entry transfer facility specified by the holder) as soon as practicable after withdrawal, rejection of tender or termination of the Senior Subordinated Exchange Offer. Properly withdrawn Senior Subordinated Old Notes may be retendered by following one of the procedures described under " -- Procedures for Tendering Senior Subordinated Old Notes" above at any time on or prior to the Senior Subordinated Expiration Date.

Acceptance of Senior Subordinated Old Notes for Exchange; Delivery of Senior Subordinated Exchange Notes

Upon satisfaction or waiver of all of the conditions to the Senior Subordinated Exchange Offer, the Company will accept, promptly on the Senior Subordinated Exchange Date, all Senior Subordinated Old Notes properly tendered and will issue the Senior Subordinated Exchange Notes promptly after such acceptance. See " -- Certain Conditions to the Senior Subordinated Exchange Offer" below. For purposes of the Senior Subordinated Exchange Offer, the Company shall be deemed to have accepted properly tendered Senior Subordinated Old Notes for exchange when, as and if the Company has given oral or written notice thereof to the Senior Subordinated Exchange Agent.

For each Senior Subordinated Old Note accepted for exchange, the holder of such Senior Subordinated Old Note will receive a Senior Subordinated Exchange Note having a principal amount equal to that of the surrendered Senior Subordinated Old Note.

In all cases, issuance of Senior Subordinated Exchange Notes for Senior Subordinated Old Notes that are accepted for exchange pursuant to the Senior Subordinated Exchange Offer will be made only

after timely receipt by the Senior Subordinated Exchange Agent of certificates for such Senior Subordinated Old Notes or a timely book-entry confirmation of such Senior Subordinated Old Notes into the Senior Subordinated Exchange Agent's account at the book-entry transfer facility, a properly completed and duly executed Letter of Transmittal and all other required documents. If any tendered Senior Subordinated Old Notes are not accepted for any reason set forth in the terms and conditions of the Senior Subordinated Exchange Offer or if Senior Subordinated Old Notes are submitted for a greater principal amount than the holder desires to exchange, such unaccepted or non-exchanged Senior Subordinated Old Notes will be returned without expense to the tendering holder thereof (or, in the case of Senior Subordinated Old Notes tendered by book-entry transfer into the Senior Subordinated Exchange Agent's account at the book-entry transfer facility pursuant to the book-entry transfer procedures described above, such non-exchanged Senior Subordinated Old Notes will be credited to an account maintained with such book-entry transfer facility specified by the holder) as promptly as practicable after the expiration of the Senior Subordinated Exchange Offer.

Certain Conditions to the Senior Subordinated Exchange Offer

Notwithstanding any other provision of the Senior Subordinated Exchange Offer, or any extension of the Senior Subordinated Exchange Offer, the Company shall not be required to accept for exchange, or to issue Senior Subordinated Exchange Notes in exchange for, any Senior Subordinated Old Notes and may terminate or amend the Senior Subordinated Exchange Offer (by oral or written notice to the Senior Subordinated Exchange Agent or by a timely press release) if at any time before the acceptance of such Senior Subordinated Old Notes for exchange or the exchange of the Senior Subordinated Exchange Notes for such Senior Subordinated Old Notes, any of the following conditions exist:

(a) any action or proceeding is instituted or threatened in any court or by or before any governmental agency or regulatory authority or any injunction, order or decree is issued with respect to the Senior Subordinated Exchange Offer which, in the sole judgment of the Company, might materially impair the ability of the Company to proceed with the Senior Subordinated Exchange Offer or have a material adverse effect on the contemplated benefits of the Senior Subordinated Exchange Offer to the Company; or

(b) any change (or any development involving a prospective change) shall have occurred or be threatened in the business, properties, assets, liabilities, financial condition, operations, results of operations or prospects of the Company that, in the sole judgment of the Company, is or may be adverse to the Company, or the Company shall have become aware of facts that have or may have adverse significance with respect to the value of the Senior Subordinated Old Notes or the Senior Subordinated Exchange Notes or that may, in the sole judgment of the Company, materially impair the contemplated benefits of the Senior Subordinated Exchange Offer to the Company; or

(c) any law, rule or regulation or applicable interpretations of the Staff of the Commission is issued or promulgated which, in the good faith determination of the Company, does not permit the Company to effect the Senior Subordinated Exchange Offer; or

(d) any governmental approval has not been obtained, which approval the Company, in its sole discretion, deem necessary for the consummation of the Senior Subordinated Exchange Offer; or

(e) there shall have been proposed, adopted or enacted any law, statute, rule or regulation (or an amendment to any existing law, statute, rule or regulation) which, in the sole judgment of the Company, might materially impair the ability of the Company to proceed with the Senior Subordinated Exchange Offer or have a material adverse effect on the contemplated benefits of the Senior Subordinated Exchange Offer to the Company; or

(f) there shall occur a change in the current interpretation by the Staff of the Commission which permits the Senior Subordinated Exchange Notes issued pursuant to the Senior Subordinated Exchange Offer in exchange for Senior Subordinated Old Notes to be offered for resale, resold and otherwise transferred by holders thereof (other than any such holder that is an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act) without compliance with the

registration and prospectus delivery provisions of the Securities Act provided that such Senior Subordinated Exchange Notes are acquired in the ordinary course of such holders' business and such holders have no arrangement with any person to participate in the distribution of such Senior Subordinated Exchange Notes; or

(g) there shall have occurred (i) any general suspension of, shortening of hours for, or limitation on prices for, trading in securities on any national securities exchange or in the over-the-counter market (whether or not mandatory), (ii) any limitation by any governmental agency or authority which may adversely affect the ability of the Company to complete the transactions contemplated by the Senior Subordinated Exchange Offer, (iii) a declaration of a banking moratorium or any suspension of payments in respect of banks by Federal or state authorities in the United States (whether or not mandatory), (iv) a commencement of a war, armed hostilities or other international or national crisis directly or indirectly involving the United States, (v) any limitation (whether or not mandatory) by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the United States, or (vi) in the case of any of the foregoing existing at the time of the commencement of the Senior Subordinated Exchange Offer, a material acceleration or worsening thereof.

The Company expressly reserves the right to terminate the Senior Subordinated Exchange Offer and not accept for exchange any of the Senior Subordinated Old Notes upon the occurrence of any of the foregoing conditions (which represent all of the material conditions to the acceptance by the Company of the Senior Subordinated Old Notes which are properly tendered). In addition, the Company may amend the Senior Subordinated Exchange Offer at any time prior to the Senior Subordinated Expiration Date if any of the conditions set forth above occurs. Moreover, regardless of whether any of such conditions has occurred, the Company may amend the Senior Subordinated Exchange Offer in any manner which, in its good faith judgment, is advantageous to holders of the Senior Subordinated Old Notes.

The foregoing conditions are for the sole benefit of the Company and may be asserted by the Company regardless of the circumstances giving rise to any such condition or may be waived by the Company in whole or in part at any time and from time to time in its sole discretion. The failure by the Company at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. If the Company waives or amends the foregoing conditions, it will, if required by law, extend the Subordinated Exchange Offer for a minimum of five business days from the date that the Company first gives notice, by public announcement or otherwise, of such waiver or amendment, if the Senior Subordinated Exchange Offer would otherwise expire within such five business-day period. Any determination by the Company concerning the events described above will be final and binding upon all parties.

In addition, the Company will not accept for exchange any Senior Subordinated Old Notes tendered, and no Senior Subordinated Exchange Notes will be issued in exchange for any such Senior Subordinated Old Notes, if at such time any stop order shall be threatened or in effect with respect to the Registration Statement of which this Prospectus constitutes a part or the qualification of the Senior Subordinated Indenture under the Trust Indenture Act of 1939, as amended. In any such event, the Company is required to use every reasonable effort to obtain the withdrawal of any stop order at the earliest possible time.

The Senior Subordinated Exchange Offer is not conditioned upon any minimum principal amount of Senior Subordinated Old Notes being tendered for exchange.

Senior Subordinated Exchange Agent

Bank One, N.A. has been appointed as the Senior Subordinated Exchange Agent for the Senior Subordinated Exchange Offer. All executed Letters of Transmittal related to the Senior Subordinated Exchange Offer should be directed to the Senior Subordinated Exchange Agent at one of the addresses set forth in the Letter of Transmittal.

Questions and requests for assistance, requests for additional copies of this Prospectus or of the Letter of Transmittal related to the Senior Subordinated Notes and requests for Notices of Guaranteed Delivery related to the Senior Subordinated Notes should be directed to the Senior Subordinated Exchange Agent at the address and telephone number set forth in the Letter of Transmittal.

DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ON THE LETTER OF TRANSMITTAL, OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN THE ONE SET FORTH ON THE LETTER OF TRANSMITTAL, WILL NOT CONSTITUTE A VALID DELIVERY.

Solicitation of Tenders; Fees and Expenses

The Company has not retained any dealer-manager in connection with the Senior Subordinated Exchange Offer and will not make any payments to broker, dealers or others soliciting acceptances of the Senior Subordinated Exchange Offer. The Company, however, will pay the Senior Subordinated Exchange Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection therewith. The Company will also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this and other related documents to the beneficial owners of the Senior Subordinated Old Notes and in handling or forwarding tenders for their customers.

The estimated cash expenses to be incurred in connection with the Senior Subordinated Exchange Offer will be paid by the Company and are estimated in the aggregate to be approximately $, including fees and expenses of the Senior Subordinated Exchange Agent or the Senior Subordinated Trustee, registration fees, and accounting, legal, printing and related fees and expenses.

No person has been authorized to give any information or to make any representations in connection with the Senior Subordinated Exchange Offer other than those contained in this Prospectus. If given or made, such information or representations should not be relied upon as having been authorized by the Company. Neither the delivery of this Prospectus nor any exchange made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the respective dates as of which information is given herein. The Senior Subordinated Exchange Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Senior Subordinated Old Notes in any jurisdiction in which the making of the Senior Subordinated Exchange Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Company may, at its discretion, take such action as it may deem necessary to make the Senior Subordinated Exchange Offer in any such jurisdiction and extend the Senior Subordinated Exchange Offer to holders of Senior Subordinated Old Notes in such jurisdiction. In any jurisdiction in which the securities or "blue sky" laws require the Senior Subordinated Exchange Offer to be made by a licensed broker or dealer, the Senior Subordinated Exchange Offer is being made on behalf of the Company by one or more registered brokers or dealers which are licensed under the laws of such jurisdiction.

Transfer Taxes

The Company will pay all transfer taxes, if any, to the exchange of Senior Subordinated Old Notes pursuant to the Senior Subordinated Exchange Offer. If, however, certificates representing Senior Subordinated Exchange Notes or Senior Subordinated Old Notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the Senior Subordinated Old Notes tendered, or if tendered Senior Subordinated Old Notes are registered in the name of any person other than the person signing the Letter of Transmittal, or if a transfer tax is imposed for any reason other than the exchange of Senior Subordinated Old Notes pursuant to the Senior Subordinated Exchange Offer, then the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

Consequences of Failure to Exchange

Holders of Senior Subordinated Old Notes who do not exchange their Senior Subordinated Old Notes for Senior Subordinated Exchange Notes pursuant to the Senior Subordinated Exchange Offer will continue to be subject to the restrictions on transfer of such Senior Subordinated Old Notes as set forth in the legend thereon. Senior Subordinated Old Notes not exchanged pursuant to the Senior Subordinated Exchange Offer will continue to remain outstanding in accordance with their terms. In general, the Senior Subordinated Old Notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. The Company does not currently anticipate that it will register the Senior Subordinated Old Notes under the Securities Act.

Participation in the Senior Subordinated Exchange Offer is voluntary, and holders of Senior Subordinated Old Notes should carefully consider whether to participate. Holders of Senior Subordinated Old Notes are urged to consult their financial and tax advisors in making their own decision on what action to take.

As a result of the making of, and upon acceptance for exchange of all validly tendered Senior Subordinated Old Notes pursuant to the terms of, the Senior Subordinated Exchange Offer, the Company will have fulfilled a covenant contained in the Senior Subordinated Registration Rights Agreement. Holders of Senior Subordinated Old Notes who do not tender their Senior Subordinated Old Notes in the Senior Subordinated Exchange Offer will continue to hold such Senior Subordinated Old Notes and will be entitled to all the rights and limitations applicable thereto under the Senior Subordinated Indenture, except for any such rights under the Senior Subordinated Registration Rights Agreement that by their terms terminate or cease to have further effectiveness as a result of the making of the Senior Subordinated Exchange Offer. All untendered Senior Subordinated Old Notes will continue to be subject to the restrictions on transfer set forth in the Senior Subordinated Indenture. To the extent that Senior Subordinated Old Notes are tendered and accepted in the Senior Subordinated Exchange Offer, the trading market for untendered Senior Subordinated Old Notes could be adversely affected.

The Company may in the future seek to acquire, subject to the terms of the Senior Subordinated Indenture, untendered Senior Subordinated Old Notes in open-market or privately-negotiated transactions, through subsequent exchange offers or otherwise. The Company has no present plan to acquire any Senior Subordinated Old Notes which are not tendered in the Senior Subordinated Exchange Offer.

Resale of Senior Subordinated Exchange Notes

The Company is making the Senior Subordinated Exchange Offer in reliance on the position of the Staff of the Commission as set forth in certain interpretive letters addressed to third parties in other transactions. However, the Company has not sought its own interpretive letter and there can be no assurance that the Staff would make a similar determination with respect to the Senior Subordinated Exchange Offer as it has in such interpretive letters to third parties. Based on these interpretations by the Staff, the Company believes that the Senior Subordinated Exchange Notes issued pursuant to the Senior Subordinated Exchange Offer in exchange for Senior Subordinated Old Notes may be offered for resale, resold and otherwise transferred by a Holder (other than any Holder who is a broker-dealer or an "affiliate" of the Company within the meaning of Rule 405 of the Securities Act) without further compliance with the registration and prospectus delivery requirements of the Securities Act, provided that such Senior Subordinated Exchange Notes are acquired in the ordinary course of such Holder's business and that such Holder is not participating, and has no arrangement or understanding with any person to participate, in a distribution (within the meaning of the Securities Act) of such Senior Subordinated Exchange Notes. However, any holder who is an "affiliate" of the Company who has an arrangement or understanding with respect to the distribution of the Senior Subordinated Exchange Notes to be acquired pursuant to the Senior Subordinated Exchange Offer, or any broker-dealer who purchased Senior Subordinated Old Notes from the Company to resell pursuant to Rule 144A or any other available exemption under the Securities Act (i) could not rely on the applicable interpretations of the Staff and (ii) must comply with the registration and prospectus delivery requirements of the Securities Act. A broker-dealer who holds Senior Subordinated Old Notes that were acquired for its own account as a

result of market-making or other trading activities may be deemed to be an "underwriter" within the meaning of the Securities Act and must, therefore, deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of Senior Subordinated Exchange Notes. Each such broker-dealer that receives Senior Subordinated Exchange Notes for its own account in exchange for Senior Subordinated Old Notes, where such Senior Subordinated Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge in the Letter of Transmittal that it will deliver a prospectus in connection with any resale of such Senior Subordinated Exchange Notes. See "Plan of Distribution."

In addition, to comply with the securities laws of certain jurisdictions, if applicable, the Senior Subordinated Exchange Notes may not be offered or sold unless they have been registered or qualified for sale in such jurisdiction or an exemption from registration or qualification is available and is complied with. The Company has agreed, pursuant to the Senior Subordinated Registration Rights Agreement and subject to certain specified limitations therein, to register or qualify the Senior Subordinated Exchange Notes for offer or sale under the securities or blue sky laws of such jurisdictions as any holder of the Senior Subordinated Exchange Notes reasonably requests. Such registration or qualification may require the imposition of restrictions or conditions (including suitability requirements for offerees or purchasers) in connection with the offer or sale of any Senior Subordinated Exchange Notes.

THE SENIOR DISCOUNT EXCHANGE OFFER

General

Holdings hereby offers, upon the terms and subject to the conditions set forth in this Prospectus and in the applicable Letter of Transmittal (which together constitute the Senior Discount Exchange Offer), to exchange up to $87,000,000 aggregate principal amount at maturity of its Senior Discount Exchange Notes for a like aggregate principal amount at maturity of its Senior Discount Old Notes properly tendered on or prior to the Senior Discount Expiration Date and not withdrawn as permitted pursuant to the procedures described below. Throughout this Prospectus, references to the "Letter of Transmittal" refer to the form of Letter of Transmittal that is applicable to the Senior Discount Notes or the Senior Subordinated Notes, as the context requires, whether so expressed or not. The Senior Discount Exchange Offer is being made with respect to all of the Senior Discount Old Notes.

As of the date of this Prospectus, $87,000,000 aggregate principal amount at maturity of Senior Discount Old Notes is outstanding. This Prospectus and the applicable Letter of Transmittal are first being sent on or about , 1998, to all holders of Senior Discount Old Notes known to Holdings. Holdings' obligation to accept Senior Discount Old Notes for exchange pursuant to the Senior Discount Exchange Offer is subject to certain conditions set forth under "Certain Conditions to the Senior Discount Exchange Offer" below. Holdings currently expect that each of the conditions will be satisfied and that no waivers will be necessary.

Purpose of the Senior Discount Exchange Offer

The Senior Discount Old Notes were issued on June 5, 1998 in a transaction exempt from the registration requirements of the Securities Act. Accordingly, the Senior Discount Old Notes may not be reoffered, resold, or otherwise transferred unless so registered or unless an applicable exemption from the registration and prospectus delivery requirements of the Securities Act is available.

In connection with the issuance and sale of the Senior Discount Old Notes, Holdings entered into the Senior Discount Registration Rights Agreement, which requires Holdings to file with the Commission a registration statement relating to the Senior Discount Exchange Offer not later than 90 days after the date of issuance of the Senior Discount Old Notes, and to use its best efforts to cause the registration statement relating to the Senior Discount Exchange Offer to become effective under the Securities Act not later than 200 days after the date of issuance of the Senior Discount Old Notes. In addition, the Senior Discount Registration Rights Agreement provides for certain remedies if the Senior Discount Exchange Offer is not consummated or a shelf registration statement with respect to Senior Discount Old Notes is not made effective within the time periods specified therein. See "Senior Discount Exchange Offer; Senior Discount Registration Rights."

The Senior Discount Exchange Offer is being made by Holdings to satisfy its obligations with respect to the Senior Discount Registration Rights Agreement. The term "holder," with respect to the Senior Discount Exchange Offer, means any person in whose name Senior Discount Old Notes are registered on the books of Holdings or any other person who has obtained a properly completed bond power from the registered holder, or any person whose Senior Discount Old Notes are held of record by The Depository Trust Company or its nominee. Other than pursuant to the Senior Discount Registration Rights Agreement, Holdings is not required to file any registration statement to register any outstanding Senior Discount Old Notes. Holders of Senior Discount Old Notes who do not tender their Senior Discount Old Notes or whose Senior Discount Old Notes are tendered but not accepted would have to rely on exceptions to the registration requirements under the securities laws, including the Securities Act, if they wish to sell their Senior Discount Old Notes.

Holdings is making the Senior Discount Exchange Offer in reliance on the position of the Staff of the Commission as set forth in certain interpretive letters addressed to third parties in other transactions. However, Holdings has not sought its own interpretive letter and there can be no assurance that the Staff would make a similar determination with respect to the Senior Discount Exchange Offer as it has in such interpretive letters to third parties. Based on these interpretations by the Staff, Holdings believes that the Senior Discount Exchange Notes issued pursuant to the Senior Discount Exchange Offer in exchange for Senior Discount Old Notes may be offered for resale, resold and otherwise transferred by a Holder (other than any Holder who is a broker-dealer or an "affiliate" of Holdings within the meaning of Rule 405 of the Securities Act) without further compliance with the registration and prospectus delivery requirements of the Securities Act, provided that such Senior Discount Exchange Notes are acquired in the ordinary course of such Holder's business and that such Holder is not participating, and has no arrangement or understanding with any person to participate, in a distribution (within the meaning of the Securities Act) of such Senior Discount Exchange Notes. See " -- Resale of Senior Discount Exchange Notes." Each broker-dealer that receives Senior Discount Exchange Notes for its own account in exchange for Senior Discount Old Notes, where such Senior Discount Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Discount Exchange Notes. See "Plan of Distribution."

Terms of the Exchange

Holdings hereby offers to exchange, subject to the conditions set forth herein and in the applicable Letter of Transmittal accompanying this Prospectus, $1,000 in principal amount at maturity of Senior Discount Exchange Notes for each $1,000 principal amount at maturity of the Senior Discount Old Notes, properly tendered on or prior to the Senior Discount Expiration Date and not withdrawn as permitted pursuant to the procedures described below. The terms of the Senior Discount Exchange Notes are identical in all material respects to the terms of the Senior Discount Old Notes for which they may be exchanged pursuant to the Senior Discount Exchange Offer, except that the Senior Discount Exchange Notes will generally be freely transferable by holders thereof and will not be subject to any covenant regarding registration. The Senior Discount Exchange Notes will evidence the same indebtedness as the Senior Discount Old Notes and will be entitled to the benefits of the Senior Discount Indenture. See "Description of Senior Discount Exchange Notes."

The Senior Discount Exchange Offer is not conditioned upon any minimum aggregate principal amount of Senior Discount Old Notes being tendered for exchange.

Holdings has not requested, and does not intend to request, an interpretation by the Staff of the Commission with respect to whether the Senior Discount Exchange Notes issued pursuant to the Senior Discount Exchange Offer in exchange for the Senior Discount Old Notes may be offered for sale, resold or otherwise transferred by any holder without compliance with the registration and prospectus delivery provisions of the Securities Act. Instead, based on an interpretation by the Staff of the Commission set forth in a series of no-action letters issued to third parties, Holdings believes that Senior Discount Exchange Notes issued pursuant to the Senior Discount Exchange Offer in exchange for Senior Discount Old Notes may be offered for sale, resold and otherwise transferred by any holder of such Senior

Discount Exchange Notes (other than any such holder that is a broker-dealer or is an "affiliate" of Holdings within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such Senior Discount Exchange Notes are acquired in the ordinary course of such holder's business and such holder has no arrangement or understanding with any person to participate in the distribution of such Senior Discount Exchange Notes and neither such holder nor any other such person is engaging in or intends to engage in a distribution of such Senior Discount Exchange Notes. Since the Commission has not considered the Senior Discount Exchange Offer in the context of a no-action letter, there can be no assurance that the Staff of the Commission would make a similar determination with respect to the Senior Discount Exchange Offer. Any holder who is an affiliate of Holdings or who tenders in the Senior Discount Exchange Offer for the purpose of participating in a distribution of the Senior Discount Exchange Notes cannot rely on such interpretation by the Staff of the Commission and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. Each holder, other than a broker-dealer, must acknowledge that it is not engaged in, and does not intend to engage in, a distribution of Senior Discount Exchange Notes. Each broker-dealer that receives Senior Discount Exchange Notes for its own account in exchange for Senior Discount Old Notes, where such Senior Discount Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Discount Exchange Notes. A broker-dealer may not participate in the Senior Discount Exchange Offer with respect to Senior Discount Old Notes acquired other than as a result of market-making activities or other trading activities. See "Plan of Distribution."

Cash interest on the Senior Discount Exchange Notes will not accrue until June 1, 2003. Thereafter, interest on the Senior Discount Exchange Notes will accrue from June 1, 2003 at the rate of 11 1/8% per annum on the principal amount at maturity of the Senior Discount Exchange Notes, and will be payable semiannually in arrears on June 1 and December 1 of each year, commencing December 1, 2003.

Tendering holders of the Senior Discount Old Notes will not be required to pay brokerage commissions or fees or, subject to the instructions in the Letter of Transmittal, transfer taxes with respect to the exchange of the Senior Discount Old Notes pursuant to the Senior Discount Exchange Offer.

Senior Discount Expiration Date; Extension; Termination; Amendment

The Senior Discount Exchange Offer will expire at 5:00 p.m., New York City time, on , 1998, unless Holdings, in its sole discretion, has extended the period of time for which the Senior Discount Exchange Offer is open (such date, as it may be extended, is referred to herein as the "Senior Discount Expiration Date" and, together with the Senior Subordinated Expiration Dates, the "Expiration Dates.") . The Senior Discount Expiration Date will be at least 20 business days after the commencement of the Senior Discount Exchange Offer in accordance with Rule 14e-1(a) under the Exchange Act. Holdings expressly reserves the right, at any time or from time to time, to extend the period of time during which the Senior Discount Exchange Offer is open, and thereby delay acceptance for exchange of any Senior Discount Old Notes, by giving oral or written notice to the Senior Discount Exchange Agent and by timely public announcement no later than 9:00 a.m. New York City time, on the next business day after the previously scheduled Senior Discount Expiration Date. During any such extension, all Senior Discount Old Notes previously tendered will remain subject to the Senior Discount Exchange Offer unless properly withdrawn. Holdings does not anticipate extending the Senior Discount Expiration Date.

Holdings expressly reserves the right to (i) terminate or amend the Senior Discount Exchange Offer and not to accept for exchange any Senior Discount Old Notes not theretofore accepted for exchange upon the occurrence of any of the events specified below under "Certain Conditions to the Senior Discount Exchange Offer" which have not been waived by Holdings and (ii) amend the terms of the Senior Discount Exchange Offer in any manner which, in its good faith judgment, is advantageous to the holders of the Senior Discount Old Notes, whether before or after any tender of the Senior Discount Old Notes. If any such termination or amendment occurs, Holdings will notify the Senior Discount Exchange Agent and will either issue a press release or give oral or written notice to the holders of the Senior Discount Old Notes as promptly as practicable.

For purposes of the Senior Discount Exchange Offer, a "business day" means any day other than Saturday, Sunday or a date on which banking institutions are required or authorized by New York State law to be closed, and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time. Unless Holdings terminates the Senior Discount Exchange Offer prior to 5:00 p.m., New York City time, on the Senior Discount Expiration Date, Holdings will exchange the Senior Discount Exchange Notes for the Senior Discount Old Notes on the Senior Discount Exchange Date.

Procedures for Tendering Senior Discount Old Notes

The tender to Holdings of Senior Discount Old Notes by a holder thereof as set forth below and the acceptance thereof by Holdings will constitute a binding agreement between the tendering holder and Holdings upon the terms and subject to the conditions set forth in this Prospectus and in the applicable Letter of Transmittal.

A holder of Senior Discount Old Notes may tender the same by (i) properly completing and signing the applicable Letter of Transmittal or a facsimile thereof (all references in this Prospectus to the Letter of Transmittal shall be deemed to include a facsimile thereof) and delivering the same, together with the certificate or certificates representing the Senior Discount Old Notes being tendered and any required signature guarantees and any other documents required by the applicable Letter of Transmittal, to the Senior Discount Exchange Agent at its address set forth below on or prior to the Senior Discount Expiration Date (or complying with the procedure for book-entry transfer described below) or (ii) complying with the guaranteed delivery procedures described below.

The method of delivery of Senior Discount Old Notes, Letters of Transmittal and all other required documents is at the election and risk of the holders. If such delivery is by mail, it is recommended that registered mail properly insured, with return receipt requested, be used. In all cases, sufficient time should be allowed to insure timely delivery. No Senior Discount Old Notes or Letters of Transmittal should be sent to Holdings.

If tendered Senior Discount Old Notes are registered in the name of the signer of the Letter of Transmittal and the Senior Discount Exchange Notes to be issued in exchange therefor are to be issued (and any untendered Senior Discount Old Notes are to be reissued) in the name of the registered holder (which term, for the purposes described herein, shall include any participant in The Depository Trust Company (also referred to as a "book-entry transfer facility") whose name appears on a security listing as the owner of Senior Discount Old Notes), the signature of such signer need not be guaranteed. In any other case, the tendered Senior Discount Old Notes must be endorsed or accompanied by written instruments of transfer in form satisfactory to Holdings and duly executed by the registered holder, and the signature on the endorsement or instrument of transfer must be guaranteed by a bank, broker, dealer, credit union, savings association, clearing agency or other institution (each an "Eligible Institution") that is a member of a recognized signature guarantee medallion program within the meaning of Rule 17Ad-15 under the Exchange Act. In addition, if the Senior Discount Exchange Notes and/or Senior Discount Old Notes not exchanged are to be delivered to an address other than that of the registered holder appearing on the note register for the Senior Discount Old Notes, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution.

The Senior Discount Exchange Agent will make a request within two business days after the date of receipt of this Prospectus to establish accounts with respect to the Senior Discount Old Notes at the book-entry transfer facility for the purpose of facilitating the Senior Discount Exchange Offer, and subject to the establishment thereof, any financial institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of Senior Discount Old Notes by causing such book-entry transfer facility to transfer such Senior Discount Old Notes into the Senior Discount Exchange Agent's account with respect to the Senior Discount Old Notes in accordance with the book-entry transfer facility's procedures for such transfer. Although delivery of Senior Discount Old Notes may be effected through book-entry transfer into the Senior Discount Exchange Agent's account at the book-entry transfer facility, an appropriate Letter of Transmittal with any required signature guarantee and all other required documents must in each case be transmitted to and received or confirmed by the Senior Discount Exchange Agent at its address set forth below on or prior to the Senior Discount Expiration Date,

or, if the guaranteed delivery procedures described below are complied with, within the time period provided under such procedures.

If a holder desires to accept the Senior Discount Exchange Offer and time will not permit the Letter of Transmittal or Senior Discount Old Notes to reach the Senior Discount Exchange Agent before the Senior Discount Expiration Date or the procedure for book-entry transfer cannot be completed on a timely basis, a tender may be effected if the Senior Discount Exchange Agent has received at its address set forth below on or prior to the Senior Discount Expiration Date, a letter, telegram or facsimile transmission (receipt confirmed by telephone and an original delivered by guaranteed overnight courier) from an Eligible Institution setting forth the name and address of the tendering holder, the names in which the Senior Discount Old Notes are registered and, if possible, the certificate numbers of the Senior Discount Old Notes to be tendered, and stating that the tender is being made thereby and guaranteeing that within three business days after the Senior Discount Expiration Date, the Senior Discount Old Notes in proper form for transfer (or a confirmation of book-entry transfer of such Senior Discount Old Notes into the Senior Discount Exchange Agent's account at the book-entry transfer facility), will be delivered by such Eligible Institution together with a properly completed and duly executed Letter of Transmittal (and any other required documents). Unless Senior Discount Old Notes being tendered by the above-described method are deposited with the Senior Discount Exchange Agent within the time period set forth above (accompanied or preceded by a properly completed Letter of Transmittal and any other required documents), Holdings may, at its option, reject the tender. Copies of the notice of guaranteed delivery ("Notice of Guaranteed Delivery") which may be used by Eligible Institutions for the purposes described in this paragraph are available from the Senior Discount Exchange Agent.

A tender will be deemed to have been received as of the date when (i) the tendering holder's properly completed and duly signed Letter of Transmittal accompanied by the Senior Discount Old Notes (or a confirmation of book-entry transfer of such Senior Discount Old Notes into the Senior Discount Exchange Agent's account at the book-entry transfer facility) is received by the Senior Discount Exchange Agent, or (ii) a Notice of Guaranteed Delivery or letter, telegram or facsimile transmission to similar effect (as provided above) from an Eligible Institution is received by the Senior Discount Exchange Agent. Issuances of Senior Discount Exchange Notes in exchange for Senior Discount Old Notes tendered pursuant to a Notice of Guaranteed Delivery or letter, telegram or facsimile transmission to similar effect (as provided above) by an Eligible Institution will be made only against deposit of the applicable Letter of Transmittal (and any other required documents) and the tendered Senior Discount Old Notes.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of Senior Discount Old Notes tendered for exchange will be determined by Holdings in its sole discretion, which determination shall be final and binding. Holdings reserves the absolute right to reject any and all tenders of any particular Senior Discount Old Notes not properly tendered or not to accept any particular Senior Discount Old Notes which acceptance might, in the judgment of Holdings or its counsel, be unlawful. Holdings also reserves the absolute right to waive any defects or irregularities or conditions of the Senior Discount Exchange Offer as to any particular Senior Discount Old Notes either before or after the Senior Discount Expiration Date (including the right to waive the ineligibility of any holder who seeks to tender Senior Discount Old Notes in the Senior Discount Exchange Offer). The interpretation of the terms and conditions of the Senior Discount Exchange Offer (including the applicable Letter of Transmittal and the instructions thereto) by Holdings shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Senior Discount Old Notes for exchange must be cured within such reasonable period of time as Holdings shall determine. Neither Holdings, the Senior Discount Exchange Agent nor any other person shall be under any duty to give notification of any defect or irregularity with respect to any tender of Senior Discount Old Notes for exchange, nor shall any of them incur any liability for failure to give such notification.

If the Letter of Transmittal is signed by a person or persons other than the registered holder or holders of Senior Discount Old Notes, such Senior Discount Old Notes must be endorsed or accompanied by appropriate powers of attorney, in either case signed exactly as the name or names of the registered holder or holders appear on the Senior Discount Old Notes.

If the Letter of Transmittal or any Senior Discount Old Notes or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and, unless waived by Holdings, proper evidence satisfactory to Holdings of its authority to so act must be submitted.

By tendering, each holder will represent to Holdings that, among other things, the Senior Discount Exchange Notes acquired pursuant to the Senior Discount Exchange Offer are being acquired in the ordinary course of business of the person receiving such Senior Discount Exchange Notes, whether or not such person is the holder, that neither the holder nor any such other person has an arrangement or understanding with any person to participate in the distribution of such Senior Discount Exchange Notes and that neither the holder nor any such other person is an "affiliate," as defined under Rule 405 of the Securities Act, of Holdings, or if it is an affiliate it will comply with the registration and prospectus requirements of the Securities Act to the extent applicable.

Each broker-dealer that receives Senior Discount Exchange Notes for its own account in exchange for Senior Discount Old Notes where such Senior Discount Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Discount Exchange Notes. See "Plan of Distribution."

Terms and Conditions of the Letter of Transmittal

The Letter of Transmittal contains, among other things, the following terms and conditions, which are part of the Senior Discount Exchange Offer.

The party tendering Notes for exchange (the "Transferor") exchanges, assigns and transfers the Senior Discount Old Notes to Holdings and irrevocably constitutes and appoints the Senior Discount Exchange Agent as the Transferor's agent and attorney-in-fact to cause the Senior Discount Old Notes to be assigned, transferred and exchanged. The Transferor represents and warrants that it has full power and authority to tender, exchange, assign and transfer the Senior Discount Old Notes and to acquire Senior Discount Exchange Notes issuable upon the exchange of such tendered Notes, and that, when the same are accepted for exchange, Holdings will acquire good and unencumbered title to the tendered Senior Discount Old Notes, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim. The Transferor also warrants that it will, upon request, execute and deliver any additional documents deemed by the Senior Discount Exchange Agent or Holdings to be necessary or desirable to complete the exchange, assignment and transfer of tendered Senior Discount Old Notes or transfer ownership of such Senior Discount Old Notes on the account books maintained by a book-entry transfer facility. The Transferor further agrees that acceptance of any tendered Senior Discount Old Notes by Holdings and the issuance of Senior Discount Exchange Notes in exchange therefor shall constitute performance in full by Holdings of certain of its obligations under the Senior Discount Registration Rights Agreement. All authority conferred by the Transferor will survive the death or incapacity of the Transferor and every obligation of the Transferor shall be binding upon the heirs, legal representatives, successors, assigns, executors and administrators of such Transferor.

The Transferor certifies that it is not an "affiliate" of Holdings within the meaning of Rule 405 under the Securities Act and that it is acquiring the Senior Discount Exchange Notes offered hereby in the ordinary course of such Transferor's business and that such Transferor has no arrangement with any person to participate in the distribution of such Senior Discount Exchange Notes. Each holder, other than a broker-dealer, must acknowledge that it is not engaged in, and does not intend to engage in, a distribution of Senior Discount Exchange Notes. Each Transferor which is a broker-dealer receiving Senior Discount Exchange Notes for its own account must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Discount Exchange Notes. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Senior Discount Exchange Notes received in exchange for Senior Discount Old Notes where such Senior Discount Old Notes were

acquired by such broker-dealer as a result of market-making activities or other trading activities. Holdings will, for a period of 180 days after the Senior Discount Expiration Date, make copies of this Prospectus available to any broker-dealer for use in connection with any such resale.

Withdrawal Rights

Tenders of Senior Discount Old Notes may be withdrawn at any time prior to the Senior Discount Expiration Date.

For a withdrawal to be effective, a written notice of withdrawal sent by telegram, facsimile transmission (receipt confirmed by telephone) or letter must be received by the Senior Discount Exchange Agent at the address set forth herein prior to the Senior Discount Expiration Date. Any such notice of withdrawal must (i) specify the name of the person having tendered the Senior Discount Old Notes to be withdrawn (the "Depositor"), (ii) identify the Senior Discount Old Notes to be withdrawn (including the certificate number or numbers and principal amount of such Senior Discount Old Notes), (iii) specify the principal amount of Senior Discount Old Notes to be withdrawn, (iv) include a statement that such holder is withdrawing his election to have such Senior Discount Old Notes exchanged, (v) be signed by the holder in the same manner as the original signature on the Letter of Transmittal by which such Senior Discount Old Notes were tendered or as otherwise described above (including any required signature guarantees) or be accompanied by documents of transfer sufficient to have the Trustee under the Senior Discount Indenture register the transfer of such Senior Discount Old Notes into the name of the person withdrawing the tender and (vi) specify the name in which any such Senior Discount Old Notes are to be registered, if different from that of the Depositor. The Senior Discount Exchange Agent will return the properly withdrawn Senior Discount Old Notes promptly following receipt of notice of withdrawal.

If Senior Discount Old Notes have been tendered pursuant to the procedure for book-entry transfer, any notice of withdrawal must specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn Senior Discount Old Notes or otherwise comply with the book-entry transfer facility procedure. All questions as to the validity of notices of withdrawals, including time of receipt, will be determined by Holdings and such determination will be final and binding on all parties.

Any Senior Discount Old Notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the Senior Discount Exchange Offer. Any Senior Discount Old Notes which have been tendered for exchange but which are not exchanged for any reason will be returned to the holder thereof without cost to such holder (or, in the case of Senior Discount Old Notes tendered by book-entry transfer into the Senior Discount Exchange Agent's account at the book-entry transfer facility pursuant to the book-entry transfer procedures described above, such Senior Discount Old Notes will be credited to an account with such book-entry transfer facility specified by the holder) as soon as practicable after withdrawal, rejection of tender or termination of the Senior Discount Exchange Offer. Properly withdrawn Senior Discount Old Notes may be retendered by following one of the procedures described under " -- Procedures for Tendering Senior Discount Old Notes" above at any time on or prior to the Senior Discount Expiration Date.

Acceptance of Senior Discount Old Notes for Exchange; Delivery of Senior Discount Exchange Notes

Upon satisfaction or waiver of all of the conditions to the Senior Discount Exchange Offer, Holdings will accept, promptly on the Senior Discount Exchange Date, all Senior Discount Old Notes properly tendered and will issue the Senior Discount Exchange Notes promptly after such acceptance. See " -- Certain Conditions to the Senior Discount Exchange Offer" below. For purposes of the Senior Discount Exchange Offer, Holdings shall be deemed to have accepted properly tendered Senior Discount Old Notes for exchange when, as and if Holdings has given oral or written notice thereof to the Senior Discount Exchange Agent.

For each Senior Discount Old Note accepted for exchange, the holder of such Senior Discount Old Note will receive a Senior Discount Exchange Note having a principal amount equal to that of the surrendered Senior Discount Old Note.

In all cases, issuance of Senior Discount Exchange Notes for Senior Discount Old Notes that are accepted for exchange pursuant to the Senior Discount Exchange Offer will be made only after timely receipt by the Senior Discount Exchange Agent of certificates for such Senior Discount Old Notes or a timely book-entry confirmation of such Senior Discount Old Notes into the Senior Discount Exchange Agent's account at the book-entry transfer facility, a properly completed and duly executed Letter of Transmittal and all other required documents. If any tendered Senior Discount Old Notes are not accepted for any reason set forth in the terms and conditions of the Senior Discount Exchange Offer or if Senior Discount Old Notes are submitted for a greater principal amount than the holder desires to exchange, such unaccepted or non-exchanged Senior Discount Old Notes will be returned without expense to the tendering holder thereof (or, in the case of Senior Discount Old Notes tendered by book-entry transfer into the Senior Discount Exchange Agent's account at the book-entry transfer facility pursuant to the book-entry transfer procedures described above, such non-exchanged Senior Discount Old Notes will be credited to an account maintained with such book-entry transfer facility specified by the holder) as promptly as practicable after the expiration of the Senior Discount Exchange Offer.

Certain Conditions to the Senior Discount Exchange Offer

Notwithstanding any other provision of the Senior Discount Exchange Offer, or any extension of the Senior Discount Exchange Offer, Holdings shall not be required to accept for exchange, or to issue Senior Discount Exchange Notes in exchange for, any Senior Discount Old Notes and may terminate or amend the Senior Discount Exchange Offer (by oral or written notice to the Senior Discount Exchange Agent or by a timely press release) if at any time before the acceptance of such Senior Discount Old Notes for exchange or the exchange of the Senior Discount Exchange Notes for such Senior Discount Old Notes, any of the following conditions exist:

(a) any action or proceeding is instituted or threatened in any court or by or before any governmental agency or regulatory authority or any injunction, order or decree is issued with respect to the Senior Discount Exchange Offer which, in the sole judgment of Holdings, might materially impair the ability of Holdings to proceed with the Senior Discount Exchange Offer or have a material adverse effect on the contemplated benefits of the Senior Discount Exchange Offer to Holdings; or

(b) any change (or any development involving a prospective change) shall have occurred or be threatened in the business, properties, assets, liabilities, financial condition, operations, results of operations or prospects of Holdings that, in the sole judgment of Holdings, is or may be adverse to Holdings, or Holdings shall have become aware of facts that have or may have adverse significance with respect to the value of the Senior Discount Old Notes or the Senior Discount Exchange Notes or that may, in the sole judgment of Holdings, materially impair the contemplated benefits of the Senior Discount Exchange Offer to Holdings; or

(c) any law, rule or regulation or applicable interpretations of the Staff of the Commission is issued or promulgated which, in the good faith determination of Holdings, does not permit Holdings to effect the Senior Discount Exchange Offer; or

(d) any governmental approval has not been obtained, which approval Holdings, in its sole discretion, deem necessary for the consummation of the Senior Discount Exchange Offer; or

(e) there shall have been proposed, adopted or enacted any law, statute, rule or regulation (or an amendment to any existing law, statute, rule or regulation) which, in the sole judgment of Holdings, might materially impair the ability of Holdings to proceed with the Senior Discount Exchange Offer or have a material adverse effect on the contemplated benefits of the Senior Discount Exchange Offer to Holdings; or

(f) there shall occur a change in the current interpretation by the Staff of the Commission which permits the Senior Discount Exchange Notes issued pursuant to the Senior Discount Exchange

Offer in exchange for Senior Discount Old Notes to be offered for resale, resold and otherwise transferred by holders thereof (other than any such holder that is an "affiliate" of Holdings within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act provided that such Senior Discount Exchange Notes are acquired in the ordinary course of such holders' business and such holders have no arrangement with any person to participate in the distribution of such Senior Discount Exchange Notes; or

(g) there shall have occurred (i) any general suspension of, shortening of hours for, or limitation on prices for, trading in securities on any national securities exchange or in the over-the-counter market (whether or not mandatory), (ii) any limitation by any governmental agency or authority which may adversely affect the ability of Holdings to complete the transactions contemplated by the Senior Discount Exchange Offer, (iii) a declaration of a banking moratorium or any suspension of payments in respect of banks by Federal or state authorities in the United States (whether or not mandatory), (iv) a commencement of a war, armed hostilities or other international or national crisis directly or indirectly involving the United States, (v) any limitation (whether or not mandatory) by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the United States, or (vi) in the case of any of the foregoing existing at the time of the commencement of the Senior Discount Exchange Offer, a material acceleration or worsening thereof.

Holdings expressly reserves the right to terminate the Senior Discount Exchange Offer and not accept for exchange any Senior Discount Old Notes upon the occurrence of any of the foregoing conditions (which represent all of the material conditions to the acceptance by Holdings of properly tendered Senior Discount Old Notes). In addition, Holdings may amend the Senior Discount Exchange Offer at any time prior to the Senior Discount Expiration Date if any of the conditions set forth above occurs. Moreover, regardless of whether any of such conditions has occurred, Holdings may amend the Senior Discount Exchange Offer in any manner which, in its good faith judgment, is advantageous to holders of the Senior Discount Old Notes.

The foregoing conditions are for the sole benefit of Holdings and may be asserted by Holdings regardless of the circumstances giving rise to any such condition or may be waived by Holdings in whole or in part at any time and from time to time in its sole discretion. The failure by Holdings at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. If Holdings waives or amends the foregoing conditions, it will, if required by law, extend the Senior Discount Exchange Offer for a minimum of five business days from the date that Holdings first gives notice, by public announcement or otherwise, of such waiver or amendment, if the Senior Discount Exchange Offer would otherwise expire within such five business-day period. Any determination by Holdings concerning the events described above will be final and binding upon all parties.

In addition, Holdings will not accept for exchange any Senior Discount Old Notes tendered, and no Senior Discount Exchange Notes will be issued in exchange for any such Senior Discount Old Notes, if at such time any stop order shall be threatened or in effect with respect to the Registration Statement of which this Prospectus constitutes a part or the qualification of the Senior Discount Indenture under the Trust Indenture Act of 1939, as amended. In any such event, Holdings is required to use every reasonable effort to obtain the withdrawal of any stop order at the earliest possible time.

The Senior Discount Exchange Offer is not conditioned upon any minimum principal amount of Senior Discount Old Notes being tendered for exchange.

Senior Discount Exchange Agent

Bank One, N.A. has been appointed as the Senior Discount Exchange Agent for the Senior Discount Exchange Offer. All executed Letters of Transmittal should be directed to the Senior Discount Exchange Agent at one of the addresses set forth in the Letter of Transmittal:

Questions and requests for assistance, requests for additional copies of this Prospectus or of the Letter of Transmittal and requests for Notices of Guaranteed Delivery should be directed to the Senior Discount Exchange Agent at the address and telephone number set forth in the Letter of Transmittal.

DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ON THE LETTER OF TRANSMITTAL, OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN THE ONE SET FORTH ON THE LETTER OF TRANSMITTAL, WILL NOT CONSTITUTE A VALID DELIVERY.

Solicitation of Tenders; Fees and Expenses

Holdings has not retained any dealer-manager in connection with the Senior Discount Exchange Offer and will not make any payments to brokers, dealers or others soliciting acceptances of the Senior Discount Exchange Offer. Holdings, however, will pay the Senior Discount Exchange Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection therewith. Holdings will also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this and other related documents to the beneficial owners of the Senior Discount Old Notes and in handling or forwarding tenders for their customers.

The estimated cash expenses to be incurred in connection with the Senior Discount Exchange Offer will be paid by Holdings and are estimated in the aggregate to be approximately $, including fees and expenses of the Senior Discount Exchange Agent and the Senior Discount Trustee, registration fees, and accounting, legal, printing and related fees and expenses.

No person has been authorized to give any information or to make any representations in connection with the Senior Discount Exchange Offer other than those contained in this Prospectus. If given or made, such information or representations should not be relied upon as having been authorized by Holdings. Neither the delivery of this Prospectus nor any exchange made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Holdings since the respective dates as of which information is given herein. The Senior Discount Exchange Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Senior Discount Old Notes in any jurisdiction in which the making of the Senior Discount Exchange Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. However, Holdings may, at its discretion, take such action as it may deem necessary to make the Senior Discount Exchange Offer in any such jurisdiction and extend the Senior Discount Exchange Offer to holders of Senior Discount Old Notes in such jurisdiction. In any jurisdiction in which the securities or "blue sky" laws require the Senior Discount Exchange Offer to be made by a licensed broker or dealer, the Senior Discount Exchange Offer is being made on behalf of Holdings by one or more registered brokers or dealers which are licensed under the laws of such jurisdiction.

Transfer Taxes

Holdings will pay all transfer taxes, if any, applicable to the exchange of Senior Discount Old Notes pursuant to the Senior Discount Exchange Offer. If, however, certificates representing Senior Discount Exchange Notes or Senior Discount Old Notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the Senior Discount Old Notes tendered, or if tendered Senior Discount Old Notes are registered in the name of any person other than the person signing the Letter of Transmittal, or if a transfer tax is imposed for any reason other than the exchange of Senior Discount Old Notes pursuant to the Senior Discount Exchange Offer, then the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

Consequences of Failure to Exchange

Holders of Senior Discount Old Notes who do not exchange their Senior Discount Old Notes for Senior Discount Exchange Notes pursuant to the Senior Discount Exchange Offer will continue to be

subject to the restrictions on transfer of such Senior Discount Old Notes as set forth in the legend thereon. Senior Discount Old Notes not exchanged pursuant to the Senior Discount Exchange Offer will continue to remain outstanding in accordance with their terms. In general, the Senior Discount Old Notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Holdings does not currently anticipate that they will register the Senior Discount Old Notes under the Securities Act.

Participation in the Senior Discount Exchange Offer is voluntary, and holders of Senior Discount Old Notes should carefully consider whether to participate. Holders of Senior Discount Old Notes are urged to consult their financial and tax advisors in making their own decision on what action to take.

As a result of the making of, and upon acceptance for exchange of all validly tendered Senior Discount Old Notes pursuant to the terms of, the Senior Discount Exchange Offer, Holdings will have fulfilled a covenant contained in the Senior Discount Registration Rights Agreement. Holders of Senior Discount Old Notes who do not tender their Senior Discount Old Notes in the Senior Discount Exchange Offer will continue to hold such Senior Discount Old Notes and will be entitled to all the rights and limitations applicable thereto under the Senior Discount Indenture, except for any such rights under the Senior Discount Registration Rights Agreement that by their terms terminate or cease to have further effectiveness as a result of the making of this Senior Discount Exchange Offer. All untendered Senior Discount Old Notes will continue to be subject to the restrictions on transfer set forth in the Senior Discount Indenture. To the extent that Senior Discount Old Notes are tendered and accepted in the Senior Discount Exchange Offer, the trading market for untendered Senior Discount Old Notes could be adversely affected.

Holdings may in the future seek to acquire, subject to the terms of the Senior Discount Indenture, untendered Senior Discount Old Notes in open-market or privately-negotiated transactions, through subsequent exchange offers or otherwise. Holdings has no present plan to acquire any Senior Discount Old Notes which are not tendered in the Senior Discount Exchange Offer.

Resale of Senior Discount Exchange Notes

Holdings is making the Senior Discount Exchange Offer in reliance on the position of the Staff of the Commission as set forth in certain interpretive letters addressed to third parties in other transactions. However, Holdings has not sought its own interpretive letter and there can be no assurance that the Staff would make a similar determination with respect to the Senior Discount Exchange Offer as it has in such interpretive letters to third parties. Based on these interpretations by the Staff, Holdings believes that the Senior Discount Exchange Notes issued pursuant to the Senior Discount Exchange Offer in exchange for Senior Discount Old Notes may be offered for resale, resold and otherwise transferred by a Holder (other than any Holder who is a broker-dealer or an "affiliate" of Holdings within the meaning of Rule 405 of the Securities Act) without further compliance with the registration and prospectus delivery requirements of the Securities Act, provided that such Senior Discount Exchange Notes are acquired in the ordinary course of such Holder's business and that such Holder is not participating, and has no arrangement or understanding with any person to participate, in a distribution (within the meaning of the Securities Act) of such Senior Discount Exchange Notes. However, any holder who is an "affiliate" of Holdings or who has an arrangement or understanding with respect to the distribution of the Senior Discount Exchange Notes to be acquired pursuant to the Senior Discount Exchange Offer, or any broker-dealer who purchased Senior Discount Old Notes from Holdings to resell pursuant to Rule 144A or any other available exemption under the Securities Act (i) could not rely on the applicable interpretations of the Staff and (ii) must comply with the registration and prospectus delivery requirements of the Securities Act. A broker-dealer who holds Senior Discount Old Notes that were acquired for its own account as a result of market-making or other trading activities may be deemed to be an "underwriter" within the meaning of the Securities Act and must, therefore, deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of Senior Discount Exchange Notes. Each such broker-dealer that receives Senior Discount Exchange Notes for its own account in exchange for Senior Discount Old Notes, where such Senior Discount Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge

in the Letter of Transmittal that it will deliver a prospectus in connection with any resale of such Senior Discount Exchange Notes. See "Plan of Distribution."

In addition, to comply with the securities laws of certain jurisdictions, if applicable, the Senior Discount Exchange Notes may not be offered or sold unless they have been registered or qualified for sale in such jurisdiction or an exemption from registration or qualification is available and is complied with. Holdings has agreed, pursuant to the Senior Discount Registration Rights Agreement and subject to certain specified limitations therein, to register or qualify the Senior Discount Exchange Notes for offer or sale under the securities or blue sky laws of such jurisdictions as any holder of the Senior Discount Exchange Notes reasonably requests. Such registration or qualification may require the imposition of restrictions or conditions (including suitability requirements for offerees or purchasers) in connection with the offer or sale of any Senior Discount Exchange Notes.

DESCRIPTION OF THE SENIOR SUBORDINATED EXCHANGE NOTES

General

The Senior Subordinated Old Notes were issued, and the Senior Subordinated Exchange Notes will be issued, under an Indenture, dated as of June 5, 1998 (the "Senior Subordinated Notes Indenture"), among the Company, Holdings, as guarantor, and Bank One, N.A., as Trustee (the "Senior Subordinated Notes Trustee"), which has been filed as an exhibit to the Registration Statment of which this Prospectus is part.

The following summary of certain provisions of the Senior Subordinated Notes Indenture and the Senior Subordinated Notes does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Senior Subordinated Notes Indenture, including the definitions of certain terms therein and those terms made a part thereof by the TIA. Capitalized terms used herein and not otherwise defined have the meanings set forth in the section "Certain Definitions". For purposes of this "Description of the Senior Subordinated Exchange Notes", the term Company refers only to WESCO Distribution, Inc. and not to any of its Subsidiaries.

On June 5, 1998, the Company issued $300 million aggregate principal amount of Senior Subordinated Old Notes under the Senior Subordinated Notes Indenture. The terms of the Senior Subordinated Exchange Notes are identical in all material repsects to the Senior Subordinated Old Notes, except for certain transfer restrictions and registration and other rights relating to the exchange of the Senior Subordinated Old Notes for Senior Subordinated Exchange Notes. The Trustee will authenticate and deliver Senior Subordinated Exchange Notes for original issue only in exchange for a like principal amount of Senior Subordinated Old Notes. Any Senior Subordinated Old Notes that remain outstanding after the consummation of the Senior Subordinated Exchange Offer, together with the Senior Subordinated Exchange Notes, will be treated as a single class of securities under the Senior Subordinated Notes Indenture. Accordingly, all references herein to specified percentages in aggregate principal amount of the outstanding Senior Subordinated Notes shall be deemed to mean, at any time after the Senior Subordinated Exchange Offer is consummated, such percentage in aggregate principal amount of the Senior Subordinated Old Notes and Senior Subordinated Exchange Notes then outstanding.

The Senior Subordinated Notes Indenture provides for the issuance of up to $200 million aggregate principal amount of additional Senior Subordinated Notes having identical terms and conditions to the Senior Subordinated Exchange Notes offered hereby (the "Additional Senior Subordinated Notes"), subject to compliance with the covenants contained in the Senior Subordinated Notes Indenture. Any Additional Senior Subordinated Notes will be part of the same issue as the Senior Subordinated Exchange Notes offered hereby and will vote on all matters with the Senior Subordinated Exchange Notes offered hereby.

Principal of, premium, if any, and interest on the Senior Subordinated Notes will be payable, and the Senior Subordinated Notes may be exchanged or transferred, at the office or agency of the Company in the Borough of Manhattan, The City of New York (which initially shall be the corporate trust office of the Senior Subordinated Notes Trustee in New York, New York), except that, at the option of the Company, payment of interest may be made by check mailed to the registered holders of the Senior Subordinated Notes at their registered addresses.

The Senior Subordinated Notes will be issued only in fully registered form, without coupons, in denominations of $1,000 and any integral multiple of $1,000. No service charge will be made for any registration of transfer or exchange of Senior Subordinated Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

Terms of the Senior Subordinated Notes

The Senior Subordinated Notes will be unsecured senior subordinated obligations of the Company and will mature on June 1, 2008. Each Senior Subordinated Note will bear interest at a rate per annum shown on the front cover of this Prospectus from June 5, 1998, or from the most recent date to which interest has been paid or provided for, payable semiannually to Senior Subordinated Noteholders of

record at the close of business on the May 15 or November 15 immediately preceding the interest payment date on June 1 and December 1 of each year, commencing December 1, 1998.

Optional Redemption

Except as set forth in the following two paragraphs, the Senior Subordinated Notes will not be redeemable at the option of the Company prior to June 1, 2003. Thereafter, the Senior Subordinated Notes will be redeemable at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice, at the following redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest and liquidated damages (if any) to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on June 1 of the years set forth below:

Year	Redemption Price
2003	104.563%
2004	103.042%
2005	101.521%
2006 and thereafter	100.000%

In addition, at any time and from time to time prior to June 1, 2001, the Company may redeem up to a maximum of 35% of the original aggregate principal amount of the Senior Subordinated Notes (calculated giving effect to any issuance of Additional Senior Subordinated Notes) with the Net Cash Proceeds of one or more Equity Offerings by (i) the Company or (ii) Holdings to the extent the Net Cash Proceeds thereof are (a) contributed to the Company as a capital contribution to the common equity of the Company or (b) used to purchase Capital Stock of the Company (in either case, other than Disqualified Stock), at a redemption price equal to 109.125% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages thereon, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that after giving effect to any such redemption, at least 65% of the original aggregate principal amount of the Senior Subordinated Notes (calculated giving effect to any issuance of Additional Senior Subordinated Notes) remains outstanding. Any such redemption shall be made within 120 days of such Equity Offering upon not less than 30 nor more than 60 days' notice mailed to each holder of Senior Subordinated Notes being redeemed and otherwise in accordance with the procedures set forth in the Senior Subordinated Notes Indenture.

At any time prior to June 1, 2003, the Senior Subordinated Notes may be redeemed, in whole but not in part, at the option of the Company at any time within 180 days after a Change of Control, at a redemption price equal to the sum of (i) the principal amount thereof plus (ii) accrued and unpaid interest and liquidated damages, if any, to the redemption date (subject to the right of Senior Subordinated Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date that is on or prior to the date of redemption) plus (iii) the Applicable Premium.

Selection

In the case of any partial redemption, selection of the Senior Subordinated Notes for redemption will be made by the Senior Subordinated Notes Trustee on a pro rata basis, by lot or by such other method as the Senior Subordinated Notes Trustee in its sole discretion shall deem to be fair and appropriate, although no Senior Subordinated Note of $1,000 in original principal amount or less will be redeemed in part. If any Senior Subordinated Note is to be redeemed in part only, the notice of redemption relating to such Senior Subordinated Note shall state the portion of the principal amount thereof to be redeemed. A new Senior Subordinated Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Senior Subordinated Noteholder thereof upon cancelation of the original Senior Subordinated Note.

Ranking

The indebtedness evidenced by the Senior Subordinated Notes will be unsecured Senior Subordinated Indebtedness of the Company, will be subordinated in right of payment, as set forth in the Senior Subordinated Notes Indenture, to all existing and future Senior Indebtedness of the Company, will rank pari passu in right of payment with all existing and future Senior Subordinated Indebtedness of the Company and will be senior in right of payment to all existing and future Subordinated Obligations of the Company. The Senior Subordinated Notes will also be effectively subordinated to any Secured Indebtedness of the Company and its Subsidiaries to the extent of the value of the assets securing such Indebtedness. However, payment from the money or the proceeds of U.S. Government Obligations held in any defeasance trust described under "Defeasance" below is not subordinated to any Senior Indebtedness or subject to the restrictions described herein.

Certain of the operations of the Company are conducted through its Subsidiaries. Claims of creditors of such Subsidiaries, including trade creditors, and claims of preferred stockholders (if any) of such Subsidiaries generally will have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of the Company, including the Senior Subordinated Noteholders. The Senior Subordinated Notes, therefore, will be effectively subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of the Company. As of March 31, 1998, on a pro forma basis, the Company's Subsidiaries would have had no Indebtedness, excluding Guarantees of $170.0 million of Indebtedness under the Credit Facilities (but would have had trade payables and other liabilities Incurred in the ordinary course of business). Although the Senior Subordinated Notes Indenture limits the Incurrence of Indebtedness by and the issuance of preferred stock of certain of the Company's Subsidiaries, such limitation is subject to a number of significant qualifications.

As of March 31, 1998, on a pro forma basis, (i) the outstanding Senior Indebtedness of the Company would have been $193.2 million, of which $170.0 million would have been Secured Indebtedness (exclusive of unused commitments under the Credit Facilities), and (ii) the Company would have had no outstanding Senior Subordinated Indebtedness (other than the Senior Subordinated Notes) and no outstanding Indebtedness that is subordinate or junior in right of repayment to the Senior Subordinated Notes. Although the Senior Subordinated Notes Indenture contains limitations on the amount of additional Indebtedness which the Company may Incur, under certain circumstances the amount of such Indebtedness could be substantial and, in any case, such Indebtedness may be Senior Indebtedness. See "Certain Covenants -- Limitation on Indebtedness".

"Senior Indebtedness" of the Company means the principal of, premium (if any) and accrued and unpaid interest on (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization of the Company, regardless of whether or not a claim for post-filing interest is allowed in such proceedings), and fees and other amounts owing in respect of, Bank Indebtedness and all other Indebtedness of the Company, whether outstanding on the Closing Date or thereafter Incurred, unless in the instrument creating or evidencing the same or pursuant to which the same is outstanding it is provided that such obligations are not superior in right of payment to the Senior Subordinated Notes; provided, however, that Senior Indebtedness shall not include (i) any obligation of the Company to any Subsidiary, (ii) any liability for Federal, state, local or other taxes owed or owing by the Company, (iii) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including Guarantees thereof or instruments evidencing such liabilities), (iv) any Indebtedness or obligation of the Company (and any accrued and unpaid interest in respect thereof) that by its terms is subordinate or junior in any respect to any other Indebtedness or obligation of the Company, including any Senior Subordinated Indebtedness of the Company and any Subordinated Obligations of the Company, (v) any payment obligations with respect to any Capital Stock or (vi) any Indebtedness Incurred in violation of this Senior Subordinated Notes Indenture. "Senior Indebtedness" of Holdings has a correlative meaning.

Only Indebtedness of the Company that is Senior Indebtedness will rank senior to the Senior Subordinated Notes in accordance with the provisions of the Senior Subordinated Notes Indenture. The Senior Subordinated Notes will in all respects rank pari passu with all other Senior Subordinated Indebtedness of the Company. The Company has agreed in the Senior Subordinated Notes Indenture that it

will not Incur, directly or indirectly, any Indebtedness which is subordinate or junior in ranking in any respect to Senior Indebtedness unless such Indebtedness is Senior Subordinated Indebtedness or is expressly subordinated in right of payment to Senior Subordinated Indebtedness. Unsecured Indebtedness is not deemed to be subordinate or junior to Secured Indebtedness merely because it is unsecured.

The Company may not pay principal of, premium (if any) or interest on the Senior Subordinated Notes, or any liquidated damages payable pursuant to the provisions set forth in the Senior Subordinated Notes and the Senior Subordinated Notes Exchange and Registration Rights Agreement, or make any deposit pursuant to the provisions described under "Defeasance" below, and may not otherwise repurchase, redeem or otherwise retire any Senior Subordinated Notes (collectively, "pay the Senior Subordinated Notes") if (i) any Designated Senior Indebtedness is not paid in cash or cash equivalents when due or (ii) any other default on Designated Senior Indebtedness occurs and the maturity of such Designated Senior Indebtedness is accelerated in accordance with its terms unless, in either case, (x) the default has been cured or waived and any such acceleration has been rescinded or (y) such Designated Senior Indebtedness has been paid in full in cash or cash equivalents. However, the Company may pay the Senior Subordinated Notes without regard to the foregoing if the Company and the Senior Subordinated Notes Trustee receive written notice approving such payment from the Representative of the Designated Senior Indebtedness with respect to which either of the events set forth in clause (i) or (ii) of the immediately preceding sentence has occurred and is continuing. During the continuance of any default (other than a default described in clause (i) or (ii) of the second preceding sentence) with respect to any Designated Senior Indebtedness pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, the Company may not pay the Senior Subordinated Notes for a period (a "Payment Blockage Period") commencing upon the receipt by the Senior Subordinated Notes Trustee (with a copy to the Company) of written notice (a "Blockage Notice") of such default from the Representative of such Designated Senior Indebtedness specifying an election to effect a Payment Blockage Period and ending 179 days thereafter (or earlier if such Payment Blockage Period is terminated (i) by written notice to the Senior Subordinated Notes Trustee and the Company from the Person or Persons who gave such Blockage Notice, (ii) by repayment in full in cash or cash equivalents of such Designated Senior Indebtedness or (iii) because the default giving rise to such Blockage Notice is no longer continuing). Notwithstanding the provisions described in the immediately preceding sentence (but subject to the provisions contained in the first sentence of this paragraph), unless the holders of such Designated Senior Indebtedness or the Representative of such holders have accelerated the maturity of such Designated Senior Indebtedness, the Company may resume payments on the Senior Subordinated Notes after the end of such Payment Blockage Period. Not more than one Blockage Notice may be given in any consecutive 360-day period, irrespective of the number of defaults with respect to Designated Senior Indebtedness during such period. However, if any Blockage Notice within such 360-day period is given by or on behalf of any holders of Designated Senior Indebtedness other than the Bank Indebtedness, the Representative of the Bank Indebtedness may give another Blockage Notice within such period. In no event, however, may the total number of days during which any Payment Blockage Period or Periods is in effect exceed 179 days in the aggregate during any 360 consecutive day period. For purposes of this paragraph, no default or event of default that existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness initiating such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the Representative of such Designated Senior Indebtedness, whether or not within a period of 360 consecutive days, unless such default or event of default shall have been cured or waived for a period of not less than 90 consecutive days.

Upon any payment or distribution of the assets of the Company to creditors upon a total or partial liquidation or a total or partial dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, the holders of Senior Indebtedness of the Company will be entitled to receive payment in full in cash or cash equivalents of such Senior Indebtedness before the Senior Subordinated Noteholders are entitled to receive any payment of principal of, interest, premium (if any) or liquidated damages on the Senior Subordinated Notes and until such Senior Indebtedness is paid in full in cash or cash equivalents, any payment or distribution to which Senior Subordinated Noteholders would be entitled but for the subordination provisions of the

Senior Subordinated Notes Indenture will be made to holders of such Senior Indebtedness as their interests may appear. If a distribution is made to Senior Subordinated Noteholders that due to the subordination provisions of the Senior Subordinated Notes Indenture should not have been made to them, such Senior Subordinated Noteholders are required to hold it in trust for the holders of Senior Indebtedness of the Company and pay it over to them as their interests may appear.

If payment of the Senior Subordinated Notes is accelerated because of an Event of Default, the Company or the Senior Subordinated Notes Trustee shall promptly notify the holders of the Designated Senior Indebtedness (or their Representative) of the acceleration. If any Designated Senior Indebtedness is outstanding, the Company may not pay the Senior Subordinated Notes until five Business Days after such holders or the Representative of the Designated Senior Indebtedness receive notice of such acceleration and, thereafter, may pay the Senior Subordinated Notes only if the subordination provisions of the Senior Subordinated Notes Indenture otherwise permit payment at that time.

By reason of such subordination provisions contained in the Senior Subordinated Notes Indenture, in the event of insolvency, creditors of the Company who are holders of Senior Indebtedness of the Company may recover more, ratably, than the Senior Subordinated Noteholders, and creditors of the Company who are not holders of Senior Indebtedness of the Company or of Senior Subordinated Indebtedness of the Company (including the Senior Subordinated Notes) may recover less, ratably, than holders of Senior Indebtedness of the Company and may recover more, ratably, than the holders of Senior Subordinated Indebtedness of the Company.

Holdings Guarantee

Holdings, as primary obligor and not merely as surety, has irrevocably and unconditionally Guaranteed on an unsecured senior subordinated basis the performance and full and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all obligations of the Company under the Senior Subordinated Notes Indenture and the Senior Subordinated Notes, whether for payment of principal of or interest on or liquidated damages in respect of the Senior Subordinated Notes, expenses, indemnification or otherwise (all such obligations guaranteed by Holdings being herein called the "Guaranteed Obligations"). Holdings has agreed to pay, in addition to the amount stated above, any and all costs and expenses (including reasonable counsel fees and expenses) incurred by the Senior Subordinated Notes Trustee or the Senior Subordinated Noteholders in enforcing any rights under the Holdings Guarantee. The Holdings Guarantee will be limited in amount to an amount not to exceed the maximum amount that can be Guaranteed by Holdings without rendering the Holdings Guarantee, as it relates to Holdings, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

The obligations of Holdings under its Holdings Guarantee are senior subordinated obligations. As such, the rights of Senior Subordinated Noteholders to receive payment by Holdings pursuant to its Holdings Guarantee will be subordinated in right of payment to the rights of holders of Senior Indebtedness of Holdings. Investors should not rely on the Holdings Guarantee in evaluating an investment in the Senior Subordinated Notes. The terms of the subordination provisions described above with respect to the Company's obligations under the Senior Subordinated Notes apply equally to Holdings and the obligations of Holdings under its Holdings Guarantee.

Change of Control

Upon the occurrence of any of the following events (each a "Change of Control"), unless all Senior Subordinated Notes have been called for redemption pursuant to the provisions described above under " -- Optional Redemption," each Senior Subordinated Noteholder will have the right to require the Company to repurchase all or any part of such Senior Subordinated Noteholder's Senior Subordinated Notes at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Senior Subordinated Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date):

(i) prior to the earlier to occur of (A) the first public offering of common stock of Holdings or (B) the first public offering of common stock of the Company, the Permitted Holders cease to be the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of a majority in the aggregate of the total voting power of the Voting Stock of the Company or Holdings, whether as a result of issuance of securities of Holdings or the Company, any merger, consolidation, liquidation or dissolution of Holdings or the Company, any direct or indirect transfer of securities by any Permitted Holder or otherwise (for purposes of this clause (i) and clause (ii) below, the Permitted Holders shall be deemed to beneficially own any Voting Stock of an entity (the "specified entity") held by any other entity (the "parent entity") so long as the Permitted Holders beneficially own (as so defined), directly or indirectly, in the aggregate a majority of the voting power of the Voting Stock of the parent entity);

(ii) on or after any such public offering referred to in clause (i), (A) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the beneficial owner (as defined in clause (i) above, except that for purposes of this clause (ii) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting power of the Voting Stock of the Company or Holdings and (B) the Permitted Holders "beneficially own" (as defined in clause (i) above), directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of the Company or Holdings than such other person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of the Company or Holdings, as the case may be (for the purposes of this clause (ii), such other person shall be deemed to beneficially own any Voting Stock of a specified corporation held by a parent corporation, if such other person is the beneficial owner (as defined in this clause (ii)), directly or indirectly, more than 35% of the voting power of the Voting Stock of such parent corporation and the Permitted Holders "beneficially own" (as defined in clause (i) above), directly or indirectly, in the aggregate a lesser percentage of the voting power of the Voting Stock of such parent corporation and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of such parent corporation);

(iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the board of directors of the Company or Holdings, as the case may be (together with any new directors whose election by such board of directors of the Company or Holdings, as the case may be, or whose nomination for election by the shareholders of the Company or Holdings, as the case may be, was approved by a vote of 66 2/3% of the directors of the Company or Holdings, as the case may be, then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of the Company or Holdings, as the case may be, then in office; or

(iv) the merger or consolidation of the Company or Holdings with or into another Person or the merger of another Person with or into the Company or Holdings, or the sale of all or substantially all the assets of the Company or Holdings to another Person (other than a Person that is controlled by the Permitted Holders), and, in the case of any such merger or consolidation, the securities of the Company or Holdings that are outstanding immediately prior to such transaction and which represent 100% of the aggregate voting power of the Voting Stock of the Company or Holdings are changed into or exchanged for cash, securities or property, unless pursuant to such transaction such securities are changed into or exchanged for, in addition to any other consideration, securities of the surviving Person that represent immediately after such transaction, at least a majority of the aggregate voting power of the Voting Stock of the surviving Person; provided, however, that any sale of accounts receivable in connection with a Qualified Receivables Transaction shall not constitute a Change of Control.

Within 30 days following any Change of Control, the Company shall mail a notice to each Senior Subordinated Noteholder with a copy to the Senior Subordinated Notes Trustee (the "Change of Control Offer") stating: (1) that a Change of Control has occurred and that such Senior Subordinated Noteholder has the right to require the Company to purchase such Senior Subordinated Noteholder's Senior Subordinated Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Senior Subordinated Noteholders of record on the relevant record date to receive interest on the relevant interest payment date); (2) the circumstances and relevant facts regarding such Change of Control; (3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and (4) the instructions determined by the Company, consistent with this covenant, that a Senior Subordinated Noteholder must follow in order to have its Senior Subordinated Notes purchased.

The Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Senior Subordinated Notes Indenture applicable to a Change of Control Offer made by the Company and purchases all Senior Subordinated Notes validly tendered and not withdrawn under such Change of Control Offer.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Subordinated Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this paragraph by virtue thereof.

The Change of Control purchase feature is a result of negotiations between the Company and the Initial Purchasers. Management has no present intention to engage in a transaction involving a Change of Control, although it is possible that the Company would decide to do so in the future. Subject to the limitations discussed below, the Company could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Senior Subordinated Notes Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect the Company's capital structure or credit ratings. Restrictions on the ability of the Company to incur additional Indebtedness are contained in the covenants described under "Certain Covenants -- Limitation on Indebtedness" and "Limitation on Liens". Such restrictions can only be waived with the consent of the holders of a majority in principal amount of the Senior Subordinated Notes then outstanding. Except for the limitations contained in such covenants, however, the Senior Subordinated Notes Indenture will not contain any covenants or provisions that may afford holders of the Senior Subordinated Notes protection in the event of a highly leveraged transaction.

The occurrence of certain of the events which would constitute a Change of Control would constitute a default under the Credit Agreement. Future Senior Indebtedness of the Company may contain prohibitions of certain events which would constitute a Change of Control or require such Senior Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the Senior Subordinated Noteholders of their right to require the Company to repurchase the Senior Subordinated Notes could cause a default under such Senior Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Company. Finally, the Company's ability to pay cash to the Senior Subordinated Noteholders upon a repurchase may be limited by the Company's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. The provisions under the Senior Subordinated Notes Indenture relative to the Company's obligation to make an offer to repurchase the Senior Subordinated Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the Senior Subordinated Notes.

Certain Covenants

The Senior Subordinated Notes Indenture contains covenants including, among others, the following:

Limitation on Indebtedness. (a) The Company will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that the Company may Incur Indebtedness if on the date of such Incurrence and after giving effect thereto the Consolidated Coverage Ratio would be greater than 2.00:1.00.

(b) Notwithstanding the foregoing paragraph (a), the Company and its Restricted Subsidiaries may Incur the following Indebtedness:

(i) Indebtedness Incurred pursuant to the Credit Agreement or any other Credit Facility in an aggregate principal amount at any time outstanding not to exceed $400 million;

(ii) Indebtedness of the Company owed to and held by any Wholly Owned Subsidiary or Indebtedness of a Restricted Subsidiary owed to and held by the Company or any Wholly Owned Subsidiary; provided, however, that (i) any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Wholly Owned Subsidiary ceasing to be a Wholly Owned Subsidiary or any subsequent transfer of any such Indebtedness (except to the Company or a Wholly Owned Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the issuer thereof and (ii) if the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Senior Subordinated Notes;

(iii) Indebtedness (A) represented by the Senior Subordinated Notes (not including any Additional Senior Subordinated Notes), (B) outstanding on the Closing Date (other than the Indebtedness described in clauses (i) and (ii) above), (C) consisting of Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (iii) (including Indebtedness Refinancing Refinancing Indebtedness) or the foregoing paragraph (a) and (D) consisting of Guarantees of any Indebtedness permitted under clauses (i) and (ii) of this paragraph (b);

(iv) (A) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by the Company (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Subsidiary of or was otherwise acquired by the Company); provided, however, if the aggregate amount of all such Indebtedness of all such Restricted Subsidiaries would exceed $20 million, that on the date that such Restricted Subsidiary is acquired by the Company, the Company would have been able to Incur $1.00 of additional Indebtedness pursuant to the foregoing paragraph (a) after giving effect to the Incurrence of such Indebtedness pursuant to this clause (iv) and (B) Refinancing Indebtedness Incurred by a Restricted Subsidiary in respect of Indebtedness Incurred by such Restricted Subsidiary pursuant to this clause (iv);

(v) Indebtedness (A) in respect of performance bonds, bankers' acceptances, letters of credit and surety or appeal bonds provided by the Company and the Restricted Subsidiaries in the ordinary course of their business, and (B) under Hedging Obligations consisting of Interest Rate Agreements directly related (as determined in good faith by the Company) to Indebtedness permitted to be Incurred by the Company and its Restricted Subsidiaries pursuant to the Senior Subordinated Notes Indenture and Currency Agreements Incurred in the ordinary course of business;

(vi) Indebtedness Incurred by the Company or any Restricted Subsidiary (including Capitalized Lease Obligations) financing the purchase, lease or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of the Person owning such assets), in each case Incurred no more than 180 days after such purchase, lease or improvement of such property and any Refinancing Indebtedness in respect of such Indebtedness; provided, however, that at the time of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount of all Indebtedness incurred pursuant to this clause (vi) and then outstanding shall not exceed the greater of $25.0 million and 5% of Adjusted Consolidated Assets;

(vii) Indebtedness Incurred by the Company in connection with the acquisition of a Related Business and any Refinancing Indebtedness in respect of such Indebtedness; provided, however,

that the aggregate amount of Indebtedness Incurred and outstanding pursuant to this clause (vii) shall not exceed $50.0 million at any one time;

(viii) Attributable Debt Incurred by the Company in respect of Sale/Leaseback Transactions; provided, however, that the aggregate amount of Attributable Debt Incurred and outstanding pursuant to this clause (viii) shall not exceed $75.0 million at any one time;

(ix) Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, purchase price adjustment or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition; provided, however, that the maximum assumable liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(x) any Guarantee by the Company of Indebtedness or other obligations of any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness Incurred by such Restricted Subsidiary is permitted under the terms of the Senior Subordinated Notes Indenture;

(xi) Indebtedness arising from Guarantees to suppliers, lessors, licensees, contractors, franchisees or customers Incurred in the ordinary course of business;

(xii) Indebtedness Incurred by a Receivables Entity in a Qualified Receivables Transaction that is not recourse to the Company or any other Restricted Subsidiary of the Company (except for Standard Securitization Undertakings); and

(xiii) Indebtedness (other than Indebtedness permitted to be Incurred pursuant to the foregoing paragraph (a) or any other clause of this paragraph (b)) in an aggregate principal amount on the date of Incurrence that, when added to all other Indebtedness Incurred pursuant to this clause (xiii) and then outstanding, shall not exceed $50.0 million.

(c) The Company may not Incur any Indebtedness if such Indebtedness is subordinate or junior in ranking in any respect to any Senior Indebtedness unless such Indebtedness is Senior Subordinated Indebtedness or is expressly subordinated in right of payment to Senior Subordinated Indebtedness.

(d) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. For purposes of determining the outstanding principal amount of any particular Indebtedness Incurred pursuant to this covenant, (i) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness and (ii) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in this covenant, the Company, in its sole discretion, shall classify or reclassify such Indebtedness and only be required to include the amount of such Indebtedness in one of such clauses.

Limitation on Restricted Payments. (a) The Company will not, and will not permit any Restricted Subsidiary, directly or indirectly, to (i) declare or pay any dividend or make any distribution on or in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving the Company) or similar payment to the direct or indirect holders of its Capital Stock except dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) and except dividends or distributions payable to the Company or another Restricted Subsidiary (and, if such Restricted Subsidiary has equity holders other than the Company or other Restricted Subsidiaries, to its other equity holders on a pro rata basis), (ii) purchase, redeem, retire or otherwise acquire for value any Capital Stock of Holdings, the Company or any Restricted Subsidiary held by Persons other than the Company or another Restricted Subsidiary, (iii) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment any Subordinated Obligations (other than the purchase, repurchase or other acquisition of

Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of acquisition) or (iv) make any Investment (other than a Permitted Investment) in any Person (any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Investment being herein referred to as a "Restricted Payment") if at the time the Company or such Restricted Subsidiary makes such Restricted Payment: (1) a Default will have occurred and be continuing (or would result therefrom); (2) the Company could not Incur at least $1.00 of additional Indebtedness under paragraph (a) of the covenant described under "Limitation on Indebtedness"; or (3) the aggregate amount of such Restricted Payment and all other Restricted Payments (the amount so expended, if other than in cash, to be determined in good faith by the Board of Directors, whose determination will be conclusive and evidenced by a resolution of the Board of Directors) declared or made subsequent to the Closing Date would exceed the sum of: (A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from the beginning of the fiscal quarter immediately following the fiscal quarter during which the Closing Date occurs to the end of the most recent fiscal quarter for which internal financial statements are available prior to the date of such Restricted Payment (or, in case such Consolidated Net Income will be a deficit, minus 100% of such deficit); (B) the aggregate Net Cash Proceeds or fair market value of assets or property received by the Company as a contribution to its equity capital or from the issue or sale of its Capital Stock (in each case other than Disqualified Stock and Excluded Contributions) subsequent to the Closing Date (other than an issuance or sale to (x) a Subsidiary of the Company or (y) an employee stock ownership plan or other trust established by the Company or any of its Subsidiaries); (C) the amount by which Indebtedness or Disqualified Stock of the Company or its Restricted Subsidiaries is reduced on the Company's balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to the Closing Date of any Indebtedness or Disqualified Stock of the Company or its Restricted Subsidiaries issued after the Closing Date for Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash or the fair market value of other property distributed by the Company or any Restricted Subsidiary upon such conversion or exchange); and (D) the amount equal to the net reduction in Investments in any Person (other than a Restricted Subsidiary) resulting from (i) payments of dividends, repayments of the principal of loans or advances or other transfers of assets to the Company or any Restricted Subsidiary from such Person, (ii) the sale or liquidation for cash of such Investment or (iii) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount was included in the calculation of the amount of Restricted Payments.

(b) The provisions of the foregoing paragraph (a) will not prohibit: (i) any Restricted Payment made by exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Company or an employee stock ownership plan or other trust established by the Company or any of its Subsidiaries); provided, however, that (A) such Restricted Payment will be excluded in the calculation of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale applied in the manner set forth in this clause (i) will be excluded from the calculation of amounts under clause (3)(B) of paragraph (a) above; (ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of the Company made by exchange for, or out of the proceeds of the substantially concurrent sale of, Indebtedness of the Company that is permitted to be Incurred pursuant to paragraph (b) of the covenant described under "Limitation on Indebtedness"; provided, however, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value will be excluded in the calculation of the amount of Restricted Payments; (iii) any purchase or redemption of Subordinated Obligations from Net Available Cash to the extent permitted by the covenant described under "Limitation on Sales of Assets and Subsidiary Stock"; provided, however, that such purchase or redemption will be excluded in the calculation of the amount of Restricted Payments; (iv) dividends paid within 60 days after the date of declaration thereof if at such date of declaration such dividend would have complied with this covenant; provided, however, that such dividend will be included in the calculation of the amount of Restricted Payments; (v) any Restricted Payment made for the repurchase, redemption or other acquisition or retirement for value of any Capital Stock

of Holdings, the Company or any of their respective Subsidiaries held by any employee, former employee, director or former director of Holdings, the Company or any of their respective Subsidiaries (and any permitted transferees thereof) pursuant to any equity subscription agreement, stock option agreement or plan or other similar agreement; provided, however, that the aggregate amount of such Restricted Payments shall not exceed $5.0 million in any calendar year and $20.0 million in the aggregate; provided further, however, that such Restricted Payments shall be included in the calculation of the amount of Restricted Payments; (vi) payment of dividends, other distributions or other amounts by the Company for the purposes set forth in clauses (A) through (E) below; provided, however, that such dividend, distribution or amount shall be excluded in the calculation of the amount of Restricted Payments: (A) to Holdings in amounts equal to the amounts required for Holdings to pay franchise taxes and other fees required to maintain its corporate existence and provide for other operating costs of up to $2.0 million per calendar year; (B) to Holdings in amounts equal to amounts required for Holdings to pay Federal, state and local income taxes that are then actually due and owing by Holdings to the extent such items relate to the Company and its Subsidiares; (C) to Holdings to permit Holdings to pay financial advisory, financing, underwriting or placement fees to Cypress and its Affiliates; (D) to Holdings to permit Holdings to pay any employment, noncompetition, compensation or confidentiality arrangements entered into with its employees in the ordinary course of business to the extent such employees are primarily engaged in activities which relate to the Company and its Subsidiaries; and (E) to Holdings to permit Holdings to pay customary fees and indemnities to directors and officers of Holdings to the extent such directors and officers are primarily engaged in activities which relate to the Company and its Subsidiaries; (vii) following the initial Equity Offering by the Company or Holdings, any payment of dividends or common stock buybacks by the Company in an aggregate amount in any year not to exceed 6% of the aggregate Net Cash Proceeds actually received by the Company in connection with such initial Equity Offering and any subsequent Equity Offering by the Company or Holdings; provided, however, that no Default or Event of Default shall have occurred and be continuing immediately before or after any such payment; provided further, however, that such dividends or common stock buybacks shall be included in the calculation of the amount of Restricted Payments; (viii) any repurchase of Capital Stock deemed to occur upon exercise of stock options if such Capital Stock represents a portion of the exercise price of such option; provided, however, that such repurchase shall be included in the calculation of the amount of Restricted Payments; (ix) the payment of any dividend or the making of any distribution to Holdings in amounts sufficient to permit Holdings (A) to pay interest when due on the Senior Discount Notes and (B) to make any mandatory redemptions, repurchases or principal or accreted value payments in respect of the Senior Discount Notes; provided, however, that such payments, dividends and distributions shall be excluded in the calculation of the amount of Restricted Payments; (x) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Company issued in accordance with the covenant described under " -- Limitation on Indebtedness" to the extent such dividends are included in the definition of Consolidated Interest Expense; provided, however, that such dividends shall be included in the calculation of the amount of Restricted Payments; (xi) Investments made with Excluded Contributions; provided, however, that such Investments shall be excluded in the calculation of the amount of Restricted Payments; (xii) any Restricted Payment made to fund the Recapitalization (including fees and expenses); provided, however, that such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments; or (xiii) other Restricted Payments in an aggregate amount not to exceed $10.0 million; provided, however, that such payments shall be included in the calculation of the amount of Restricted Payments.

Limitation on Restrictions on Distributions from Restricted Subsidiaries. The Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to the Company, (ii) make any loans or advances to the Company or (iii) transfer any of its property or assets to the Company, except: (1) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Closing Date; (2) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Indebtedness Incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by the Company (other than Indebtedness Incurred as consideration in, in contemplation of, or to provide

all or any portion of the funds or credit support utilized to consummate the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was otherwise acquired by the Company) and outstanding on such date; (3) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (1) or (2) of this covenant or this clause (3) or contained in any amendment to an agreement referred to in clause (1) or (2) of this covenant or this clause (3); provided, however, that the encumbrances and restrictions contained in any such Refinancing agreement or amendment are no less favorable to the Senior Subordinated Noteholders than the encumbrances and restrictions contained in such predecessor agreements; (4) in the case of clause (iii), any encumbrance or restriction (A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, (B) contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements or mortgages or (C) in connection with purchase money obligations for property acquired in the ordinary course of business; (5) with respect to a Restricted Subsidiary, any restriction imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition; (6) any encumbrance or restriction of a Receivables Entity effected in connection with a Qualified Receivables Transaction; provided, however, that such restrictions apply only to such Receivables Entity; and (7) any encumbrance or restriction existing pursuant to other Indebtedness permitted to be Incurred subsequent to the Senior Subordinated Notes Issue Date pursuant to the provisions of the covenant described under " -- Limitations on Indebtedness"; provided, however, that any such encumbrance or restrictions are ordinary and customary with respect to the type of Indebtedness being Incurred (under the relevant circumstances).

Limitation on Sales of Assets and Subsidiary Stock. (a) The Company will not, and will not permit any Restricted Subsidiary to, make any Asset Disposition unless (i) the Company or such Restricted Subsidiary receives consideration (including by way of relief from, or by any other Person assuming sole responsibility for, any liabilities, contingent or otherwise) at the time of such Asset Disposition at least equal to the fair market value (as determined in good faith by the Company) of the shares and assets subject to such Asset Disposition, (ii) at least 75% of the consideration thereof received by the Company or such Restricted Subsidiary is in the form of cash or cash equivalents (provided that the amount of (w) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet or in the notes thereto) of the Company or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Senior Subordinated Notes) that are assumed by the transferee of any such assets without recourse to the Company or any of the Restricted Subsidiaries, (x) any notes or other obligations received by the Company or such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of such Asset Disposition, (y) any Designated Noncash Consideration received by the Company or any of its Restricted Subsidiaries in such Asset Disposition having an aggregate fair market value, taken together with all other Designated Noncash Consideration received pursuant to this clause (y) that is at that time outstanding, not to exceed 5% of Adjusted Consolidated Assets at the time of the receipt of such Designated Noncash Consideration (with the fair market value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value) and (z) any assets received in exchange for assets related to a Related Business of comparable market value in the good faith determination of the Board of Directors shall be deemed to be cash for purposes of this provision) and (iii) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company (or such Restricted Subsidiary, as the case may be) (A) first, to the extent the Company elects (or is required by the terms of any Indebtedness), to prepay, repay, redeem or purchase Senior Indebtedness of the Company or Indebtedness (other than any Disqualified Stock and other than any Preferred Stock) of a Wholly Owned Subsidiary (in each case other than Indebtedness owed to the Company or an Affiliate of the Company) within 365 days after the later of the date of such Asset Disposition or the receipt of such Net Available Cash; (B) second, to the extent of the balance of Net Available Cash after application in accordance with clause (A), to the extent the Company or such Restricted Subsidiary elects, to reinvest in Additional Assets (including by means of an Investment in Additional Assets by a

Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) within 365 days from the later of such Asset Disposition or the receipt of such Net Available Cash; and (C) third, to the extent of the balance of such Net Available Cash after application in accordance with clauses (A) and (B), to make an Offer (as defined below) to purchase Senior Subordinated Notes pursuant to and subject to the conditions set forth in section (b) of this covenant; provided, however, that if the Company elects (or is required by the terms of any other Senior Subordinated Indebtedness), such Offer may be made ratably to purchase the Senior Subordinated Notes and other Senior Subordinated Indebtedness of the Company; provided, however, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (A) or (C) above, the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased. Notwithstanding the foregoing provisions of this covenant, the Company and the Restricted Subsidiaries will not be required to apply any Net Available Cash in accordance with this covenant except to the extent that the aggregate Net Available Cash from all Asset Dispositions that is not applied in accordance with this covenant exceeds $20.0 million.

(b) In the event of an Asset Disposition that requires the purchase of Senior Subordinated Notes (and other Senior Subordinated Indebtedness) pursuant to clause (a)(iii)(C) of this covenant, the Company will be required to purchase Senior Subordinated Notes (and other Senior Subordinated Indebtedness) tendered pursuant to an offer by the Company for the Senior Subordinated Notes (and other Senior Subordinated Indebtedness) (the "Offer") at a purchase price of 100% of their principal amount plus accrued and unpaid interest and liquidated damages, if any, to the date of purchase in accordance with the procedures (including prorating in the event of oversubscription), set forth in the Senior Subordinated Notes Indenture. If the aggregate purchase price of Senior Subordinated Notes (and other Senior Subordinated Indebtedness) tendered pursuant to the Offer is less than the Net Available Cash allotted to the purchase of the Senior Subordinated Notes (and other Senior Subordinated Indebtedness), the Company may apply the remaining Net Available Cash for any purpose permitted by the terms of the Senior Subordinated Notes Indenture. The Company will not be required to make an Offer for Senior Subordinated Notes (and other Senior Subordinated Indebtedness) pursuant to this covenant if the Net Available Cash available therefor (after application of the proceeds as provided in clauses (A) and (B) of this covenant section (a)(iii)) is less than $10.0 million for any particular Asset Disposition (which lesser amount will be carried forward for purposes of determining whether an Offer is required with respect to the Net Available Cash from any subsequent Asset Disposition).

(c) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Subordinated Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

Limitations on Transactions with Affiliates. (a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each of the foregoing, an "Affiliate Transaction") involving aggregate consideration in excess of $5.0 million, unless (i) such Affiliate Transaction is on terms that are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person and (ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10.0 million, the Company delivers to the Senior Subordinated Notes Trustee a resolution adopted by the majority of the Board of Directors, approving such Affiliate Transaction and set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above.

(b) The provisions of the foregoing paragraph (a) will not prohibit (i) any Restricted Payment permitted to be paid pursuant to the covenant described under "Limitation on Restricted Payments", (ii)

any issuance of securities, or other payments, Guarantees, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors, (iii) the grant of stock options or similar rights to employees and directors of the Company pursuant to plans approved by the Board of Directors, (iv) loans or advances to employees in the ordinary course of business in accordance with past practices of the Company, but in any event not to exceed $5.0 million in the aggregate outstanding at any one time, (v) the payment of reasonable fees to directors of the Company and its Restricted Subsidiaries who are not employees of the Company or its Subsidiaries, (vi) any transaction between the Company and a Restricted Subsidiary or between Restricted Subsidiaries, (vii) any transaction effected as part of a Qualified Receivables Transaction, (viii) any payment by the Company to Holdings to permit Holdings to pay any Federal, state, local or other taxes that are then actually due and owing by Holdings, (ix) indemnification agreements with, and the payment of fees and indemnities to, directors, officers and employees of the Company and its Restricted Subsidiaries, in each case, in the ordinary course of business, (x) any employment, compensation, noncompetition or confidentiality agreement entered into by the Company and its Restricted Subsidiaries with its employees in the ordinary course of business, (xi) the payment by the Company of fees, expenses and other amounts to Cypress and its Affiliates in connection with the Recapitalization, (xii) payments by the Company or any of its Restricted Subsidiaries to Cypress and its Affiliates made pursuant to any financial advisory, financing, underwriting or placement agreement, or in respect of other investment banking activities, in each case, as determined by the Board of Directors in good faith, (xiii) any issuance of Capital Stock of the Company (other than Disqualified Stock), (xiv) any agreement as in effect as of the date of the Senior Subordinated Notes Indenture or any amendment or replacement thereto so long as any such amendment or replacement agreement is not more disadvantageous to the Senior Subordinated Noteholders of the Senior Subordinated Notes in any material respect than the original agreement as in effect on the date of the Senior Subordinated Notes Indenture and (xv) transactions in which the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Senior Subordinated Notes Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (a) of the preceding paragraph.

Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries. The Company will not sell or otherwise dispose of any shares of Capital Stock of a Restricted Subsidiary, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell or otherwise dispose of any shares of its Capital Stock except: (i) to the Company or a Wholly Owned Subsidiary or to any director of a Restricted Subsidiary to the extent required as director's qualifying shares; (ii) if, immediately after giving effect to such issuance, sale or other disposition, neither the Company nor any of its Subsidiaries own any Capital Stock of such Restricted Subsidiary or (iii) if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect thereto would have been permitted to be made under the covenant described under "Limitation on Restricted Payments" if made on the date of such issuance, sale or other disposition. The provisions of this covenant will not prohibit any transaction effected as part of a Qualified Receivables Transaction. The proceeds of any sale of such Capital Stock permitted hereby will be treated as Net Available Cash from an Asset Disposition and must be applied in accordance with the terms of the covenant described under "Limitation on Sales of Assets and Subsidiary Stock".

Limitation on Liens. The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, Incur or permit to exist any Lien of any nature whatsoever that secures Senior Subordinated Indebtedness or Subordinated Obligations on any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned at the Closing Date or thereafter acquired, other than Permitted Liens, without effectively providing that the Senior Subordinated Notes shall be secured equally and ratably with (or on a senior basis to in the case of Subordinated Obligations) the obligations so secured for so long as such obligations are so secured.

SEC Reports. Notwithstanding that the Company may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company shall file with the SEC and provide the Senior

Subordinated Notes Trustee and any Senior Subordinated Noteholder or prospective Senior Subordinated Noteholder (upon the request of such Senior Subordinated Noteholder or prospective Senior Subordinated Noteholder) with such annual reports and such information, documents and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. corporation subject to such Sections, such information, documents and other reports to be so filed and provided at the times specified for the filing of such information, documents and reports under such Sections.

Merger and Consolidation

The Company will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless: (i) the resulting, surviving or transferee Person (the "Successor Company") will be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not the Company) will expressly assume, by an indenture supplemental hereto, executed and delivered to the Senior Subordinated Notes Trustee, in form satisfactory to the Senior Subordinated Notes Trustee, all the obligations of the Company under the Senior Subordinated Notes and the Senior Subordinated Notes Indenture; (ii) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Restricted Subsidiary as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), no Default will have occurred and be continuing; (iii) immediately after giving effect to such transaction, (A) the Successor Company would be able to Incur an additional $1.00 of Indebtedness under paragraph (a) of the covenant described under "Certain Covenants -- Limitation on Indebtedness" or (B) the Consolidated Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be greater than such ratio for the Company and its Restricted Subsidiaries immediately prior to such transaction; (iv) immediately after giving effect to such transaction, the Successor Company will have Consolidated Net Worth in an amount which is not less than the Consolidated Net Worth of the Company immediately prior to such transaction; and (v) the Company will have delivered to the Senior Subordinated Notes Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Senior Subordinated Notes Indenture. Notwithstanding clause (iii) above, a Wholly Owned Subsidiary may be consolidated with or merged into the Company and the Company may consolidate with or merge with or into (A) another Person, if such Person is a single purpose corporation that has not conducted any business or Incurred any Indebtedness or other liabilities and such transaction is being consummated solely to change the state of incorporation of the Company and (B) Holdings; provided, however, that, in the case of clause (B), (x) Holdings shall not have owned any assets other than the Capital Stock of the Company (and other immaterial assets incidental to its ownership of such Capital Stock) or conducted any business other than owning the Capital Stock of the Company, (y) Holdings shall not have any Indebtedness or other liabilities (other than ordinary course liabilities incidental to its ownership of the Capital Stock of the Company) and (z) immediately after giving effect to such consolidation or merger, the Successor Company shall have a pro forma Consolidated Coverage Ratio that is not less than the Consolidated Coverage Ratio of the Company immediately prior to such consolidation or merger.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Senior Subordinated Notes Indenture, but the predecessor Company in the case of a conveyance, transfer or lease of all or substantially all its assets will not be released from the obligation to pay the principal of and interest on the Senior Subordinated Notes.

Defaults

An Event of Default is defined in the Senior Subordinated Notes Indenture as (i) a default in any payment of interest on any Senior Subordinated Note when due and payable, whether or not prohibited by the provisions described under "Ranking", continued for 30 days, (ii) a default in the payment of principal of any Senior Subordinated Note when due and payable at its Stated Maturity, upon required redemption or repurchase, upon declaration or otherwise, whether or not such payment is prohibited by the provisions described under "Ranking", (iii) the failure by the Company to comply with its obligations under the covenant described under "Merger and Consolidation", (iv) the failure by the Company

to comply for 30 days after notice with any of its obligations under the covenants described under "Change of Control" or "Certain Covenants" (in each case, other than a failure to purchase Senior Subordinated Notes), (v) the failure by the Company to comply for 60 days after notice with its other agreements contained in the Senior Subordinated Notes or the Senior Subordinated Notes Indenture, (vi) the failure by the Company or any Significant Subsidiary to pay any Indebtedness within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default if the total amount of such Indebtedness unpaid or accelerated exceeds $25 million or its foreign currency equivalent (the "cross acceleration provision") and such failure continues for 10 days after receipt of the notice specified in the Senior Subordinated Notes Indenture, (vii) certain events of bankruptcy, insolvency or reorganization of the Company or a Significant Subsidiary (the "bankruptcy provisions") or (viii) the rendering of any judgment or decree for the payment of money in excess of $25 million or its foreign currency equivalent against the Company or a Significant Subsidiary if (A) an enforcement proceeding thereon is commenced by any creditor or (B) such judgment or decree remains outstanding for a period of 60 days following such judgment and is not discharged, waived or stayed within 10 days after notice (the "judgment default provision").

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

However, a default under clauses (iv), (v), (vi) or (viii) will not constitute an Event of Default until the Senior Subordinated Notes Trustee or the Senior Subordinated Noteholders of at least 25% in principal amount of the outstanding Senior Subordinated Notes notify the Company of the default and the Company does not cure such default within the time specified in clauses (iv), (v), (vi) or (viii) hereof after receipt of such notice.

If an Event of Default (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company) occurs and is continuing, the Senior Subordinated Notes Trustee or the Senior Subordinated Noteholders of at least 25% in principal amount of the outstanding Senior Subordinated Notes by notice to the Company may declare the principal of and accrued but unpaid interest on all the Senior Subordinated Notes to be due and payable. Upon such a declaration, such principal and interest will be due and payable immediately. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company occurs, the principal of and interest on all the Senior Subordinated Notes will become immediately due and payable without any declaration or other act on the part of the Senior Subordinated Notes Trustee or any Senior Subordinated Noteholders. Under certain circumstances, the Senior Subordinated Noteholders of a majority in principal amount of the outstanding Senior Subordinated Notes may rescind any such acceleration with respect to the Senior Subordinated Notes and its consequences.

Subject to the provisions of the Senior Subordinated Notes Indenture relating to the duties of the Senior Subordinated Notes Trustee, in case an Event of Default occurs and is continuing, the Senior Subordinated Notes Trustee will be under no obligation to exercise any of the rights or powers under the Senior Subordinated Notes Indenture at the request or direction of any of the Senior Subordinated Noteholders unless such Senior Subordinated Noteholders have offered to the Senior Subordinated Notes Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Senior Subordinated Noteholder may pursue any remedy with respect to the Senior Subordinated Notes Indenture or the Senior Subordinated Notes unless (i) such Senior Subordinated Noteholder has previously given the Senior Subordinated Notes Trustee notice that an Event of Default is continuing, (ii) Senior Subordinated Noteholders of at least 25% in principal amount of the outstanding Senior Subordinated Notes have requested the Senior Subordinated Notes Trustee in writing to pursue the remedy, (iii) such Senior Subordinated Noteholders have offered the Senior Subordinated Notes Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Senior Subordinated Notes Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the Senior Subordinated Noteholders of a majority in principal amount of the outstanding Senior Subordinated Notes have not given the Senior Subordinated Notes Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the Senior

Subordinated Noteholders of a majority in principal amount of the outstanding Senior Subordinated Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Senior Subordinated Notes Trustee or of exercising any trust or power conferred on the Senior Subordinated Notes Trustee. The Senior Subordinated Notes Trustee, however, may refuse to follow any direction that conflicts with law or the Senior Subordinated Notes Indenture or that the Senior Subordinated Notes Trustee determines is unduly prejudicial to the rights of any other Senior Subordinated Noteholder or that would involve the Senior Subordinated Notes Trustee in personal liability. Prior to taking any action under the Senior Subordinated Notes Indenture, the Senior Subordinated Notes Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The Senior Subordinated Notes Indenture provides that if a Default occurs and is continuing and is known to the Senior Subordinated Notes Trustee, the Senior Subordinated Notes Trustee must mail to each Senior Subordinated Noteholder notice of the Default within the earlier of 90 days after it occurs or 30 days after it is known to a Trust Officer or written notice of it is received by the Senior Subordinated Notes Trustee. Except in the case of a Default in the payment of principal of, premium (if any) or interest on any Senior Subordinated Note (including payments pursuant to the redemption provisions of such Senior Subordinated Note), the Senior Subordinated Notes Trustee may withhold notice if and so long as a committee of its Trust Officers in good faith determines that withholding notice is in the interests of the Senior Subordinated Noteholders. In addition, the Company is required to deliver to the Senior Subordinated Notes Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Company also is required to deliver to the Senior Subordinated Notes Trustee, within 30 days after the occurrence thereof, written notice of any event which would constitute certain Events of Default, their status and what action the Company is taking or proposes to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Senior Subordinated Notes Indenture or the Senior Subordinated Notes may be amended with the written consent of the Senior Subordinated Noteholders of a majority in principal amount of the Senior Subordinated Notes then outstanding and any past default or compliance with any provisions may be waived with the consent of the Senior Subordinated Noteholders of a majority in principal amount of the Senior Subordinated Notes then outstanding. However, without the consent of each Senior Subordinated Noteholder of an outstanding Senior Subordinated Note affected, no amendment may, among other things, (i) reduce the amount of Senior Subordinated Notes whose Senior Subordinated Noteholders must consent to an amendment, (ii) reduce the rate of or extend the time for payment of interest or any liquidated damages on any Senior Subordinated Note, (iii) reduce the principal of or extend the Stated Maturity of any Senior Subordinated Note, (iv) reduce the premium payable upon the redemption of any Senior Subordinated Note or change the time at which any Senior Subordinated Note may be redeemed as described under "Optional Redemption", (v) make any Senior Subordinated Note payable in money other than that stated in the Senior Subordinated Note, (vi) make any change to the subordination provisions of the Senior Subordinated Notes Indenture that adversely affects the rights of any Senior Subordinated Noteholder, (vii) impair the right of any Senior Subordinated Noteholder to receive payment of principal of and interest or any liquidated damages on such Senior Subordinated Noteholder's Senior Subordinated Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Senior Subordinated Noteholder's Senior Subordinated Notes or (viii) make any change in the amendment provisions which require each Senior Subordinated Noteholder's consent or in the waiver provisions.

Without the consent of any Senior Subordinated Noteholder, the Company, Holdings and the Senior Subordinated Notes Trustee may amend the Senior Subordinated Notes Indenture to cure any ambiguity, omission, defect or inconsistency, to provide for the assumption by a successor corporation of the obligations of the Company under the Senior Subordinated Notes Indenture, to provide for uncertificated Senior Subordinated Notes in addition to or in place of certificated Senior Subordinated Notes (provided that the uncertificated Senior Subordinated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Senior Subordinated Notes are

described in Section 163(f)(2)(B) of the Code), to make any change in the subordination provisions of the Senior Subordinated Notes Indenture that would limit or terminate the benefits available to any holder of Senior Indebtedness of the Company (or any representative thereof) under such subordination provisions, to add additional Guarantees with respect to the Senior Subordinated Notes, to secure the Senior Subordinated Notes, to add to the covenants of the Company for the benefit of the Senior Subordinated Noteholders or to surrender any right or power conferred upon the Company, to make any change that does not adversely affect the rights of any Senior Subordinated Noteholder, subject to the provisions of the Senior Subordinated Notes Indenture, to provide for the issuance of the Senior Subordinated Exchange Notes or Additional Senior Subordinated Notes or to comply with any requirement of the SEC in connection with the qualification of the Senior Subordinated Notes Indenture under the TIA. However, no amendment may be made to the subordination provisions of the Senior Subordinated Notes Indenture that adversely affects the rights of any holder of Senior Indebtedness of the Company then outstanding unless the holders of such Senior Indebtedness (or any group or representative thereof authorized to give a consent) consent to such change.

The consent of the Senior Subordinated Noteholders is not necessary under the Senior Subordinated Notes Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

After an amendment under the Senior Subordinated Notes Indenture becomes effective, the Company is required to mail to Senior Subordinated Noteholders a notice briefly describing such amendment. However, the failure to give such notice to all Senior Subordinated Noteholders, or any defect therein, will not impair or affect the validity of the amendment.

Transfer and Exchange

A Senior Subordinated Noteholder may transfer or exchange Senior Subordinated Notes in accordance with the Senior Subordinated Notes Indenture. Upon any transfer or exchange, the registrar and the Senior Subordinated Notes Trustee may require a Senior Subordinated Noteholder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Senior Subordinated Noteholder to pay any taxes required by law or permitted by the Senior Subordinated Notes Indenture. The Company is not required to transfer or exchange any Senior Subordinated Note selected for redemption or to transfer or exchange any Senior Subordinated Note for a period of 15 days prior to a selection of Senior Subordinated Notes to be redeemed. The Senior Subordinated Notes will be issued in registered form and the registered holder of a Senior Subordinated Note will be treated as the owner of such Senior Subordinated Note for all purposes.

Defeasance

The Company at any time may terminate all its obligations under the Senior Subordinated Notes and the Senior Subordinated Notes Indenture ("legal defeasance"), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Senior Subordinated Notes, to replace mutilated, destroyed, lost or stolen Senior Subordinated Notes and to maintain a registrar and paying agent in respect of the Senior Subordinated Notes. The Company at any time may terminate its obligations under the covenants described under "Certain Covenants", the operation of the cross acceleration provision, the bankruptcy provisions with respect to Significant Subsidiaries and the judgment default provision described under "Defaults" and the limitations contained in clauses (iii) and (iv) under the first paragraph of "Merger and Consolidation" ("covenant defeasance"). In the event that the Company exercises its legal defeasance option or its covenant defeasance option, Holdings will be released from all of its obligations with respect to its Holdings Guarantee.

The Company may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Company exercises its legal defeasance option, payment of the Senior Subordinated Notes may not be accelerated because of an Event of Default with respect thereto. If the Company exercises its covenant defeasance option, payment of the Senior Subordinated Notes may not be accelerated because of an Event of Default specified in clause (iv), (vi), (vii) (with respect

only to Significant Subsidiaries) or (viii)(with respect only to Significant Subsidiaries) under "Defaults" or because of the failure of the Company to comply with clause (iii) or (iv) under the first paragraph of "Merger and Consolidation."

In order to exercise either defeasance option, the Company must irrevocably deposit in trust (the "defeasance trust") with the Senior Subordinated Notes Trustee money or U.S. Government Obligations for the payment of principal, premium (if any) and interest on the Senior Subordinated Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Senior Subordinated Notes Trustee of an Opinion of Counsel to the effect that holders of the Senior Subordinated Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable Federal income tax law).

Concerning the Senior Subordinated Notes Trustee

Bank One, N.A. is the Senior Subordinated Notes Trustee under the Senior Subordinated Notes Indenture and has been appointed by the Company as Registrar and Paying Agent with regard to the Senior Subordinated Notes.

Governing Law

The Senior Subordinated Notes Indenture provides that it and the Senior Subordinated Notes will be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby.

Certain Definitions

"Additional Assets" means (i) any property or assets (other than Indebtedness and Capital Stock) to be used by the Company or a Restricted Subsidiary in a Related Business; (ii) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary; or (iii) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary; provided, however, that any such Restricted Subsidiary described in clauses (ii) or (iii) above is primarily engaged in a Related Business.

"Adjusted Consolidated Assets" means at any time the total amount of assets of the Company and its Restricted Subsidiaries (less applicable depreciation, amortization and other valuation reserves), after deducting therefrom all current liabilities of the Company and its Restricted Subsidiaries (excluding intercompany items), all as set forth on the Consolidated balance sheet of the Company and its Restricted Subsidiaries as of the end of the most recent fiscal quarter for which financial statements are available prior to the date of determination.

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

"Applicable Premium" means, with respect to a Senior Subordinated Note at any redemption date, the greater of (i) 1.0% of the principal amount of such Senior Subordinated Note and (ii) the excess of (A) the present value at such time of (1) the redemption price of such Senior Subordinated Note at June 1, 2003 (such redemption price being set forth in the table set forth under " -- Optional Redemption") plus (2) all required interest payments due on such Senior Subordinated Note through June 1, 2003 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the then-outstanding principal amount of such Senior Subordinated Note.

"Asset Disposition" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by the Company or any Restricted Subsidiary, including any disposition by means of a merger, consolidation, or similar transaction (each referred to for the purposes of this definition as a "disposition"), of (i) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary), (ii) all or substantially all the assets of any division or line of business of the Company or any Restricted Subsidiary or (iii) any other assets of the Company or any Restricted Subsidiary outside the ordinary course of business of the Company or such Restricted Subsidiary (other than, in the case of (i), (ii) and (iii) above, (A) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Wholly Owned Subsidiary, (B) for purposes of the provisions described under "Certain Covenants -- Limitation on Sales of Assets and Subsidiary Stock" only, a disposition subject to the covenant described under "Certain Covenants -- Limitation on Restricted Payments", (C) a disposition of assets with a fair market value of less than $1,000,000, (D) a sale of accounts receivables and related assets of the type specified in the definition of "Qualified Receivables Transaction" to a Receivables Entity in a Qualified Receivables Transaction, (E) a transfer of accounts receivables and related assets of the type specified in the definition of "Qualified Receivables Transaction" (or a fractional undivided interest therein) by a Receivables Entity in a Qualified Receivables Transaction, (F) the disposition of all or substantially all of the assets of the Company in a manner permitted pursuant to the provisions described above under "Merger and Consolidation" or any disposition that constitutes a Change of Control pursuant to the Senior Subordinated Notes Indenture, (G) any exchange of like property pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, for use in a Related Business, and (H) any sale of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary).

"Attributable Debt" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the Senior Subordinated Notes, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended).

"Average Life" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (i) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (ii) the sum of all such payments.

"Bank Indebtedness" means any and all amounts payable under or in respect of the Credit Agreement and any Refinancing Indebtedness with respect thereto, as amended from time to time, including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees and all other amounts payable thereunder or in respect thereof.

"Board of Directors" means the Board of Directors of the Company or any committee thereof duly authorized to act on behalf of such Board.

"Business Day" means each day which is not a Legal Holiday.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Capitalized Lease Obligations" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Closing Date" means the date of the Senior Subordinated Notes Indenture.

"Code" means the Internal Revenue Code of 1986, as amended.

"Consolidated Coverage Ratio" as of any date of determination means the ratio of (i) the aggregate amount of EBITDA for the period of the most recent four consecutive fiscal quarters for which internal financial statements are available prior to the date of such determination to (ii) Consolidated Interest Expense for such four fiscal quarters; provided, however, that (A) if the Company or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period and the discharge of any other Indebtedness repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation shall be computed based on (1) the average daily balance of such Indebtedness (and any Indebtedness under a revolving credit facility replaced by such Indebtedness) during such four fiscal quarters or such shorter period when such facility and any replaced facility was outstanding or (2) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness (and any Indebtedness under a revolving credit facility replaced by such Indebtedness) during the period from the date of creation of such facility to the date of the calculation), (B) if the Company or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, EBITDA and Consolidated Interest Expense for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if the Company or such Restricted Subsidiary has not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness, (C) if since the beginning of such period the Company or any Restricted Subsidiary shall have made any Asset Disposition, the EBITDA for such period shall be reduced by an amount equal to the EBITDA (if positive) directly attributable to the assets that are the subject of such Asset Disposition for such period or increased by an amount equal to the EBITDA (if negative) directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of the Company or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Company and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Company and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale), (D) if since the beginning of such period the Company or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period and (E) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (C) or (D) above if made by the Company or a Restricted Subsidiary during such period, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Disposition, Investment or acquisition of assets occurred on the first day of such period. For purposes of this definition, whenever pro forma

effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting Officer of the Company, and such pro forma calculations shall include (A)(x) the savings in cost of goods sold that would have resulted from using the Company's actual costs for comparable goods and services during the comparable period and (y) other savings in cost of goods sold or eliminations of selling, general and administrative expenses as determined by a responsible financial or accounting Officer of the Company in good faith in connection with the Company's consideration of such acquisition and consistent with the Company's experience in acquisitions of similar assets, less (B) the incremental expenses that would be included in cost of goods sold and selling, general and administrative expenses that would have been incurred by the Company in the operation of such acquired assets during such period. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term as at the date of determination in excess of 12 months).

"Consolidated Interest Expense" means, for any period, the total interest expense (net of interest income) of the Company and its Consolidated Restricted Subsidiaries, plus, to the extent Incurred by the Company and its Restricted Subsidiaries in such period but not included in such interest expense, (i) interest expense attributable to Capitalized Lease Obligations and the interest expense attributable to leases constituting part of a Sale/Leaseback Transaction, (ii) amortization of debt discount, (iii) capitalized interest, (iv) non-cash interest expense, (v) commissions, discounts and other fees and charges attributable to letters of credit and bankers' acceptance financing, (vi) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is Guaranteed by the Company or any Restricted Subsidiary, (vii) net costs associated with Hedging Obligations (including amortization of fees), (viii) dividends in respect of all Preferred Stock of the Company and any of the Restricted Subsidiaries of the Company (other than pay in kind dividends and accretions to liquidation value) to the extent held by Persons other than the Company or a Wholly Owned Subsidiary, (ix) interest Incurred in connection with investments in discontinued operations and (x) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Company) in connection with Indebtedness Incurred by such plan or trust, less, to the extent included in such total interest expense, the amortization during such period of capitalized financing costs. Notwithstanding anything to the contrary contained herein, interest expense, commissions, discounts, yield and other fees and charges Incurred in connection with any Qualified Receivables Transaction pursuant to which the Company or any Subsidiary may sell, convey or otherwise transfer or grant a security interest in any accounts receivable or related assets of the type specified in the definition of "Qualified Receivables Transaction" shall not be included in Consolidated Interest Expense; provided that any interest expense, commissions, discounts, yield and other fees and charges Incurred in connection with any receivables financing or securitization that does not constitute a Qualified Receivables Transaction shall be included in Consolidated Interest Expense.

"Consolidated Net Income" means, for any period, the net income of the Company and its Consolidated Subsidiaries for such period; provided, however, that there shall not be included in such Consolidated Net Income: (i) any net income of any Person (other than the Company) if such Person is not a Restricted Subsidiary, except that (A) subject to the limitations contained in clause (iv) below, the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to a Restricted Subsidiary, to the limitations contained in clause (iii) below) and (B) the Company's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income; (ii) any net income (or loss) of any person acquired by the Company or a Subsidiary in a pooling of interests transaction for any period prior to the date of such acquisition; (iii) any net income (or loss) of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of

distributions by such Restricted Subsidiary, directly or indirectly, to the Company, except that (A) subject to the limitations contained in clause (iv) below, the Company's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash which could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to another Restricted Subsidiary, to the limitation contained in this clause) and (B) the Company's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income; (iv) any gain (or loss) realized upon the sale or other disposition of any asset of the Company or its Consolidated Subsidiaries (including pursuant to any Sale/Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the sale or other disposition of any Capital Stock of any Person; (v) any extraordinary gain or loss; (vi) the cumulative effect of a change in accounting principles; and (vii) any expenses or charges paid to third parties related to any Equity Offering, Permitted Investment, acquisition, recapitalization or Indebtedness permitted to be Incurred by the Senior Subordinated Notes Indenture (whether or not successful) (including such fees, expenses, or charges related to the Recapitalization). Notwithstanding the foregoing, for the purpose of the covenant described under "Certain Covenants - - - - -- Limitation on Restricted Payments" only, there shall be excluded from Consolidated Net Income any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries to the Company or a Restricted Subsidiary to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such covenant pursuant to clause (a)(3)(D) thereof.

"Consolidated Net Worth" means the total of the amounts shown on the balance sheet of the Company and its Restricted Subsidiaries, determined on a Consolidated basis, as of the end of the most recent fiscal quarter of the Company for which internal financial statements are available, as (i) the par or stated value of all outstanding Capital Stock of the Company plus (ii) paid-in capital or capital surplus relating to such Capital Stock plus (iii) any retained earnings or earned surplus less (A) any accumulated deficit and (B) any amounts attributable to Disqualified Stock.

"Consolidation" means the consolidation of the amounts of each of the Restricted Subsidiaries with those of the Company in accordance with GAAP consistently applied; provided, however, that "Consolidation" will not include consolidation of the accounts of any Unrestricted Subsidiary, but the interest of the Company or any Restricted Subsidiary in an Unrestricted Subsidiary will be accounted for as an investment. The term "Consolidated" has a correlative meaning.

"Credit Agreement" means the credit agreement to be dated as of the Closing Date, as amended, waived or otherwise modified from time to time, among Holdings, the Company, WESCO Distribution -- Canada, Inc., certain financial institutions to be party thereto, The Chase Manhattan Bank, as U.S. administrative agent, syndication agent and U.S. collateral agent, The Chase Manhattan Bank of Canada, as Canadian administrative agent and Canadian collateral agent, and Lehman Commercial Paper Inc., as documentation agent.

"Credit Facilities" means, with respect to the Company, one or more debt facilities, or commercial paper facilities with banks or other institutional lenders or indentures providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against receivables), letters of credit or other long-term Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"Currency Agreement" means with respect to any Person any foreign exchange contract, currency swap agreement or other similar agreement or arrangement to which such Person is a party or of which it is a beneficiary.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Designated Noncash Consideration" means the fair market value of noncash consideration received by the Company or any of its Restricted Subsidiaries in connection with an Asset Disposition that is so

designated as Designated Noncash Consideration pursuant to an Officers' Certificate, setting forth the basis of such valuation, less the amount of cash or cash equivalents received in connection with a subsequent sale of such Designated Noncash Consideration.

"Designated Senior Indebtedness" of the Company means (i) the Bank Indebtedness and (ii) any other Senior Indebtedness of the Company that, at the date of determination, has an aggregate principal amount outstanding of, or under which, at the date of determination, the holders thereof are committed to lend up to at least $25.0 million and is specifically designated by the Company in the instrument evidencing or governing such Senior Indebtedness as "Designated Senior Indebtedness" for purposes of the Senior Subordinated Notes Indenture. "Designated Senior Indebtedness" of Holdings has a correlative meaning.

"Disqualified Stock" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event (i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) is convertible or exchangeable for Indebtedness or Disqualified Stock or (iii) is redeemable at the option of the holder thereof, in whole or in part, in each case on or prior to the 91st day following the Stated Maturity of the Senior Subordinated Notes; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the first anniversary of the Stated Maturity of the Securities shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the provisions of the covenants described under "Change of Control" and "Certain Covenants -- Limitation on Sale of Assets and Subsidiary Stock."

"EBITDA" for any period means the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income: (i) income tax expense of the Company and its Consolidated Restricted Subsidiaries, (ii) Consolidated Interest Expense, (iii) depreciation expense of the Company and its Consolidated Restricted Subsidiaries, (iv) amortization expense of the Company and its Consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid cash item that was paid in a prior period), (v) all other non-cash charges of the Company and its Consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash expenditures in any future period) in each case for such period and (vi) income attributable to discontinued operations. Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary of the Company shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its stockholders.

"Equity Offering" means a private sale or public offering of Capital Stock (other than Disqualified Stock) of the Company or Holdings.

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

"Excluded Contribution" means the Net Cash Proceeds received by the Company from (a) contributions to its common equity capital and (b) the sale (other than to a Subsidiary or to any Company or Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock) of the Company, in each case designated as Excluded Contributions pursuant to an Officers' Certificate executed by the principal executive officer and the principal financial officer of the Company on the date such capital contributions are made or the date such Capital Stock is sold.

"GAAP" means generally accepted accounting principles in the United States of America as in effect as of the Closing Date, including those set forth in (i) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, (ii) statements and pronouncements of the Financial Accounting Standards Board, (iii) such other statements by such other entity as approved by a significant segment of the accounting profession and (iv) the rules and regulations of the SEC governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC. All ratios and computations based on GAAP contained in the Senior Subordinated Notes Indenture shall be computed in conformity with GAAP.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning. The term "Guarantor" shall mean any Person Guaranteeing any obligation.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

"Holdings Guarantee" means the Guarantee of the obligations with respect to the Senior Subordinated Notes issued by Holdings pursuant to the terms of the Senior Subordinated Notes Indenture. Such Holdings Guarantee will have subordination provisions equivalent to those contained in the Senior Subordinated Notes Indenture and will be substantially in the form prescribed in the Senior Subordinated Notes Indenture.

"Incur" means issue, assume, Guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. The accretion of principal of a non-interest bearing or other discount security shall not be deemed the Incurrence of Indebtedness.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication), (i) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money; (ii) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (iii) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto) (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (i), (ii), (iv) and (v) hereof) to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the 30th day following payment on the letter of credit so long as such letter of credit is entered into in the ordinary course of business); (iv) all obligations of such Person to pay the deferred and unpaid purchase price of property or services (except Trade Payables), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services; (v) all Capitalized Lease Obligations and all Attributable Debt of such Person; (vi) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends); (vii) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of Indebtedness of such Person shall be the lesser of (A) the fair market value of such

asset at such date of determination and (B) the amount of such Indebtedness of such other Persons; (viii) to the extent not otherwise included in this definition, Hedging Obligations of such Person; and (ix) all obligations of the type referred to in clauses (i) through (viii) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee. The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date; provided, however, that the amount outstanding at any time of any Indebtedness Incurred with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP. Any "Qualified Receivables Transaction", whether or not such transfer constitutes a sale for the purposes of GAAP, shall not constitute Indebtedness hereunder; provided that any receivables financing or securitization that does not constitute a Qualified Receivables Transaction and does not qualify as a sale under GAAP shall constitute Indebtedness hereunder.

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith determination of the Company, qualified to perform the task for which it has been engaged.

"Interest Rate Agreement" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extension of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. For purposes of the definition of "Unrestricted Subsidiary" and the covenant described under "Certain Covenants - - - - -- Limitation on Restricted Payments", (i) "Investment" shall include the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of any Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (x) the Company's "Investment" in such Subsidiary at the time of such redesignation less (y) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and (ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Net Available Cash" from an Asset Disposition means cash payments received (including (a) any cash payments received upon the sale or other disposition of any Designated Noncash Consideration received in any Asset Disposition, (b) any cash proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and (c) any cash proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of (i) all legal, title and recording tax expenses, commissions and other fees and expenses incurred (including, without limitation, all broker's and finder's fees and expenses, all investment banking fees and expenses, employee severance and termination costs, and trade payable and similar liabilities solely related to the assets

sold or otherwise disposed of and required to be paid by the seller as a result thereof), and all Federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under GAAP, as a consequence of such Asset Disposition, (ii) all relocation expenses incurred as a result thereof, (iii) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition, (iv) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition and (v) appropriate amounts to be provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the property or other assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"Net Cash Proceeds", with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Officer" means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company.

"Officers' Certificate" means a certificate signed by two Officers.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Senior Subordinated Notes Trustee. The counsel may be an employee of or counsel to the Company or the Senior Subordinated Notes Trustee.

"Permitted Holders" means: (i) The Cypress Group L.L.C., Cypress Merchant Banking Partners L.P., Cypress Offshore Partners L.P., Chase Equity Associates, L.P., Co-Investment Partners, L.P. and any Person who on the Senior Subordinated Notes Issue Date is an Affiliate of any of the foregoing; (ii) any Person who is a member of the senior management of the Company or Holdings and a stockholder of Holdings on the Senior Subordinated Notes Issue Date; and (iii) any Person acting in the capacity of an underwriter in connection with a public or private offering of the Company's or Holdings' Capital Stock.

"Permitted Investment" means an Investment by the Company or any Restricted Subsidiary in (i) the Company, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary; (ii) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary; (iii) Temporary Cash Investments; (iv) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as the Company or any such Restricted Subsidiary deems reasonable under the circumstances; (v) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business; (vi) loans or advances to employees made in the ordinary course of business consistent with past practices of the Company or such Restricted Subsidiary and not exceeding $5.0 million in the aggregate outstanding at any one time; (vii) stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary or in satisfaction of judgments; (viii) any Person to the extent such Investment represents the non-cash portion of the consideration received for an Asset Disposition that was made pursuant to and in compliance with the covenant described under "Certain Covenants -- Limitation on Sale of Assets and Subsidiary Stock"; (ix) Investments made in connection with any Asset Disposition or other sale, lease, transfer or other disposition permitted under the Senior Subordinated Notes Indenture; (x) a Receivables Entity or any Investment by a Receivables Entity in any other Person in connection with a Qualified Receivables Transaction, including Investments of

funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Transaction or any related Indebtedness; provided that any Investment in a Receivables Entity is in the form of a Purchase Money Note, contribution of additional receivables or an equity interest; (xi) Investments in a Related Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (xi) that are at that time outstanding (and not including any Investments outstanding on the Closing Date), not to exceed 5% of Adjusted Consolidated Assets at the time of such Investments (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); and (xii) additional Investments in an aggregate amount which, together with all other Investments made pursuant to this clause that are then outstanding, does not exceed $10.0 million.

"Permitted Liens" means (a) Liens of the Company and its Restricted Subsidiaries securing Indebtedness of the Company or any of its Restricted Subsidiaries Incurred under the Credit Agreement or other Credit Facilities to the extent permitted to be Incurred under clause (b)(i) and (xiii) of the description of the "Limitation on Indebtedness" covenant; (b) Liens in favor of the Company or its Wholly Owned Restricted Subsidiaries; (c) Liens on property of a Person existing at the time such Person becomes a Restricted Subsidiary of the Company or is merged into or consolidated with the Company or any Restricted Subsidiary of the Company; provided that such Liens were not Incurred in connection with, or in contemplation of, such merger or consolidation and such Liens do not extend to or cover any property other than such property, improvements thereon and any proceeds therefrom; (d) Liens of the Company securing Indebtedness of the Company Incurred under clause (b)(v) of the description of the "Limitation on Indebtedness" covenant; (e) Liens of the Company and its Restricted Subsidiaries securing Indebtedness of the Company or any of its Restricted Subsidiaries (including under a Sale/ Leaseback Transaction) permitted to be Incurred under clause (b)(vi), (vii) and (viii) of the description of the "Limitation on Indebtedness" covenant so long as the Capital Stock, property (real or personal) or equipment to which such Lien attaches solely consists of the Capital Stock, property or equipment which is the subject of such acquisition, purchase, lease, improvement, Sale/Leaseback Transaction and additions and improvements thereto (and the proceeds therefrom); (f) Liens on property existing at the time of acquisition thereof by the Company or any Restricted Subsidiary of the Company; provided that such Liens were not Incurred in connection with, or in contemplation of, such acquisition and such Liens do not extend to or cover any property other than such property, additions and improvements thereon and any proceeds therefrom; (g) Liens Incurred or deposits made to secure the performance of tenders, bids, leases, statutory obligations, surety or appeal bonds, government contracts, performance and return of money bonds or other obligations of a like nature Incurred in the ordinary course of business; (h) Liens existing on the Senior Subordinated Notes Issue Date and any additional Liens created under the terms of the agreements relating to such Liens existing on the Senior Subordinated Notes Issue Date; (i) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings; provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor; (j) Liens Incurred in the ordinary course of business of the Company or any Restricted Subsidiary with respect to obligations that do not exceed $20.0 million in the aggregate at any one time outstanding and that (1) are not Incurred in connection with or in contemplation of the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business) and (2) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation of the business by the Company or such Restricted Subsidiary; (k) statutory Liens of landlords and warehousemen's, carrier's, mechanics', suppliers', materialmen's, repairmen's or other like Liens (including contractual landlords' liens) arising in the ordinary course of business of the Company and its Restricted Subsidiaries; (l) Liens Incurred or deposits made in the ordinary course of business of the Company and its Restricted Subsidiaries in connection with workers' compensation, unemployment insurance and other types of social security; (m) easements, rights of way, restrictions, minor defects or irregularities in title and other similar charges or encumbrances not interfering in any material respect with the business of the Company or any of its Restricted Subsidiaries; (n) Liens securing reimbursement obligations with respect to letters of credit permitted under the covenant entitled "Limitation on Indebtedness" which encumber only cash and marketable securities and documents and other property relating to such letters of credit and the products and proceeds thereof;

(o) judgment and attachment Liens not giving rise to an Event of Default; (p) any interest or title of a lessor in the property subject to any Capitalized Lease Obligation permitted under the covenant entitled "Limitation on Indebtedness"; (q) Liens on accounts receivable and related assets of the type specified in the definition of "Qualified Receivables Transaction" Incurred in connection with a Qualified Receivables Transaction; (r) Liens securing Refinancing Indebtedness to the extent such Liens do not extend to or cover any property of the Company not previously subjected to Liens relating to the Indebtedness being refinanced; or (s) Liens on pledges of the capital stock of any Unrestricted Subsidiary securing any Indebtedness of such Unrestricted Subsidiary.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) that is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"principal" of a Senior Subordinated Note means the principal of the Senior Subordinated Note plus the premium, if any, payable on the Senior Subordinated Note which is due or overdue or is to become due at the relevant time.

"Purchase Money Note" means a promissory note of a Receivables Entity evidencing a line of credit, which may be irrevocable, from the Company or any Subsidiary of the Company in connection with a Qualified Receivables Transaction to a Receivables Entity, which note (a) shall be repaid from cash available to the Receivables Entity, other than (i) amounts required to be established as reserves pursuant to agreements, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and amounts owing to such investors, (iv) amounts required to pay expenses in connection with such Qualified Receivables Transaction and (v) amounts paid in connection with the purchase of newly generated receivables and (b) may be subordinated to the payments described in (a).

"Qualified Receivables Transaction" means any financing by the Company or any of its Subsidiaries of accounts receivable in any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which (a) the Company or any of its Subsidiaries sells, conveys or otherwise transfers to a Receivables Entity and (b) a Receivables Entity sells, conveys or otherwise transfers to any other Person or grants a security interest to any Person in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all Guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable; provided that (i) the Board of Directors shall have determined in good faith that such Qualified Receivables Transaction is economically fair and reasonable to the Company and the Receivables Entity and (ii) all sales of accounts receivable and related assets to the Receivables Entity are made at fair market value (as determined in good faith by the Company). The grant of a security interest in any accounts receivable of the Company or any of its Restricted Subsidiaries to secure Bank Indebtedness shall not be deemed a Qualified Receivables Transaction.

"Receivables Entity" means any Wholly Owned Subsidiary of the Company (or another Person in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and related assets) (i) which engages in no activities other than in connection with the financing of accounts receivable, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, (ii) which is designated by the Board of Directors (as provided below) as a Receivables Entity and (iii) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (A) is Guaranteed by the Company or any other Subsidiary of the Company (excluding Guarantees of obligations (other than the principal of, and interest on,

Indebtedness) pursuant to Standard Securitization Undertakings), (B) is recourse to or obligates the Company or any other Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings or (C) subjects any property or asset of the Company or any other Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings. Any such designation by the Board of Directors shall be evidenced to the Senior Subordinated Notes Trustee by filing with the Senior Subordinated Notes Trustee a certified copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions.

"Refinance" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue other Indebtedness exchange or replacement for, such Indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means Indebtedness that is Incurred to refund, refinance, replace, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness of the Company or any Restricted Subsidiary existing on the date of the Senior Subordinated Notes Indenture or Incurred in compliance with the Senior Subordinated Notes Indenture (including Indebtedness of the Company that Refinances Refinancing Indebtedness); provided, however, that (i) the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced, (ii) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being refinanced and (iii) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being Refinanced (plus any accrued interest and premium thereon and reasonable expenses Incurred in connection therewith); provided further, however, that Refinancing Indebtedness shall not include (x) Indebtedness of a Restricted Subsidiary that Refinances Indebtedness of the Company or (y) Indebtedness of the Company or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"Related Business" means any businesses of the Company and the Restricted Subsidiaries on the Closing Date and any business related, ancillary or complementary thereto.

"Representative" means the trustee, agent or representative (if any) for an issue of Senior Indebtedness of the Company.

"Restricted Subsidiary" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"Sale/Leaseback Transaction" means an arrangement relating to property now owned or hereafter acquired by the Company or a Restricted Subsidiary whereby the Company or a Restricted Subsidiary transfers such property to a Person and the Company or such Restricted Subsidiary leases it from such Person, other than leases between the Company and a Wholly Owned Subsidiary or between Wholly Owned Subsidiaries.

"SEC" means the Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness of the Company secured by a Lien. "Secured Indebtedness" of Holdings has a correlative meaning.

"Senior Subordinated Indebtedness" of the Company means the Senior Subordinated Notes and any other Indebtedness of the Company that specifically provides that such Indebtedness is to rank pari passu with the Senior Subordinated Notes in right of payment and is not subordinated by its terms in right of payment to any Indebtedness or other obligation of the Company which is not Senior Indebtedness. "Senior Subordinated Indebtedness" of Holdings has a correlative meaning.

"Senior Subordinated Noteholder" means the Person in whose name a Senior Subordinated Note is registered on the registrar's books.

"Senior Subordinated Notes Issue Date" means the closing date for the sale and original issuance of the Senior Subordinated Notes under the Senior Subordinated Notes Indenture.

"Senior Subordinated Notes Trustee" means the party named as such in the Senior Subordinated Notes Indenture until a successor replaces it and, thereafter, means the successor.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, but shall in no event include a Receivables Entity.

"Standard Securitization Undertakings" means representations, warranties, covenants and indemnities entered into by the Company or any Subsidiary of the Company which the Company has determined in good faith to be customary in an accounts receivable transaction including, without limitation, those relating to the servicing of the assets of a Receivables Entity.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"Subordinated Obligation" means any Indebtedness of the Company (whether outstanding on the Closing Date or thereafter Incurred) that is subordinate or junior in right of payment to the Senior Subordinated Notes pursuant to a written agreement. "Subordinated Obligation" of Holdings has a correlative meaning.

"Subsidiary" of any Person means any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person, (ii) such Person and one or more Subsidiaries of such Person or (iii) one or more Subsidiaries of such Person.

"Temporary Cash Investments" means any of the following: (i) any investment in direct obligations of the United States of America or any agency thereof or obligations Guaranteed by the United States of America or any agency thereof, (ii) investments in time deposit accounts, certificates of deposit and money market deposits maturing within one year of the date of acquisition thereof issued by a bank or trust company that is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America having capital, surplus and undivided profits aggregating in excess of $100,000,000 (or the foreign currency equivalent thereof) and whose long-term debt is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker-dealer or mutual fund distributor, (iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (i) above entered into with a financial institution meeting the qualifications described in clause (ii) above, (iv) investments in commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's Investors Service, Inc. or "A-1" (or higher) according to Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc. ("S&P"), and (v) investments in securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or "A" by Moody's Investors Service, Inc.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. ss.ss. 77aaa-77bbbb) as in effect on the date of the Senior Subordinated Notes Indenture.

"Trade Payables" means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

"Treasury Rate" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled by, and published in, the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days prior to the date fixed for redemption of the Senior Subordinated Notes following a Change of Control (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to June 1, 2003; provided, however, that if the period from the redemption date to June 1, 2003 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to June 1, 2003 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Trust Officer" means the Chairman of the Board, the President or any other officer or assistant officer of the Senior Subordinated Notes Trustee assigned by the Senior Subordinated Notes Trustee to administer its corporate trust matters.

"Unrestricted Subsidiary" means (i) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below and (ii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary of the Company) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or owns or holds any Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated; provided, however, that either (A) the Subsidiary to be so designated has total Consolidated assets of $1,000 or less or (B) if such Subsidiary has Consolidated assets greater than $1,000, then such designation would be permitted under the covenant entitled "Certain Covenants -- Limitation on Restricted Payments". The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation (x) the Company could Incur $1.00 of additional Indebtedness under paragraph (a) of the covenant described under "Certain Covenants -- Limitation on Indebtedness" and (y) no Default shall have occurred and be continuing. Any such designation of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary by the Board of Directors shall be evidenced to the Senior Subordinated Notes Trustee by promptly filing with the Senior Subordinated Notes Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

"Voting Stock" of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"Wholly Owned Subsidiary" means a Restricted Subsidiary of the Company all the Capital Stock of which (other than directors' qualifying shares) is owned by the Company or another Wholly Owned Subsidiary.

DESCRIPTION OF THE SENIOR DISCOUNT EXCHANGE NOTES

General

The Senior Discount Old Notes were issued, and the Senior Discount Exchange Notes will be issued, under an Indenture, dated as of June 5, 1998 (the "Senior Discount Notes Indenture"), between Holdings and Bank One, N.A. as Trustee (the "Senior Discount Notes Trustee"), which has been filed as an exhibit to the Registration Statement of which this Prospectus is a part.

The following summary of certain provisions of the Senior Discount Notes Indenture and the Senior Discount Notes does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Senior Discount Notes Indenture, including the definitions of certain terms therein and those terms made a part thereof by the TIA. Capitalized terms used herein and not otherwise defined have the meanings set forth in the section "Certain Definitions". For purposes of this "Description of the Senior Discount Exchange Notes", the term Company refers only to WESCO Distribution, Inc. and not to any of its Subsidiaries.

On June 5, 1998, Holdings issued $87 million aggregate principal amount at maturity of Senior Discount Old Notes under the Senior Discount Notes Indenture. The terms of the Senior Discount Exchange Notes are identical in all material respects to the Senior Discount Old Notes, except for certain transfer restrictions and registration and other rights relating to the exchange of the Senior Discount Old Notes for Senior Discount Exchange Notes. The Senior Discount Trustee will authenticate and deliver Senior Discount Exchange Notes for original issue only in exchange for a like principal amount of Senior Discount Old Notes. Any Senior Discount Old Notes that remain outstanding after the consummation of the Senior Discount Exchange Offer, together with the Senior Discount Exchange Notes, will be treated as a single class of securities under the Senior Discount Notes Indenture. Accordingly, all references herein to specified percentages in aggregate principal amount of the outstanding Senior Discount Notes shall be deemed to mean, at any time after the Senior Discount Exchange Offer is consummated, such percentage in aggregate principal amount of the Old Notes and Senior Discount Exchange Notes then outstanding.

Principal of, premium, if any, and interest on the Senior Discount Notes will be payable, and the Senior Discount Notes may be exchanged or transferred, at the office or agency of Holdings in the Borough of Manhattan, The City of New York (which initially shall be the corporate trust office of the Senior Discount Notes Trustee in New York, New York), except that, at the option of Holdings, payment of interest may be made by check mailed to the registered holders of the Senior Discount Notes at their registered addresses.

The Senior Discount Notes will be issued only in fully registered form, without coupons, in denominations of $1,000 (in principal amount at maturity) and any integral multiple of $1,000. No service charge will be made for any registration of transfer or exchange of Senior Discount Notes, but Holdings may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

Terms of the Senior Discount Notes

The Senior Discount Notes will be unsecured senior obligations of Holdings and will mature on June 1, 2008. The Senior Discount Old Notes were issued at a discount to their aggregate principal amount at maturity so as to generate gross proceeds to Holdings of $50,478,270. Based on the issue price thereof, the yield to maturity of the Senior Discount Notes is 11.175% (computed on a semi-annual bond equivalent basis), calculated from the original date of issuance. Cash interest will not accrue or be payable on the Senior Discount Notes prior to June 1, 2003. Thereafter, cash interest on the Senior Discount Notes will accrue at the rate of 11 1/8% per annum and will be payable semiannually to Senior Discount Noteholders of record at the close of business on the May 15 or November 15 immediately preceding the interest payment date on June 1 and December 1 of each year, commencing December 1, 2003.

Mandatory Principal Redemption

On June 1, 2003, Holdings will be required to redeem an amount equal to $354.96 per $1,000 principal amount at maturity of each Senior Discount Note then outstanding ($30,881,520 in aggregate principal amount at maturity of the Senior Discount Notes, assuming all of the Senior Discount Notes remain outstanding on such date (the "Mandatory Principal Redemption Amount")) on a pro rata basis at a redemption price of 100% of the principal amount at maturity of the Senior Discount Notes so redeemed. The Mandatory Principal Redemption Amount represents (i) the excess of the aggregate Accreted Value of all Senior Discount Notes outstanding on June 1, 2003 over the aggregate issue price thereof less (ii) an amount equal to one year's simple uncompounded interest on the aggregate issue price of such Senior Discount Notes at a rate per annum equal to the yield to maturity on the Senior Discount Notes.

Optional Redemption

Except as set forth in the following two paragraphs, the Senior Discount Notes will not be redeemable at the option of Holdings prior to June 1, 2003. Thereafter, the Senior Discount Notes will be redeemable at the option of Holdings, in whole or in part, on not less than 30 nor more than 60 days' prior notice, at the following redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest and liquidated damages (if any) to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on June 1 of the years set forth below:

Year	Redemption Price
2003	105.563%
2004	103.708%
2005	101.854%
2006 and thereafter	100.000%

In addition, at any time prior to June 1, 2001, Holdings may redeem, in whole but not in part, the Senior Discount Notes with the Net Cash Proceeds of one or more Equity Offerings by Holdings, at a redemption price equal to 111.125% of the Accreted Value at the date of redemption plus liquidated damages, if any, thereon to the date of redemption. Any such redemption shall be made within 120 days of such Equity Offering upon not less than 30 nor more than 60 days' notice mailed to each holder of Senior Discount Notes and otherwise in accordance with the procedures set forth in the Senior Discount Notes Indenture.

At any time prior to June 1, 2003, the Senior Discount Notes may be redeemed, in whole but not in part, at the option of Holdings at any time within 180 days after a Change of Control, at a redemption price equal to the sum of (i) 100% of the Accreted Value thereof together with liquidated damages, if any, to the redemption date, plus (ii) the Applicable Premium.

Selection

In the case of any partial redemption, selection of the Senior Discount Notes for redemption will be made by the Senior Discount Notes Trustee on a pro rata basis, by lot or by such other method as the Senior Discount Notes Trustee in its sole discretion shall deem to be fair and appropriate, although no Senior Discount Note of $1,000 in principal amount at maturity or less will be redeemed in part. If any Senior Discount Note is to be redeemed in part only, the notice of redemption relating to such Senior Discount Note shall state the portion of the principal amount at maturity thereof to be redeemed. A new Senior Discount Note in principal amount at maturity equal to the unredeemed portion thereof will be issued in the name of the Senior Discount Noteholder thereof upon cancelation of the original Senior Discount Note. Notwithstanding the foregoing, in the case of the Mandatory Principal Redemption, each Senior Discount Note shall be partially redeemed on a pro rata basis; provided that, if such redemption would result in an outstanding Senior Discount Note in a denomination (i) of less than $1,000 principal amount at maturity or (ii) other than an integral multiple of $1,000 principal amount at maturity, such Senior Discount Note will be redeemed (a) in whole, in the case of clause (i), or (b) by an additional

amount so that such Senior Discount Note will be in a denomination of an integral multiple of $1,000 principal amount at maturity, in the case of clause (ii).

Ranking

The indebtedness evidenced by the Senior Discount Notes will be unsecured Senior Indebtedness of Holdings, will rank pari passu in right of payment with all existing and future Senior Indebtedness of Holdings and will be senior in right of payment to all existing and future Subordinated Obligations of Holdings. The Senior Discount Notes will also be effectively subordinated to any Secured Indebtedness of Holdings and its Subsidiaries to the extent of the value of the assets securing such Indebtedness.

All of the operations of Holdings are conducted through its Subsidiaries. Claims of creditors of such Subsidiaries, including trade creditors, and claims of preferred stockholders (if any) of such Subsidiaries generally will have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of Holdings, including the Senior Discount Noteholders. The Senior Discount Notes, therefore, will be effectively subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of Holdings. As of March 31, 1998, on a pro forma basis, Holdings' Subsidiaries would have had total liabilities of $735.0 million, excluding $170.0 million of Indebtedness and Guarantees under the Credit Facilities. Although the Senior Discount Notes Indenture limits the Incurrence of Indebtedness by and the issuance of preferred stock of certain of Holdings' Subsidiaries, such limitation is subject to a number of significant qualifications.

As of March 31, 1998, on a pro forma basis, Holdings would have had no outstanding Senior Indebtedness (other than the Senior Discount Notes and Guarantees under the Credit Facilities) or Secured Indebtedness. Although the Senior Discount Notes Indenture contains limitations on the amount of additional Indebtedness that Holdings may Incur, under certain circumstances the amount of such Indebtedness could be substantial and, in any case, such Indebtedness may be Senior Indebtedness. See " -- Certain Covenants -- Limitation on Indebtedness."

Change of Control

Upon the occurrence of any of the following events (each a "Change of Control"), unless all Senior Discount Notes have been called for redemption pursuant to the provisions described above under " -- Optional Redemption," each Senior Discount Noteholder will have the right to require Holdings to repurchase all or any part of such Senior Discount Noteholder's Senior Discount Notes at a purchase price in cash equal to (a) 101% of the Accreted Value thereof at the date of repurchase plus liquidated damages thereon, if any, to the date of repurchase, if repurchased on or prior to June 1, 2003 and (b) 101% of the principal amount thereof plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Senior Discount Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date), if repurchased after June 1, 2003:

(i) prior to the first public offering of common stock of Holdings, the Permitted Holders cease to be the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of a majority in the aggregate of the total voting power of the Voting Stock of Holdings, whether as a result of issuance of securities of Holdings, any merger, consolidation, liquidation or dissolution of Holdings, any direct or indirect transfer of securities by any Permitted Holder or otherwise (for purposes of this clause (i) and clause (ii) below, the Permitted Holders shall be deemed to beneficially own any Voting Stock of an entity (the "specified entity") held by any other entity (the "parent entity") so long as the Permitted Holders beneficially own (as so defined), directly or indirectly, in the aggregate a majority of the voting power of the Voting Stock of the parent entity);

(ii) on or after any such public offering referred to in clause (i), (A) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the beneficial owner (as defined in clause (i) above, except that for purposes of this clause (ii) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting power of the Voting Stock of Holdings and (B) the Permitted Holders "beneficially own" (as defined in clause

(i) above), directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of Holdings than such other person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors of Holdings (for the purposes of this clause (ii), such other person shall be deemed to beneficially own any Voting Stock of a specified corporation held by a parent corporation, if such other person is the beneficial owner (as defined in this clause (ii)), directly or indirectly, more than 35% of the voting power of the Voting Stock of such parent corporation and the Permitted Holders "beneficially own" (as defined in clause (i) above), directly or indirectly, in the aggregate a lesser percentage of the voting power of the Voting Stock of such parent corporation and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of such parent corporation);

(iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of Holdings (together with any new directors whose election by the Board of Directors of Holdings or whose nomination for election by the shareholders of Holdings was approved by a vote of 66-2/3% of the directors of Holdings then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of Holdings then in office; or

(iv) the merger or consolidation of Holdings with or into another Person or the merger of another Person with or into Holdings, or the sale of all or substantially all the assets of Holdings to another Person (other than a Person that is controlled by the Permitted Holders), and, in the case of any such merger or consolidation, the securities of Holdings that are outstanding immediately prior to such transaction and which represent 100% of the aggregate voting power of the Voting Stock of Holdings are changed into or exchanged for cash, securities or property, unless pursuant to such transaction such securities are changed into or exchanged for, in addition to any other consideration, securities of the surviving Person that represent immediately after such transaction, at least a majority of the aggregate voting power of the Voting Stock of the surviving Person; provided, however, that any sale of accounts receivable in connection with a Qualified Receivables Transaction shall not constitute a Change of Control.

Within 30 days following any Change of Control, Holdings shall mail a notice to each Senior Discount Noteholder with a copy to the Senior Discount Notes Trustee (the "Change of Control Offer") stating: (1) that a Change of Control has occurred and that such Senior Discount Noteholder has the right to require Holdings to purchase such Senior Discount Noteholder's Senior Discount Notes at a purchase price in cash equal to (a) 101% of the Accreted Value thereof at the date of redemption plus liquidated damages thereon, if any, to the date of redemption, if redeemed on or prior to June 1, 2003 and (b) 101% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Senior Discount Noteholders of record on the relevant record date to receive interest on the relevant interest payment date) if purchased after June 1, 2003; (2) the circumstances and relevant facts regarding such Change of Control; (3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and (4) the instructions determined by Holdings, consistent with this covenant, that a Senior Discount Noteholder must follow in order to have its Senior Discount Notes purchased.

Holdings will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Senior Discount Notes Indenture applicable to a Change of Control Offer made by Holdings and purchases all Senior Discount Notes validly tendered and not withdrawn under such Change of Control Offer.

Holdings will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Discount Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations

conflict with provisions of this covenant, Holdings will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this paragraph by virtue thereof.

The Change of Control purchase feature is a result of negotiations between Holdings and the Initial Purchasers. Management has no present intention to engage in a transaction involving a Change of Control, although it is possible that Holdings would decide to do so in the future. Subject to the limitations discussed below, Holdings could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Senior Discount Notes Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect Holdings' capital structure or credit ratings. Restrictions on the ability of Holdings to incur additional Indebtedness are contained in the covenants described under "Certain Covenants -- Limitation on Indebtedness" and "Limitation on Liens". Such restrictions can only be waived with the consent of the holders of a majority in principal amount of the Senior Discount Notes then outstanding. Except for the limitations contained in such covenants, however, the Senior Discount Notes Indenture will not contain any covenants or provisions that may afford holders of the Senior Discount Notes protection in the event of a highly leveraged transaction.

The occurrence of certain of the events which would constitute a Change of Control would constitute a default under the Credit Agreement. Future Senior Indebtedness of Holdings may contain prohibitions of certain events which would constitute a Change of Control or require such Senior Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the Senior Discount Noteholders of their right to require Holdings to repurchase the Senior Discount Notes could cause a default under such Senior Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on Holdings. Finally, Holdings' ability to pay cash to the Senior Discount Noteholders upon a repurchase may be limited by Holdings' then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. The provisions under the Senior Discount Notes Indenture relative to Holdings' obligation to make an offer to repurchase the Senior Discount Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the Senior Discount Notes.

Certain Covenants

The Senior Discount Notes Indenture contains covenants including, among others, the following:

Limitation on Indebtedness. (a) Holdings will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that Holdings and the Company may Incur Indebtedness if on the date of such Incurrence and after giving effect thereto the Consolidated Coverage Ratio would be greater than 2.00:1.00.

(b) Notwithstanding the foregoing paragraph (a), Holdings and its Restricted Subsidiaries may Incur the following Indebtedness:

(i) Indebtedness Incurred pursuant to the Credit Agreement or any other Credit Facility in an aggregate principal amount at any time outstanding not to exceed $400 million;

(ii) Indebtedness of Holdings owed to and held by any Wholly Owned Subsidiary or Indebtedness of a Restricted Subsidiary owed to and held by Holdings or any Wholly Owned Subsidiary; provided, however, that (i) any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Wholly Owned Subsidiary ceasing to be a Wholly Owned Subsidiary or any subsequent transfer of any such Indebtedness (except to Holdings or a Wholly Owned Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the issuer thereof and (ii) if Holdings is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Senior Discount Notes;

(iii) Indebtedness (A) represented by the Senior Discount Notes and the Senior Subordinated Notes (not including any Additional Senior Subordinated Notes), (B) outstanding on the Closing

Date (other than the Indebtedness described in clauses (i) and (ii) above), (C) consisting of Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (iii) (including Indebtedness Refinancing Refinancing Indebtedness) or the foregoing paragraph (a) and (D) consisting of Guarantees of (x) any Indebtedness permitted under clauses (i) and (ii) of this paragraph (b) and (y) the Senior Subordinated Notes;

(iv) (A) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by Holdings (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Subsidiary of or was otherwise acquired by Holdings); provided, however, if the aggregate amount of all such Indebtedness of all such Restricted Subsidiaries would exceed $20 million, that on the date that such Restricted Subsidiary is acquired by Holdings, Holdings would have been able to Incur $1.00 of additional Indebtedness pursuant to the foregoing paragraph (a) after giving effect to the Incurrence of such Indebtedness pursuant to this clause (iv) and (B) Refinancing Indebtedness Incurred by a Restricted Subsidiary in respect of Indebtedness Incurred by such Restricted Subsidiary pursuant to this clause (iv);

(v) Indebtedness (A) in respect of performance bonds, bankers' acceptances, letters of credit and surety or appeal bonds provided by Holdings and the Restricted Subsidiaries in the ordinary course of their business, and (B) under Hedging Obligations consisting of Interest Rate Agreements directly related (as determined in good faith by Holdings) to Indebtedness permitted to be Incurred by Holdings and its Restricted Subsidiaries pursuant to the Senior Discount Notes Indenture and Currency Agreements Incurred in the ordinary course of business;

(vi) Indebtedness Incurred by Holdings or any Restricted Subsidiary (including Capitalized Lease Obligations) financing the purchase, lease or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of the Person owning such assets), in each case Incurred no more than 180 days after such purchase, lease or improvement of such property and any Refinancing Indebtedness in respect of such Indebtedness; provided, however, that at the time of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount of all Indebtedness incurred pursuant to this clause (vi) and then outstanding shall not exceed the greater of $25.0 million and 5% of Adjusted Consolidated Assets;

(vii) Indebtedness Incurred by Holdings or the Company in connection with the acquisition of a Related Business and any Refinancing Indebtedness in respect of such Indebtedness; provided, however, that the aggregate amount of Indebtedness Incurred and outstanding pursuant to this clause (vii) shall not exceed $50.0 million at any one time;

(viii) Attributable Debt Incurred by Holdings or the Company in respect of Sale/Leaseback Transactions; provided, however, that the aggregate amount of Attributable Debt Incurred and outstanding pursuant to this clause (viii) shall not exceed $75.0 million at any one time;

(ix) Indebtedness arising from agreements of Holdings or a Restricted Subsidiary providing for indemnification, purchase price adjustment or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition; provided, however, that the maximum assumable liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by Holdings and its Restricted Subsidiaries in connection with such disposition;

(x) any Guarantee by Holdings of Indebtedness or other obligations of any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness Incurred by such Restricted Subsidiary is permitted under the terms of the Senior Discount Notes Indenture;

(xi) Indebtedness arising from Guarantees to suppliers, lessors, licensees, contractors, franchisees or customers Incurred in the ordinary course of business;

(xii) Indebtedness Incurred by a Receivables Entity in a Qualified Receivables Transaction that is not recourse to Holdings or any other Restricted Subsidiary of Holdings (except for Standard Securitization Undertakings); and

(xiii) Indebtedness (other than Indebtedness permitted to be Incurred pursuant to the foregoing paragraph (a) or any other clause of this paragraph (b)) in an aggregate principal amount on the date of Incurrence that, when added to all other Indebtedness Incurred pursuant to this clause (xiii) and then outstanding, shall not exceed $50.0 million.

(c) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that Holdings or any Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. For purposes of determining the outstanding principal amount of any particular Indebtedness Incurred pursuant to this covenant, (i) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness and (ii) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in this covenant, Holdings, in its sole discretion, shall classify or reclassify such Indebtedness and only be required to include the amount of such Indebtedness in one of such clauses.

Limitation on Restricted Payments. (a) Holdings will not, and will not permit any Restricted Subsidiary, directly or indirectly, to (i) declare or pay any dividend or make any distribution on or in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving Holdings) or similar payment to the direct or indirect holders of its Capital Stock except dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) and except dividends or distributions payable to Holdings or another Restricted Subsidiary (and, if such Restricted Subsidiary has equity holders other than Holdings or other Restricted Subsidiaries, to its other equity holders on a pro rata basis), (ii) purchase, redeem, retire or otherwise acquire for value any Capital Stock of Holdings or any Restricted Subsidiary held by Persons other than Holdings or another Restricted Subsidiary, (iii) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment any Subordinated Obligations (other than the purchase, repurchase or other acquisition of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of acquisition) or (iv) make any Investment (other than a Permitted Investment) in any Person (any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Investment being herein referred to as a "Restricted Payment") if at the time Holdings or such Restricted Subsidiary makes such Restricted Payment: (1) a Default will have occurred and be continuing (or would result therefrom); (2) Holdings could not Incur at least $1.00 of additional Indebtedness under paragraph (a) of the covenant described under " -- Limitation on Indebtedness"; or (3) the aggregate amount of such Restricted Payment and all other Restricted Payments (the amount so expended, if other than in cash, to be determined in good faith by the Board of Directors, whose determination will be conclusive and evidenced by a resolution of the Board of Directors) declared or made subsequent to the Closing Date would exceed the sum of: (A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from the beginning of the fiscal quarter immediately following the fiscal quarter during which the Closing Date occurs to the end of the most recent fiscal quarter for which internal financial statements are available prior to the date of such Restricted Payment (or, in case such Consolidated Net Income will be a deficit, minus 100% of such deficit); (B) the aggregate Net Cash Proceeds or fair market value of assets or property received by Holdings as a contribution to its equity capital or from the issue or sale of its Capital Stock (in each case other than Disqualified Stock and Excluded Contributions) subsequent to the Closing Date (other than an issuance or sale to (x) a Subsidiary of Holdings or (y) an employee stock ownership plan or other trust established by Holdings or any of its Subsidiaries); (C) the amount by which Indebtedness or Disqualified Stock of Holdings or its Restricted Subsidiaries is reduced on Holdings' balance sheet upon the conversion or exchange (other than by a Subsidiary of Holdings) subsequent to the Closing Date of any Indebtedness or Disqualified Stock of Holdings or its Restricted Subsidiaries issued after the Closing Date for Capital Stock (other than Disqualified Stock) of Holdings (less the amount of any cash

or the fair market value of other property distributed by Holdings or any Restricted Subsidiary upon such conversion or exchange); and (D) the amount equal to the net reduction in Investments in any Person (other than a Restricted Subsidiary) resulting from (i) payments of dividends, repayments of the principal of loans or advances or other transfers of assets to Holdings or any Restricted Subsidiary from such Person, (ii) the sale or liquidation for cash of such Investment or (iii) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by Holdings or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount was included in the calculation of the amount of Restricted Payments.

(b) The provisions of the foregoing paragraph (a) will not prohibit: (i) any Restricted Payment made by exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of Holdings (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of Holdings or an employee stock ownership plan or other trust established by Holdings or any of its Subsidiaries); provided, however, that (A) such Restricted Payment will be excluded in the calculation of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale applied in the manner set forth in this clause (i) will be excluded from the calculation of amounts under clause (3)(B) of paragraph (a) above; (ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of Holdings made by exchange for, or out of the proceeds of the substantially concurrent sale of, Indebtedness of Holdings that is permitted to be Incurred pursuant to paragraph (b) of the covenant described under " -- Limitation on Indebtedness"; provided, however, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value will be excluded in the calculation of the amount of Restricted Payments; (iii) any purchase or redemption of Subordinated Obligations from Net Available Cash to the extent permitted by the covenant described under " -- Limitation on Sales of Assets and Subsidiary Stock"; provided, however, that such purchase or redemption will be excluded in the calculation of the amount of Restricted Payments; (iv) dividends paid within 60 days after the date of declaration thereof if at such date of declaration such dividend would have complied with this covenant; provided, however, that such dividend will be included in the calculation of the amount of Restricted Payments; (v) any Restricted Payment made for the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of Holdings or any Restricted Subsidiary held by any employee, former employee, director or former director of Holdings or any of its Subsidiaries (and any permitted transferees thereof) pursuant to any equity subscription agreement, stock option agreement or plan or other similar agreement; provided, however, that the aggregate amount of such Restricted Payments shall not exceed $5.0 million in any calendar year and $20.0 million in the aggregate; provided further, however, that such Restricted Payments shall be included in the calculation of the amount of Restricted Payments; (vi) following the initial Equity Offering by Holdings, any payment of dividends or common stock buybacks by Holdings in an aggregate amount in any year not to exceed 6% of the aggregate Net Cash Proceeds actually received by Holdings in connection with such initial Equity Offering and any subsequent Equity Offering by Holdings; provided, however, that no Default or Event of Default shall have occurred and be continuing immediately before or after any such payment; provided further, however, that such dividends or common stock buybacks shall be included in the calculation of the amount of Restricted Payments; (vii) any repurchase of Capital Stock deemed to occur upon exercise of stock options if such Capital Stock represents a portion of the exercise price of such option; provided, however, that such repurchase shall be included in the calculation of the amount of Restricted Payments; (viii) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of Holdings issued in accordance with the covenant described under " -- Limitation on Indebtedness" to the extent such dividends are included in the definition of Consolidated Interest Expense; provided, however, that such dividends shall be included in the calculation of the amount of Restricted Payments; (ix) Investments made with Excluded Contributions; provided, however, that such Investments shall be excluded in the calculation of the amount of Restricted Payments; (x) any Restricted Payment made to fund the Recapitalization (including fees and expenses); provided, however, that such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments; or (xi) other Restricted Payments in an aggregate amount not to exceed $10.0 million; provided, however, that such payments shall be included in the calculation of the amount of Restricted Payments.

Limitation on Restrictions on Distributions from Restricted Subsidiaries. Holdings will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to Holdings, (ii) make any loans or advances to Holdings or (iii) transfer any of its property or assets to Holdings, except: (1) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Closing Date; (2) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Indebtedness Incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by Holdings (other than Indebtedness Incurred as consideration in, in contemplation of, or to provide all or any portion of the funds or credit support utilized to consummate the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was otherwise acquired by Holdings) and outstanding on such date; (3) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (1) or (2) of this covenant or this clause (3) or contained in any amendment to an agreement referred to in clause (1) or (2) of this covenant or this clause (3); provided, however, that the encumbrances and restrictions contained in any such Refinancing agreement or amendment are no less favorable to the Senior Discount Noteholders than the encumbrances and restrictions contained in such predecessor agreements; (4) in the case of clause (iii), any encumbrance or restriction (A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, (B) contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements or mortgages or (C) in connection with purchase money obligations for property acquired in the ordinary course of business; (5) with respect to a Restricted Subsidiary, any restriction imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition; (6) any encumbrance or restriction of a Receivables Entity effected in connection with a Qualified Receivables Transaction; provided, however, that such restrictions apply only to such Receivables Entity; and (7) any encumbrance or restriction existing pursuant to other Indebtedness permitted to be Incurred subsequent to the Senior Discount Notes Issue Date pursuant to the provisions of the covenant described under " -- Limitations on Indebtedness"; provided, however, that any such encumbrance or restrictions are ordinary and customary with respect to the type of Indebtedness being Incurred (under the relevant circumstances).

Limitation on Sales of Assets and Subsidiary Stock. (a) Holdings will not, and will not permit any Restricted Subsidiary to, make any Asset Disposition unless (i) Holdings or such Restricted Subsidiary receives consideration (including by way of relief from, or by any other Person assuming sole responsibility for, any liabilities, contingent or otherwise) at the time of such Asset Disposition at least equal to the fair market value (as determined in good faith by Holdings) of the shares and assets subject to such Asset Disposition, (ii) at least 75% of the consideration thereof received by Holdings or such Restricted Subsidiary is in the form of cash or cash equivalents (provided that the amount of (w) any liabilities (as shown on Holdings' or such Restricted Subsidiary's most recent balance sheet or in the notes thereto) of Holdings or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Senior Discount Notes) that are assumed by the transferee of any such assets without recourse to Holdings or any of the Restricted Subsidiaries, (x) any notes or other obligations received by Holdings or such Restricted Subsidiary from such transferee that are converted by Holdings or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of such Asset Disposition, (y) any Designated Noncash Consideration received by Holdings or any of its Restricted Subsidiaries in such Asset Disposition having an aggregate fair market value, taken together with all other Designated Noncash Consideration received pursuant to this clause (y) that is at that time outstanding, not to exceed 5% of Adjusted Consolidated Assets at the time of the receipt of such Designated Noncash Consideration (with the fair market value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value)

and (z) any assets received in exchange for assets related to a Related Business of comparable market value in the good faith determination of the Board of Directors shall be deemed to be cash for purposes of this provision) and (iii) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by Holdings (or such Restricted Subsidiary, as the case may be) (A) first, to the extent Holdings elects (or is required by the terms of any Indebtedness), to prepay, repay, redeem or purchase Indebtedness (other than any Disqualified Stock and other than any Preferred Stock) of a Wholly Owned Subsidiary (in each case other than Indebtedness owed to Holdings or an Affiliate of Holdings) within 365 days after the later of the date of such Asset Disposition or the receipt of such Net Available Cash; (B) second, to the extent of the balance of Net Available Cash after application in accordance with clause (A), to the extent Holdings or such Restricted Subsidiary elects, to reinvest in Additional Assets (including by means of an Investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by Holdings or another Restricted Subsidiary) within 365 days from the later of such Asset Disposition or the receipt of such Net Available Cash; and (C) third, to the extent of the balance of such Net Available Cash after application in accordance with clauses (A) and (B), to make an Offer (as defined below) to purchase Senior Discount Notes pursuant to and subject to the conditions set forth in section (b) of this covenant; provided, however, that if Holdings elects (or is required by the terms of any other Senior Indebtedness), such Offer may be made ratably to purchase the Senior Discount Notes and other Senior Indebtedness of Holdings; provided, however, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (A) or (C) above, Holdings or such Restricted Subsidiary will retire such Indebtedness and will cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased. Notwithstanding the foregoing provisions of this covenant, Holdings and the Restricted Subsidiaries will not be required to apply any Net Available Cash in accordance with this covenant except to the extent that the aggregate Net Available Cash from all Asset Dispositions that is not applied in accordance with this covenant exceeds $20.0 million.

(b) In the event of an Asset Disposition that requires the purchase of Senior Discount Notes (and other Senior Indebtedness) pursuant to clause (a)(iii)(C) of this covenant, Holdings will be required to purchase Senior Discount Notes (and other Senior Indebtedness) tendered pursuant to an offer by Holdings for the Senior Discount Notes (and other Senior Indebtedness) (the "Offer") at a purchase price of (a) 100% of the Accreted Value thereof at the date of redemption plus liquidated damages thereon, if any, to the date of redemption, if redeemed on or prior to June 1, 2003 and (b) 100% of the principal amount thereof plus accrued and unpaid interest and liquidated damages, if any, to the date of purchase, if purchased after June 1, 2003, in each case in accordance with the procedures (including prorating in the event of oversubscription), set forth in the Senior Discount Notes Indenture. If the aggregate purchase price of Senior Discount Notes (and other Senior Indebtedness) tendered pursuant to the Offer is less than the Net Available Cash allotted to the purchase of the Senior Discount Notes (and other Senior Indebtedness), Holdings may apply the remaining Net Available Cash for any purpose permitted by the terms of the Senior Discount Notes Indenture. Holdings will not be required to make an Offer for Senior Discount Notes (and other Senior Indebtedness) pursuant to this covenant if the Net Available Cash available therefor (after application of the proceeds as provided in clauses (a)(iii)(A) and (B) of this covenant) is less than $10.0 million for any particular Asset Disposition (which lesser amount will be carried forward for purposes of determining whether an Offer is required with respect to the Net Available Cash from any subsequent Asset Disposition).

(c) Holdings will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Discount Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, Holdings will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

Limitations on Transactions with Affiliates. (a) Holdings will not, and will not cause or permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend

any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each of the foregoing, an "Affiliate Transaction") involving aggregate consideration in excess of $5.0 million, unless (i) such Affiliate Transaction is on terms that are not materially less favorable to Holdings or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Holdings or such Restricted Subsidiary with an unrelated Person and (ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10.0 million, Holdings delivers to the Senior Discount Notes Trustee a resolution adopted by the majority of the Board of Directors, approving such Affiliate Transaction and set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above.

(b) The provisions of the foregoing paragraph (a) will not prohibit (i) any Restricted Payment permitted to be paid pursuant to the covenant described under " -- Limitation on Restricted Payments", (ii) any issuance of securities, or other payments, Guarantees, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors, (iii) the grant of stock options or similar rights to employees and directors of Holdings pursuant to plans approved by the Board of Directors, (iv) loans or advances to employees in the ordinary course of business in accordance with past practices of Holdings, but in any event not to exceed $5.0 million in the aggregate outstanding at any one time, (v) the payment of reasonable fees to directors of Holdings and its Restricted Subsidiaries who are not employees of Holdings or its Subsidiaries, (vi) any transaction between Holdings and a Restricted Subsidiary or between Restricted Subsidiaries, (vii) any transaction effected as part of a Qualified Receivables Transaction, (viii) indemnification agreements with, and the payment of fees and indemnities to, directors, officers and employees of Holdings and its Restricted Subsidiaries, in each case, in the ordinary course of business, (ix) any employment, compensation, noncompetition or confidentiality agreement entered into by Holdings and its Restricted Subsidiaries with its employees in the ordinary course of business, (x) the payment by Holdings of fees, expenses and other amounts to Cypress and its Affiliates in connection with the Recapitalization, (xi) payments by Holdings or any of its Restricted Subsidiaries to Cypress and its Affiliates made pursuant to any financial advisory, financing, underwriting or placement agreement, or in respect of other investment banking activities, in each case, as determined by the Board of Directors in good faith, (xii) any issuance of Capital Stock of Holdings (other than Disqualified Stock), (xiii) any agreement as in effect as of the date of the Senior Discount Notes Indenture or any amendment or replacement thereto so long as any such amendment or replacement agreement is not more disadvantageous to the Senior Discount Noteholders of the Senior Discount Notes in any material respect than the original agreement as in effect on the date of the Senior Discount Notes Indenture and (xiv) transactions in which Holdings or any of its Restricted Subsidiaries, as the case may be, delivers to the Senior Discount Notes Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to Holdings or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (a) of the preceding paragraph.

Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries. Holdings will not sell or otherwise dispose of any shares of Capital Stock of a Restricted Subsidiary, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell or otherwise dispose of any shares of its Capital Stock except: (i) to Holdings or a Wholly Owned Subsidiary or to any director of a Restricted Subsidiary to the extent required as director's qualifying shares; (ii) if, immediately after giving effect to such issuance, sale or other disposition, neither Holdings nor any of its Subsidiaries own any Capital Stock of such Restricted Subsidiary or (iii) if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect thereto would have been permitted to be made under the covenant described under " -- Limitation on Restricted Payments" if made on the date of such issuance, sale or other disposition. The provisions of this covenant will not prohibit any transaction effected as part of a Qualified Receivables Transaction. The proceeds of any sale of such Capital Stock permitted hereby will be treated as Net Available Cash from an Asset Disposition and must be applied in accordance with the terms of the covenant described under " -- Limitation on Sales of Assets and Subsidiary Stock."

Limitation on Liens. Holdings will not, directly or indirectly, Incur or permit to exist any Lien that secures Indebtedness of Holdings of any nature whatsoever on any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned at the Closing Date or thereafter acquired, other than Permitted Liens, without effectively providing that the Senior Discount Notes shall be secured equally and ratably with (or on a senior basis to in the case of Subordinated Obligations) the obligations so secured for so long as such obligations are so secured.

SEC Reports. Notwithstanding that Holdings may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, Holdings shall file with the SEC and provide the Senior Discount Notes Trustee and any Senior Discount Noteholder or prospective Senior Discount Noteholder (upon the request of such Senior Discount Noteholder or prospective Senior Discount Noteholder) with such annual reports and such information, documents and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. corporation subject to such Sections, such information, documents and other reports to be so filed and provided at the times specified for the filing of such information, documents and reports under such Sections.

Merger and Consolidation

Holdings will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless: (i) the resulting, surviving or transferee Person (the "Successor Company") will be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not Holdings) will expressly assume, by an indenture supplemental hereto, executed and delivered to the Senior Discount Notes Trustee, in form satisfactory to the Senior Discount Notes Trustee, all the obligations of Holdings under the Senior Discount Notes and the Senior Discount Notes Indenture; (ii) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Restricted Subsidiary as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), no Default will have occurred and be continuing; (iii) immediately after giving effect to such transaction, (A) the Successor Company would be able to Incur an additional $1.00 of Indebtedness under paragraph (a) of the covenant described under " -- Certain Covenants -- Limitation on Indebtedness" or (B) the Consolidated Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be greater than such ratio for Holdings and its Restricted Subsidiaries immediately prior to such transaction; (iv) immediately after giving effect to such transaction, the Successor Company will have Consolidated Net Worth in an amount which is not less than the Consolidated Net Worth of Holdings immediately prior to such transaction; and (v) Holdings will have delivered to the Senior Discount Notes Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Senior Discount Notes Indenture. Notwithstanding clause (iii) above, a Wholly Owned Subsidiary may be consolidated with or merged into Holdings and Holdings may consolidate with or merge with or into another Person, if such Person is a single purpose corporation that has not conducted any business or Incurred any Indebtedness or other liabilities and such transaction is being consummated solely to change the state of incorporation of Holdings.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, Holdings under the Senior Discount Notes Indenture, but the predecessor Company in the case of a conveyance, transfer or lease of all or substantially all its assets will not be released from the obligation to pay the principal of and interest on the Senior Discount Notes.

Defaults

An Event of Default is defined in the Senior Discount Notes Indenture as (i) a default in any payment of interest on any Senior Discount Note when due and payable, continued for 30 days, (ii) a default in the payment of Accreted Value or principal of any Senior Discount Note when due and payable at its Stated Maturity, upon required redemption or repurchase, upon declaration or otherwise, (iii) the failure by Holdings to comply with its obligations under the covenant described under " -- Merger and Consolidation", (iv) the failure by Holdings to comply for 30 days after notice with any of its

obligations under the covenants described under " -- Change of Control" or " -- Certain Covenants" (in each case, other than a failure to purchase Senior Discount Notes), (v) the failure by Holdings to comply for 60 days after notice with its other agreements contained in the Senior Discount Notes or the Senior Discount Notes Indenture, (vi) the failure by Holdings or any Significant Subsidiary to pay any Indebtedness within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default if the total amount of such Indebtedness unpaid or accelerated exceeds $25 million or its foreign currency equivalent (the "cross acceleration provision") and such failure continues for 10 days after receipt of the notice specified in the Senior Discount Notes Indenture, (vii) certain events of bankruptcy, insolvency or reorganization of Holdings or a Significant Subsidiary (the "bankruptcy provisions"), or (viii) the rendering of any judgment or decree for the payment of money in excess of $25 million or its foreign currency equivalent against Holdings or a Significant Subsidiary if (A) an enforcement proceeding thereon is commenced by any creditor or (B) such judgment or decree remains outstanding for a period of 60 days following such judgment and is not discharged, waived or stayed within 10 days after notice (the "judgment default provision").

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

However, a default under clauses (iv), (v), (vi) or (viii) will not constitute an Event of Default until the Senior Discount Notes Trustee or the Senior Discount Noteholders of at least 25% in principal amount at maturity of the outstanding Senior Discount Notes notify Holdings of the default and Holdings does not cure such default within the time specified in clauses (iv), (v), (vi) or (viii) hereof after receipt of such notice.

If an Event of Default (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of Holdings) occurs and is continuing, the Senior Discount Notes Trustee or the Senior Discount Noteholders of at least 25% in principal amount at maturity of the outstanding Senior Discount Notes by notice to Holdings may declare (a) the Accreted Value of all the Senior Discount Notes, if on or prior to June 1, 2003 or (b) the principal of and accrued but unpaid interest on all the Senior Discount Notes, if after June 1, 2003, to be due and payable. Upon such a declaration, such amounts will be due and payable immediately. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of Holdings occurs, (a) the Accreted Value of all the Senior Discount Notes, if on or prior to June 1, 2003 or (b) the principal of and interest on all the Senior Discount Notes, if after June 1, 2003, will become immediately due and payable without any declaration or other act on the part of the Senior Discount Notes Trustee or any Senior Discount Noteholders. Under certain circumstances, the Senior Discount Noteholders of a majority in principal amount at maturity of the outstanding Senior Discount Notes may rescind any such acceleration with respect to the Senior Discount Notes and its consequences.

Subject to the provisions of the Senior Discount Notes Indenture relating to the duties of the Senior Discount Notes Trustee, in case an Event of Default occurs and is continuing, the Senior Discount Notes Trustee will be under no obligation to exercise any of the rights or powers under the Senior Discount Notes Indenture at the request or direction of any of the Senior Discount Noteholders unless such Senior Discount Noteholders have offered to the Senior Discount Notes Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of Accreted Value, principal, premium (if any) or interest when due, no Senior Discount Noteholder may pursue any remedy with respect to the Senior Discount Notes Indenture or the Senior Discount Notes unless (i) such Senior Discount Noteholder has previously given the Senior Discount Notes Trustee notice that an Event of Default is continuing, (ii) Senior Discount Noteholders of at least 25% in principal amount at maturity of the outstanding Senior Discount Notes have requested the Senior Discount Notes Trustee in writing to pursue the remedy, (iii) such Senior Discount Noteholders have offered the Senior Discount Notes Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Senior Discount Notes Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the Senior Discount Noteholders of a majority in principal amount at maturity of the outstanding Senior Discount Notes have not given the Senior Discount Notes Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Senior Discount Noteholders of a majority in principal amount at maturity of the outstanding Senior Discount Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Senior Discount Notes Trustee or of exercising any trust or power conferred on the Senior Discount Notes Trustee. The Senior Discount Notes Trustee, however, may refuse to follow any direction that conflicts with law or the Senior Discount Notes Indenture or that the Senior Discount Notes Trustee determines is unduly prejudicial to the rights of any other Senior Discount Noteholder or that would involve the Senior Discount Notes Trustee in personal liability. Prior to taking any action under the Senior Discount Notes Indenture, the Senior Discount Notes Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The Senior Discount Notes Indenture provides that if a Default occurs and is continuing and is known to the Senior Discount Notes Trustee, the Senior Discount Notes Trustee must mail to each Senior Discount Noteholder notice of the Default within the earlier of 90 days after it occurs or 30 days after it is known to a Trust Officer or written notice of it is received by the Senior Discount Notes Trustee. Except in the case of a Default in the payment of Accreted Value of, principal of, premium (if any) or interest on any Senior Discount Note (including payments pursuant to the redemption provisions of such Senior Discount Note), the Senior Discount Notes Trustee may withhold notice if and so long as a committee of its Trust Officers in good faith determines that withholding notice is in the interests of the Senior Discount Noteholders. In addition, Holdings is required to deliver to the Senior Discount Notes Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. Holdings also is required to deliver to the Senior Discount Notes Trustee, within 30 days after the occurrence thereof, written notice of any event which would constitute certain Events of Default, their status and what action Holdings is taking or proposes to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Senior Discount Notes Indenture or the Senior Discount Notes may be amended with the written consent of the Senior Discount Noteholders of a majority in principal amount at maturity of the Senior Discount Notes then outstanding and any past default or compliance with any provisions may be waived with the consent of the Senior Discount Noteholders of a majority in principal amount at maturity of the Senior Discount Notes then outstanding. However, without the consent of each Senior Discount Noteholder of an outstanding Senior Discount Note affected, no amendment may, among other things, (i) reduce the amount of Senior Discount Notes whose Senior Discount Noteholders must consent to an amendment, (ii) reduce the rate of or extend the time for payment of interest or any liquidated damages on any Senior Discount Note, (iii) reduce the Accreted Value or principal of or extend the Stated Maturity of any Senior Discount Note, (iv) reduce the premium payable upon the redemption of any Senior Discount Note or change the time at which any Senior Discount Note may be redeemed as described under " -- Optional Redemption", (v) make any Senior Discount Note payable in money other than that stated in the Senior Discount Note, (vi) impair the right of any Senior Discount Noteholder to receive payment of principal of and interest or any liquidated damages on such Senior Discount Noteholder's Senior Discount Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Senior Discount Noteholder's Senior Discount Notes or (vii) make any change in the amendment provisions which require each Senior Discount Noteholder's consent or in the waiver provisions.

Without the consent of any Senior Discount Noteholder, Holdings and the Senior Discount Notes Trustee may amend the Senior Discount Notes Indenture to cure any ambiguity, omission, defect or inconsistency, to provide for the assumption by a successor corporation of the obligations of Holdings under the Senior Discount Notes Indenture, to provide for uncertificated Senior Discount Notes in addition to or in place of certificated Senior Discount Notes (provided that the uncertificated Senior Discount Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Senior Discount Notes are described in Section 163(f)(2)(B) of the Code), to add Guarantees with respect to the Senior Discount Notes, to secure the Senior Discount Notes, to add to the covenants of Holdings for the benefit of the Senior Discount Noteholders or to surrender any right

or power conferred upon Holdings, to make any change that does not adversely affect the rights of any Senior Discount Noteholder, subject to the provisions of the Senior Discount Notes Indenture, to provide for the issuance of the Senior Discount Exchange Notes or to comply with any requirement of the SEC in connection with the qualification of the Senior Discount Notes Indenture under the TIA.

The consent of the Senior Discount Noteholders is not necessary under the Senior Discount Notes Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

After an amendment under the Senior Discount Notes Indenture becomes effective, Holdings is required to mail to Senior Discount Noteholders a notice briefly describing such amendment. However, the failure to give such notice to all Senior Discount Noteholders, or any defect therein, will not impair or affect the validity of the amendment.

Transfer and Exchange

A Senior Discount Noteholder may transfer or exchange Senior Discount Notes in accordance with the Senior Discount Notes Indenture. Upon any transfer or exchange, the registrar and the Senior Discount Notes Trustee may require a Senior Discount Noteholder, among other things, to furnish appropriate endorsements and transfer documents and Holdings may require a Senior Discount Noteholder to pay any taxes required by law or permitted by the Senior Discount Notes Indenture. Holdings is not required to transfer or exchange any Senior Discount Note selected for redemption or to transfer or exchange any Senior Discount Note for a period of 15 days prior to a selection of Senior Discount Notes to be redeemed. The Senior Discount Notes will be issued in registered form and the registered holder of a Senior Discount Note will be treated as the owner of such Senior Discount Note for all purposes.

Defeasance

Holdings at any time may terminate all its obligations under the Senior Discount Notes and the Senior Discount Notes Indenture ("legal defeasance"), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Senior Discount Notes, to replace mutilated, destroyed, lost or stolen Senior Discount Notes and to maintain a registrar and paying agent in respect of the Senior Discount Notes. Holdings at any time may terminate its obligations under the covenants described under " -- Certain Covenants", the operation of the cross acceleration provision, the bankruptcy provisions with respect to Significant Subsidiaries and the judgment default provision described under " -- Defaults" and the limitations contained in clauses (iii) and (iv) under " -- Merger and Consolidation" ("covenant defeasance").

Holdings may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If Holdings exercises its legal defeasance option, payment of the Senior Discount Notes may not be accelerated because of an Event of Default with respect thereto. If Holdings exercises its covenant defeasance option, payment of the Senior Discount Notes may not be accelerated because of an Event of Default specified in clause (iv), (vi), (vii) (with respect only to Significant Subsidiaries) or (viii) (with respect only to Significant Subsidiaries) under " -- Defaults" or because of the failure of Holdings to comply with clause (iii) or (iv) under " -- Merger and Consolidation".

In order to exercise either defeasance option, Holdings must irrevocably deposit in trust (the "defeasance trust") with the Senior Discount Notes Trustee money or U.S. Government Obligations for the payment of principal, premium (if any) and interest on the Senior Discount Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Senior Discount Notes Trustee of an Opinion of Counsel to the effect that holders of the Senior Discount Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable Federal income tax law).

Concerning the Senior Discount Notes Trustee

Bank One, N.A. is the Senior Discount Notes Trustee under the Senior Discount Notes Indenture and has been appointed by Holdings as Registrar and Paying Agent with regard to the Senior Discount Notes.

Governing Law

The Senior Discount Notes Indenture provides that it and the Senior Discount Notes will be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby.

Certain Definitions

"Accreted Value" as of any date (the "Specified Date") means, with respect to each $1,000 principal amount at maturity of Senior Discount Notes:

(i) if the Specified Date is one of the following dates (each a "Semi-Annual Accretion Date"), the amount set forth oppose such date below:

Semi-Annual Accretion Date	Accreted Value
Issue Date	$ 580.21
December 1, 1998	$ 611.89
June 1, 1999	$ 646.07
December 1, 1999	$ 682.17
June 1, 2000	$ 720.29
December 1, 2000	$ 760.54
June 1, 2001	$ 803.03
December 1, 2001	$ 847.90
June 1, 2002	$ 895.28
December 1, 2002	$ 945.30
June 1, 2003	$ 998.12

(ii) if the Specified Date occurs between two Semi-Annual Accretion Dates, the sum of (a) the Accreted Value for the Semi-Annual Accretion Date immediately preceding the Specified Date and (b) an amount equal to the product of (x) the Accreted Value for the immediately following Semi-Annual Accretion Date less the Accreted Value for the immediately preceding Semi-Annual Accretion Date and (y) a fraction, the numerator of which is the number of days actually elapsed from the immediately preceding Semi-Annual Accretion Date to the Specified Date and the denominator of which is 180, and

(iii) if the Specified Date is after June 1, 2003, $998.12.

"Additional Assets" means (i) any property or assets (other than Indebtedness and Capital Stock) to be used by Holdings or a Restricted Subsidiary in a Related Business; (ii) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by Holdings or another Restricted Subsidiary; or (iii) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary; provided, however, that any such Restricted Subsidiary described in clauses (ii) or (iii) above is primarily engaged in a Related Business.

"Adjusted Consolidated Assets" means at any time the total amount of assets of Holdings and its Restricted Subsidiaries (less applicable depreciation, amortization and other valuation reserves), after deducting therefrom all current liabilities of Holdings and its Restricted Subsidiaries (excluding intercompany items), all as set forth on the Consolidated balance sheet of Holdings and its Restricted Subsidiaries as of the end of the most recent fiscal quarter for which financial statements are available prior to the date of determination.

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of

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

"Applicable Premium" means, with respect to a Senior Discount Note at any redemption date, the greater of (i) 1.0% of the Accreted Value of such Senior Discount Note and (ii) the excess of (A) the present value at such time of the redemption price of such Senior Discount Note at June 1, 2003 (such redemption price being set forth in the table set forth under " -- Optional Redemption") computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the Accreted Value of such Senior Discount Note.

"Asset Disposition" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by Holdings or any Restricted Subsidiary, including any disposition by means of a merger, consolidation, or similar transaction (each referred to for the purposes of this definition as a "disposition"), of (i) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than Holdings or a Restricted Subsidiary), (ii) all or substantially all the assets of any division or line of business of Holdings or any Restricted Subsidiary or (iii) any other assets of Holdings or any Restricted Subsidiary outside the ordinary course of business of Holdings or such Restricted Subsidiary (other than, in the case of (i), (ii) and (iii) above, (A) a disposition by a Restricted Subsidiary to Holdings or by Holdings or a Restricted Subsidiary to a Wholly Owned Subsidiary, (B) for purposes of the provisions described under " -- Certain Covenants -- Limitation on Sales of Assets and Subsidiary Stock" only, a disposition subject to the covenant described under " -- Certain Covenants -- Limitation on Restricted Payments", (C) a disposition of assets with a fair market value of less than $1,000,000, (D) a sale of accounts receivables and related assets of the type specified in the definition of "Qualified Receivables Transaction" to a Receivables Entity in a Qualified Receivables Transaction, (E) a transfer of accounts receivables and related assets of the type specified in the definition of "Qualified Receivables Transaction" (or a fractional undivided interest therein) by a Receivables Entity in a Qualified Receivables Transaction, (F) the disposition of all or substantially all of the assets of Holdings in a manner permitted pursuant to the provisions described above under "Merger and Consolidation" or any disposition that constitutes a Change of Control pursuant to the Senior Discount Notes Indenture, (G) any exchange of like property pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, for use in a Related Business, and (H) any sale of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary).

"Attributable Debt" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the Senior Discount Notes after June 1, 2003, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended).

"Average Life" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (i) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (ii) the sum of all such payments.

"Bank Indebtedness" means any and all amounts payable under or in respect of the Credit Agreement and any Refinancing Indebtedness with respect thereto, as amended from time to time, including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees and all other amounts payable thereunder or in respect thereof.

"Board of Directors" means the Board of Directors of Holdings or any committee thereof duly authorized to act on behalf of such Board.

"Business Day" means each day which is not a Legal Holiday.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Capitalized Lease Obligations" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Closing Date" means the date of the Senior Discount Notes Indenture.

"Code" means the Internal Revenue Code of 1986, as amended.

"Consolidated Coverage Ratio" as of any date of determination means the ratio of (i) the aggregate amount of EBITDA for the period of the most recent four consecutive fiscal quarters for which internal financial statements are available prior to the date of such determination to (ii) Consolidated Interest Expense for such four fiscal quarters; provided, however, that (A) if Holdings or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period and the discharge of any other Indebtedness repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation shall be computed based on (1) the average daily balance of such Indebtedness (and any Indebtedness under a revolving credit facility replaced by such Indebtedness) during such four fiscal quarters or such shorter period when such facility and any replaced facility was outstanding or (2) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness (and any Indebtedness under a revolving credit facility replaced by such Indebtedness) during the period from the date of creation of such facility to the date of the calculation), (B) if Holdings or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, EBITDA and Consolidated Interest Expense for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if Holdings or such Restricted Subsidiary has not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness, (C) if since the beginning of such period Holdings or any Restricted Subsidiary shall have made any Asset Disposition, the EBITDA for such period shall be reduced by an amount equal to the EBITDA (if positive) directly attributable to the assets that are the subject of such Asset Disposition for such period or increased by an amount equal to the EBITDA (if negative) directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of Holdings or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to Holdings and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent Holdings and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale), (D) if since the beginning of such period Holdings or any Restricted Subsidiary (by merger or otherwise) shall have

made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period and (E) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into Holdings or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (C) or (D) above if made by Holdings or a Restricted Subsidiary during such period, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Disposition, Investment or acquisition of assets occurred on the first day of such period. For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting Officer of Holdings and such pro forma calculations shall include (A) (x) the savings in cost of goods sold that would have resulted from using Holdings' actual costs for comparable goods and services during the comparable period and (y) other savings in cost of goods sold or eliminations of selling, general and administrative expenses as determined by a responsible financial or accounting Officer of Holdings in good faith in connection with Holdings' consideration of such acquisition and consistent with Holdings' experience in acquisitions of similar assets, less (B) the incremental expenses that would be included in cost of goods sold and selling, general and administrative expenses that would have been incurred by Holdings in the operation of such acquired assets during such period. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term as at the date of determination in excess of 12 months).

"Consolidated Interest Expense" means, for any period, the total interest expense (net of interest income) of Holdings and its Consolidated Restricted Subsidiaries, plus, to the extent Incurred by Holdings and its Restricted Subsidiaries in such period but not included in such interest expense, (i) interest expense attributable to Capitalized Lease Obligations and the interest expense attributable to leases constituting part of a Sale/Leaseback Transaction, (ii) amortization of debt discount, (iii) capitalized interest, (iv) non-cash interest expense, (v) commissions, discounts and other fees and charges attributable to letters of credit and bankers' acceptance financing, (vi) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is Guaranteed by Holdings or any Restricted Subsidiary, (vii) net costs associated with Hedging Obligations (including amortization of fees), (viii) dividends in respect of all Preferred Stock of Holdings and any of the Restricted Subsidiaries of Holdings (other than pay in kind dividends and accretions to liquidation value) to the extent held by Persons other than Holdings or a Wholly Owned Subsidiary, (ix) interest Incurred in connection with investments in discontinued operations and (x) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than Holdings) in connection with Indebtedness Incurred by such plan or trust, less, to the extent included in such total interest expense, the amortization during such period of capitalized financing costs. Notwithstanding anything to the contrary contained herein, interest expense, commissions, discounts, yield and other fees and charges Incurred in connection with any Qualified Receivables Transaction pursuant to which Holdings or any Subsidiary may sell, convey or otherwise transfer or grant a security interest in any accounts receivable or related assets of the type specified in the definition of "Qualified Receivables Transaction" shall not be included in Consolidated Interest Expense; provided that any interest expense, commissions, discounts, yield and other fees and charges Incurred in connection with any receivables financing or securitization that does not constitute a Qualified Receivables Transaction shall be included in Consolidated Interest Expense.

"Consolidated Net Income" means, for any period, the net income of Holdings and its Consolidated Subsidiaries for such period; provided, however, that there shall not be included in such Consolidated

Net Income: (i) any net income of any Person (other than Holdings) if such Person is not a Restricted Subsidiary, except that (A) subject to the limitations contained in clause (iv) below, Holdings' equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to Holdings or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to a Restricted Subsidiary, to the limitations contained in clause (iii) below) and (B) Holdings' equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income; (ii) any net income (or loss) of any person acquired by Holdings or a Subsidiary in a pooling of interests transaction for any period prior to the date of such acquisition; (iii) any net income (or loss) of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to Holdings, except that (A) subject to the limitations contained in clause (iv) below, Holdings' equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash which could have been distributed by such Restricted Subsidiary during such period to Holdings or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to another Restricted Subsidiary, to the limitation contained in this clause) and (B) Holdings' equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income; (iv) any gain (or loss) realized upon the sale or other disposition of any asset of Holdings or its Consolidated Subsidiaries (including pursuant to any Sale/Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the sale or other disposition of any Capital Stock of any Person; (v) any extraordinary gain or loss; (vi) the cumulative effect of a change in accounting principles; and (vii) any expenses or charges paid to third parties related to any Equity Offering, Permitted Investment, acquisition, recapitalization or Indebtedness permitted to be Incurred by the Senior Discount Notes Indenture (whether or not successful) (including such fees, expenses, or charges related to the Recapitalization). Notwithstanding the foregoing, for the purpose of the covenant described under " -- Certain Covenants -- Limitation on Restricted Payments" only, there shall be excluded from Consolidated Net Income any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries to Holdings or a Restricted Subsidiary to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such covenant pursuant to clause (a)(3)(D) thereof.

"Consolidated Net Worth" means the total of the amounts shown on the balance sheet of Holdings and its Restricted Subsidiaries, determined on a Consolidated basis, as of the end of the most recent fiscal quarter of Holdings for which internal financial statements are available, as (i) the par or stated value of all outstanding Capital Stock of Holdings plus (ii) paid-in capital or capital surplus relating to such Capital Stock plus (iii) any retained earnings or earned surplus less (A) any accumulated deficit and (B) any amounts attributable to Disqualified Stock.

"Consolidation" means the consolidation of the amounts of each of the Restricted Subsidiaries with those of Holdings in accordance with GAAP consistently applied; provided, however, that "Consolidation" will not include consolidation of the accounts of any Unrestricted Subsidiary, but the interest of Holdings or any Restricted Subsidiary in an Unrestricted Subsidiary will be accounted for as an investment. The term "Consolidated" has a correlative meaning.

"Credit Agreement" means the credit agreement to be dated as of the Closing Date, as amended, waived or otherwise modified from time to time, among Holdings, the Company, WESCO Distribution-Canada, Inc., certain financial institutions to be party thereto, The Chase Manhattan Bank, as U.S. administrative agent, syndication agent and U.S. collateral agent, The Chase Manhattan Bank of Canada, as Canadian administrative agent and Canadian collateral agent, and Lehman Commercial Paper Inc., as documentation agent.

"Credit Facilities" means, with respect to Holdings or the Company, one or more debt facilities, or commercial paper facilities with banks or other institutional lenders or indentures providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against receivables), letters

of credit or other long-term Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"Currency Agreement" means with respect to any Person any foreign exchange contract, currency swap agreement or other similar agreement or arrangement to which such Person is a party or of which it is a beneficiary.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Designated Noncash Consideration" means the fair market value of noncash consideration received by Holdings or any of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Noncash Consideration pursuant to an Officers' Certificate, setting forth the basis of such valuation, less the amount of cash or cash equivalents received in connection with a subsequent sale of such Designated Noncash Consideration.

"Disqualified Stock" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event (i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) is convertible or exchangeable for Indebtedness or Disqualified Stock or (iii) is redeemable at the option of the holder thereof, in whole or in part, in each case on or prior to the 91st day following the Stated Maturity of the Senior Discount Notes; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the first anniversary of the Stated Maturity of the Securities shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the provisions of the covenants described under " -- Change of Control" and " -- Certain Covenants -- Limitation on Sale of Assets and Subsidiary Stock."

"EBITDA" for any period means the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income: (i) income tax expense of Holdings and its Consolidated Restricted Subsidiaries, (ii) Consolidated Interest Expense, (iii) depreciation expense of Holdings and its Consolidated Restricted Subsidiaries, (iv) amortization expense of Holdings and its Consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid cash item that was paid in a prior period), (v) all other non-cash charges of Holdings and its Consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash expenditures in any future period) in each case for such period and (vi) income attributable to discontinued operations. Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary of Holdings shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to Holdings by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its stockholders.

"Equity Offering" means a private sale or public offering of Capital Stock (other than Disqualified Stock) of Holdings.

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

"Excluded Contribution" means the Net Cash Proceeds received by Holdings from (a) contributions to its common equity capital and (b) the sale (other than to a Subsidiary or to any Holdings or Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock) of Holdings, in each case designated as Excluded Contributions pursuant to an Officers' Certificate executed by the principal executive officer

and the principal financial officer of Holdings on the date such capital contributions are made or the date such Capital Stock is sold.

"GAAP" means generally accepted accounting principles in the United States of America as in effect as of the Closing Date, including those set forth in (i) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, (ii) statements and pronouncements of the Financial Accounting Standards Board, (iii) such other statements by such other entity as approved by a significant segment of the accounting profession and (iv) the rules and regulations of the SEC governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC. All ratios and computations based on GAAP contained in the Senior Discount Notes Indenture shall be computed in conformity with GAAP.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning. The term "Guarantor" shall mean any Person Guaranteeing any obligation.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

"Incur" means issue, assume, Guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. The accretion of principal of a non-interest bearing or other discount security shall not be deemed the Incurrence of Indebtedness.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication), (i) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money; (ii) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (iii) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto) (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (i), (ii), (iv) and (v) hereof) to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the 30th day following payment on the letter of credit so long as such letter of credit is entered into in the ordinary course of business); (iv) all obligations of such Person to pay the deferred and unpaid purchase price of property or services (except Trade Payables), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services; (v) all Capitalized Lease Obligations and all Attributable Debt of such Person; (vi) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends); (vii) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of Indebtedness of such Person shall be the lesser of (A) the fair market value of such asset at such date of determination and (B) the amount of such Indebtedness of such other Persons; (viii) to the extent not otherwise included in this definition, Hedging Obligations of such Person; and (ix) all obligations of the type referred to in clauses (i) through (viii) of other Persons and all dividends

of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee. The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date provided, however, that the amount outstanding at any time of any Indebtedness Incurred with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP. Any "Qualified Receivables Transaction", whether or not such transfer constitutes a sale for the purposes of GAAP, shall not constitute Indebtedness hereunder; provided that any receivables financing or securitization that does not constitute a Qualified Receivables Transaction and does not qualify as a sale under GAAP shall constitute Indebtedness hereunder.

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith determination of Holdings, qualified to perform the task for which it has been engaged.

"Interest Rate Agreement" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extension of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. For purposes of the definition of "Unrestricted Subsidiary" and the covenant described under " -- Certain Covenants -- Limitation on Restricted Payments", (i) "Investment" shall include the portion (proportionate to Holdings' equity interest in such Subsidiary) of the fair market value of the net assets of any Subsidiary of Holdings at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, Holdings shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (x) Holdings' "Investment" in such Subsidiary at the time of such redesignation less (y) the portion (proportionate to Holdings' equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and (ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Net Available Cash" from an Asset Disposition means cash payments received (including (a) any cash payments received upon the sale or other disposition of any Designated Noncash Consideration received in any Asset Disposition, (b) any cash proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and (c) any cash proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of (i) all legal, title and recording tax expenses, commissions and other fees and expenses incurred (including, without limitation, all broker's and finder's fees and expenses, all investment banking fees and expenses, employee severance and termination costs, and trade payable and similar liabilities solely related to the assets sold or otherwise disposed of and required to be paid by the seller as a result thereof), and all Federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under GAAP, as a consequence of such Asset Disposition, (ii) all relocation expenses incurred as a result thereof, (iii) all

payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition, (iv) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition and (v) appropriate amounts to be provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the property or other assets disposed of in such Asset Disposition and retained by Holdings or any Restricted Subsidiary after such Asset Disposition.

"Net Cash Proceeds", with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Officer" means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of Holdings.

"Officers' Certificate" means a certificate signed by two Officers.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Senior Discount Notes Trustee. The counsel may be an employee of or counsel to Holdings or the Senior Discount Notes Trustee.

"Permitted Holders" means: (i) The Cypress Group L.L.C., Cypress Merchant Banking Partners L.P., Cypress Offshore Partners L.P., Chase Equity Associates, L.P., Co-Investment Partners, L.P. and any Person who on the Senior Discount Notes Issue Date is an Affiliate of any of the foregoing; (ii) any Person who is a member of the senior management of Holdings and a stockholder of Holdings on the Senior Discount Notes Issue Date; and (iii) any Person acting in the capacity of an underwriter in connection with a public or private offering of Holdings' Capital Stock.

"Permitted Investment" means an Investment by Holdings or any Restricted Subsidiary in (i) Holdings, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary; (ii) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, Holdings or a Restricted Subsidiary; (iii) Temporary Cash Investments; (iv) receivables owing to Holdings or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as Holdings or any such Restricted Subsidiary deems reasonable under the circumstances; (v) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business; (vi) loans or advances to employees made in the ordinary course of business consistent with past practices of Holdings or such Restricted Subsidiary and not exceeding $5.0 million in the aggregate outstanding at any one time; (vii) stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to Holdings or any Restricted Subsidiary or in satisfaction of judgments; (viii) any Person to the extent such Investment represents the non-cash portion of the consideration received for an Asset Disposition that was made pursuant to and in compliance with the covenant described under " -- Certain Covenants -- Limitation on Sale of Assets and Subsidiary Stock"; (ix) Investments made in connection with any Asset Disposition or other sale, lease, transfer or other disposition permitted under the Senior Discount Notes Indenture; (x) a Receivables Entity or any Investment by a Receivables Entity in any other Person in connection with a Qualified Receivables Transaction, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Transaction or any related Indebtedness; provided that any Investment in a Receivables Entity is in the form of a Purchase Money Note, contribution of additional receivables or an equity interest; (xi) Investments in a Related Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (xi) that are at that time outstanding (and not including any Investments outstanding on the Closing Date),

not to exceed 5% of Adjusted Consolidated Assets at the time of such Investments (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); and (xii) additional Investments in an aggregate amount which, together with all other Investments made pursuant to this clause that are then outstanding, does not exceed $10.0 million.

"Permitted Liens" means (a) Liens of Holdings securing Indebtedness of Holdings or any of its Restricted Subsidiaries Incurred under the Credit Agreement or other Credit Facilities to the extent permitted to be Incurred under clause (b)(i) and (xiii) of the description of the "Limitation on Indebtedness" covenant; (b) Liens in favor of Holdings; (c) Liens of Holdings securing Indebtedness of Holdings Incurred under clause (b)(v) of the description of the "Limitation on Indebtedness" covenant; (d) Liens of Holdings securing Indebtedness of Holdings (including under a Sale/Leaseback Transaction) permitted to be Incurred under clause (b)(vi), (vii) and (viii) of the description of the "Limitation on Indebtedness" covenant so long as the Capital Stock, property (real or personal) or equipment to which such Lien attaches solely consists of the Capital Stock, property or equipment which is the subject of such acquisition, purchase, lease, improvement, Sale/Leaseback Transaction and additions and improvements thereto (and the proceeds therefrom); (e) Liens on property existing at the time of acquisition thereof by Holdings; provided that such Liens were not Incurred in connection with, or in contemplation of, such acquisition and such Liens do not extend to or cover any property other than such property, additions and improvements thereon and any proceeds therefrom; (f) Liens Incurred or deposits made to secure the performance of tenders, bids, leases, statutory obligations, surety or appeal bonds, government contracts, performance and return of money bonds or other obligations of a like nature Incurred in the ordinary course of business; (g) Liens existing on the Senior Discount Notes Issue Date and any additional Liens created under the terms of the agreements relating to such Liens existing on the Senior Discount Notes Issue Date; (h) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings; provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor; (i) Liens Incurred in the ordinary course of business of Holdings with respect to obligations that do not exceed $20.0 million in the aggregate at any one time outstanding and that (1) are not Incurred in connection with or in contemplation of the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business) and (2) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation of the business by Holdings; (j) statutory Liens of landlords and warehousemens', carriers', mechanics', suppliers', materialmen's, repairmen's or other like Liens (including contractual landlords' liens) arising in the ordinary course of business of Holdings; (k) Liens Incurred or deposits made in the ordinary course of business of Holdings in connection with workers' compensation, unemployment insurance and other types of social security; (l) easements, rights of way, restrictions, minor defects or irregularities in title and other similar charges or encumbrances not interfering in any material respect with the business of Holdings; (m) Liens securing reimbursement obligations with respect to letters of credit permitted under the covenant entitled "Limitation on Indebtedness" which encumber only cash and marketable securities and documents and other property relating to such letters of credit and the products and proceeds thereof; (n) judgment and attachment Liens not giving rise to an Event of Default; (o) any interest or title of a lessor in the property subject to any Capitalized Lease Obligation permitted under the covenant entitled "Limitation on Indebtedness"; (p) Liens on accounts receivable and related assets of the type specified in the definition of "Qualified Receivables Transaction" Incurred in connection with a Qualified Receivables Transaction; (q) Liens securing Refinancing Indebtedness to the extent such Liens do not extend to or cover any property of Holdings not previously subjected to Liens relating to the Indebtedness being refinanced; or (r) Liens on pledges of the capital stock of any Unrestricted Subsidiary securing any Indebtedness of such Unrestricted Subsidiary.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) that is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"principal" of a Senior Discount Note means the principal of the Senior Discount Note plus the premium, if any, payable on the Senior Discount Note which is due or overdue or is to become due at the relevant time.

"Purchase Money Note" means a promissory note of a Receivables Entity evidencing a line of credit, which may be irrevocable, from Holdings or any Subsidiary of Holdings in connection with a Qualified Receivables Transaction to a Receivables Entity, which note (a) shall be repaid from cash available to the Receivables Entity, other than (i) amounts required to be established as reserves pursuant to agreements, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and amounts owing to such investors, (iv) amounts required to pay expenses in connection with such Qualified Receivables Transaction and (v) amounts paid in connection with the purchase of newly generated receivables and (b) may be subordinated to the payments described in (a).

"Qualified Receivables Transaction" means any financing by Holdings or any of its Subsidiaries of accounts receivable in any transaction or series of transactions that may be entered into by Holdings or any of its Subsidiaries pursuant to which (a) Holdings or any of its Subsidiaries sells, conveys or otherwise transfers to a Receivables Entity and (b) a Receivables Entity sells, conveys or otherwise transfers to any other Person or grants a security interest to any Person in, any accounts receivable (whether now existing or arising in the future) of Holdings or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all Guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable; provided that (i) the Board of Directors shall have determined in good faith that such Qualified Receivables Transaction is economically fair and reasonable to Holdings and the Receivables Entity and (ii) all sales of accounts receivable and related assests to the Receivables Entity are made at fair market value (as determined in good faith by Holdings). The grant of a security interest in any accounts receivable of Holdings or any of its Restricted Subsidiaries to secure Bank Indebtedness shall not be deemed a Qualified Receivables Transaction.

"Receivables Entity" means any Wholly Owned Subsidiary of Holdings (or another Person in which Holdings or any Subsidiary of Holdings makes an Investment and to which Holdings or any Subsidiary of Holdings transfers accounts receivable and related assets) (i) which engages in no activities other than in connection with the financing of accounts receivable, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, (ii) which is designated by the Board of Directors (as provided below) as a Receivables Entity and (iii) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (A) is Guaranteed by Holdings or any other Subsidiary of Holdings (excluding Guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (B) is recourse to or obligates Holdings or any other Subsidiary of Holdings in any way other than pursuant to Standard Securitization Undertakings or (C) subjects any property or asset of Holdings or any other Subsidiary of Holdings, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings. Any such designation by the Board of Directors shall be evidenced to the Senior Discount Notes Trustee by filing with the Senior Discount Notes Trustee a certified copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions.

"Refinance" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue other Indebtedness exchange or replacement for, such Indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means Indebtedness that is Incurred to refund, refinance, replace, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness of Holdings or any Restricted Subsidiary existing on the date of the Senior Discount Notes Indenture or Incurred in compliance with the Senior Discount Notes Indenture (including Indebtedness of Holdings that Refinances Refinancing Indebtedness); provided, however, that (i) the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced, (ii) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being refinanced and (iii) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being Refinanced (plus any accrued interest and premium thereon and reasonable expenses Incurred in connection therewith); provided further, however, that Refinancing Indebtedness shall not include (x) Indebtedness of a Restricted Subsidiary that Refinances Indebtedness of Holdings or (y) Indebtedness of Holdings or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"Related Business" means any businesses of Holdings and the Restricted Subsidiaries on the Closing Date and any business related, ancillary or complementary thereto.

"Restricted Subsidiary" means any Subsidiary of Holdings other than an Unrestricted Subsidiary.

"Sale/Leaseback Transaction" means an arrangement relating to property now owned or hereafter acquired by Holdings or a Restricted Subsidiary whereby Holdings or a Restricted Subsidiary transfers such property to a Person and Holdings or such Restricted Subsidiary leases it from such Person, other than leases between Holdings and a Wholly Owned Subsidiary or between Wholly Owned Subsidiaries.

"SEC" means the Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness of Holdings secured by a Lien.

"Senior Discount Noteholder" means the Person in whose name a Senior Discount Note is registered on the registrar's books.

"Senior Discount Notes Issue Date" means the closing date for the sale and original issuance of the Senior Discount Notes under the Senior Discount Notes Indenture.

"Senior Discount Notes Trustee" means the party named as such in the Senior Discount Notes Indenture until a successor replaces it and, thereafter, means the successor.

"Senior Indebtedness" of Holdings means the principal of, premium (if any) and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization of Holdings, regardless of whether or not a claim for post-filing interest is allowed in such proceedings) on, and fees and other amounts owning in respect of, the Senior Discount Notes and all other Indebtedness of Holdings, whether outstanding on the Closing Date or thereafter Incurred, unless in the instrument creating or evidencing the same or pursuant to which the same is outstanding it is provided that such obligations are subordinated in right of payment to the Senior Discount Notes; provided, however, that Senior Indebtedness shall not include (i) any obligation of Holdings to any Subsidiary, (ii) any liability for Federal, state, local or other taxes owed or owing by Holdings, (iii) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including Guarantees thereof or instruments evidencing such liabilities), (iv) any Indebtedness or obligation of Holdings (and any accrued and unpaid interest in respect thereof) that by its terms is subordinate or junior in any respect to any other Indebtedness or obligation of Holdings, including any Subordinated Obligations, (v) any payment obligations with respect to any Capital Stock, or (vi) any Indebtedness Incurred in violation of the Senior Discount Notes Indenture.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "Significant Subsidiary" of Holdings within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, but shall in no event include a Receivables Entity.

"Standard Securitization Undertakings" means representations, warranties, covenants and indemnities entered into by Holdings or any Subsidiary of Holdings which Holdings has determined in good faith to be customary in an accounts receivable transaction including, without limitation, those relating to the servicing of the assets of a Receivables Entity.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"Subordinated Obligation" means any Indebtedness of Holdings (whether outstanding on the Closing Date or thereafter Incurred) that is subordinate or junior in right of payment to the Senior Discount Notes pursuant to a written agreement.

"Subsidiary" of any Person means any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person, (ii) such Person and one or more Subsidiaries of such Person or (iii) one or more Subsidiaries of such Person.

"Temporary Cash Investments" means any of the following: (i) any investment in direct obligations of the United States of America or any agency thereof or obligations Guaranteed by the United States of America or any agency thereof, (ii) investments in time deposit accounts, certificates of deposit and money market deposits maturing within one year of the date of acquisition thereof issued by a bank or trust company that is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America having capital, surplus and undivided profits aggregating in excess of $100,000,000 (or the foreign currency equivalent thereof) and whose long-term debt is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker-dealer or mutual fund distributor, (iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (i) above entered into with a financial institution meeting the qualifications described in clause (ii) above, (iv) investments in commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of Holdings) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's Investors Service, Inc. or "A-1" (or higher) according to Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc. ("S&P"), and (v) investments in securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or "A" by Moody's Investors Service, Inc.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C.ss.ss. 77aaa-77bbbb) as in effect on the date of the Senior Discount Notes Indenture.

"Trade Payables" means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

"Treasury Rate" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled by, and published in, the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days prior to the date fixed for redemption of the Senior Discount Notes following a Change of Control (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to June 1, 2003; provided, however, that if the period from the redemption date to June 1, 2003 is not equal to the constant maturity of a United States

Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to June 1, 2003 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Trust Officer" means the Chairman of the Board, the President or any other officer or assistant officer of the Senior Discount Notes Trustee assigned by the Senior Discount Notes Trustee to administer its corporate trust matters.

"Unrestricted Subsidiary" means (i) any Subsidiary of Holdings that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below and (ii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors may designate any Subsidiary of Holdings (including any newly acquired or newly formed Subsidiary of Holdings) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or owns or holds any Lien on any property of, Holdings or any other Subsidiary of Holdings that is not a Subsidiary of the Subsidiary to be so designated; provided, however, that either (A) the Subsidiary to be so designated has total Consolidated assets of $1,000 or less or (B) if such Subsidiary has Consolidated assets greater than $1,000, then such designation would be permitted under the covenant entitled " - - - - -- Certain Covenants -- Limitation on Restricted Payments". The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation (x) Holdings could Incur $1.00 of additional Indebtedness under paragraph (a) of the covenant described under " -- Certain Covenants -- Limitation on Indebtedness" and (y) no Default shall have occurred and be continuing. Any such designation of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary by the Board of Directors shall be evidenced to the Senior Discount Notes Trustee by promptly filing with the Senior Discount Notes Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

"Voting Stock" of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"Wholly Owned Subsidiary" means a Restricted Subsidiary of Holdings all the Capital Stock of which (other than directors' qualifying shares) is owned by Holdings or another Wholly Owned Subsidiary.

REGISTRATION RIGHTS AGREEMENTS

Each Issuer entered into a separate Registration Rights Agreement with the Initial Purchasers concurrently with the issuances of the Old Notes. Pursuant to the Registration Rights Agreements, each of the Issuers has agreed to (i) file with the Commission on or prior to 90 days after the date of issuance of the applicable Notes (the "Issue Date") a registration statement on an appropriate form under the Securities Act (the "Exchange Offer Registration Statement"), relating to the Exchange Offers and (ii) use its reasonable best efforts to cause its Exchange Offer Registration Statement to be declared effective under the Securities Act within 200 days after the Issue Date. As soon as practicable after the effectiveness of such Exchange Offer Registration Statement, such Issuer will offer to the holders of applicable Transfer Restricted Securities (as defined below) who are not prohibited by any law or policy of the Commission from participating in the applicable Exchange Offer the opportunity to exchange their Transfer Restricted Securities for the Exchange Notes. Each of the Issuers has agreed to keep its Exchange Offer open for not less than 20 business days (or longer, if required by applicable law) after the date on which notice of the applicable Exchange Offer is mailed to the holders of its Notes.

If (i) because of any change in law or applicable interpretations thereof by the staff of the Commission, either Issuer is not permitted to effect the applicable Exchange Offer as contemplated hereby, (ii) any Notes validly tendered pursuant to the applicable Exchange Offer are not exchanged for Exchange Notes within 230 days after the applicable Issue Date, (iii) any Initial Purchaser so requests with respect to Notes not eligible to be exchanged for applicable Exchange Notes in the applicable Exchange Offer, (iv) any applicable law or interpretations do not permit any holder of Notes to participate in the applicable Exchange Offer, (v) any holder of Notes that participates in an applicable Exchange Offer does not receive freely transferable Exchange Notes in exchange for tendered Notes, or (vi) either of the Issuers so elects, then such Issuer will file with the Commission a shelf registration statement (a "Shelf Registration Statement") to cover resales of Transfer Restricted Securities by such holders who satisfy certain conditions relating to the provision of information in connection with such Shelf Registration Statement. For purposes of the foregoing, "Transfer Restricted Securities" means each Note until (i) the date on which such Note has been exchanged for a freely transferable Exchange Note in the applicable Exchange Offer; (ii) the date on which such Note has been effectively registered under the Securities Act and disposed of in accordance with a Shelf Registration Statement; or (iii) the date on which such Note is distributed to the public pursuant to Rule 144 under the Securities Act or is salable pursuant to Rule 144(k) under the Securities Act.

Each Issuer will use its reasonable best efforts to have the Exchange Offer Registration Statement or, if applicable, the Shelf Registration Statement (each a "Registration Statement") declared effective by the Commission as promptly as practicable after the filing thereof. Unless the Exchange Offers would not be permitted by a policy of the Commission, the Issuers will commence the Exchange Offers and will use their reasonable best efforts to consummate the Exchange Offers as promptly as practicable, but in any event prior to 230 days after the Issue Date. If applicable, the Issuers will use their reasonable best efforts to keep the Shelf Registration Statements effective for a period of two years after the Issue Date.

If (i) the Registration Statement is not filed with the Commission on or prior to 90 days after the Issue Date (or, in the case of a Shelf Registration Statement required to be filed in response to a change in law or applicable interpretations of the Commission's staff, if later, within 45 days after publication of the change in law or interpretations, but in no event before 90 days after the Issue Date); (ii) the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, is not declared effective within 200 days after the Issue Date (or in the case of a Shelf Registration Statement required to be filed in response to a change in law or the applicable interpretations of the Commission's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 200 days after the Issue Date); (iii) the applicable Exchange Offer is not consummated on or prior to 230 days after the Issue Date (other than in the event the applicable Issuer files a Shelf Registration Statement); or (iv) the Shelf Registration Statement is filed and declared effective within 200 days after the Issue Date (or in the case of a Shelf Registration Statement required to be filed in response to a change in law or the applicable interpretations of the Commission's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 200 days after

the Issue Date) but shall thereafter cease to be effective (at any time that the applicable Issuer is obligated to maintain the effectiveness thereof) without being succeeded within 90 days by an additional Registration Statement filed and declared effective (each such event referred to in clauses (i) through (iv), a "Registration Default"), the applicable Issuer will be obligated to pay liquidated damages to each holder of Transfer Restricted Securities, during the period of one or more such Registration Defaults, in an amount equal to $0.192 per week per $1,000 principal amount (or Accreted Value in the case of Senior Discount Notes) of the Notes constituting Transfer Restricted Securities held by such holder until the applicable Registration Statement is filed, the Exchange Offer Registration Statement is declared effective and the applicable Exchange Offer is consummated or the Shelf Registration Statement is declared effective or again becomes effective, as the case may be. All accrued liquidated damages shall be paid to holders in the same manner as interest payments on the Notes on semi-annual payment dates which correspond to interest payment dates for the Notes (or, in the case of Senior Discount Notes, on the scheduled Semi-Annual Accretion Date on or prior to June 1, 2003). Following the cure of all Registration Defaults, the accrual of liquidated damages will cease. Notwithstanding the foregoing, any Issuer may issue a notice that the Shelf Registration Statement is unusable pending the announcement of a material development or event and may issue any notice suspending use of the Shelf Registration Statement required under applicable securities laws to be issued and, in the event that the aggregate number of days in any consecutive twelve-month period for which all such notices are issued and effective exceeds 45 days in the aggregate, then the applicable Issuer will be obligated to pay liquidated damages to each holder of Transfer Restricted Securities in an amount equal to $0.192 per week per $1,000 principal amount (or Accreted Value in the case of Transfer Restricted Securities of Holdings) of Transfer Restricted Securities held by such holder. Upon the applicable Issuer declaring that the Shelf Registration Statement is usable after the period of time described in the preceding sentence the accrual of liquidated damages shall cease; provided, however, that if after any such cessation of the accrual of liquidated damages the Shelf Registration Statement again ceases to be usable beyond the period permitted above, liquidated damages will again accrue pursuant to the foregoing provisions.

The Registration Rights Agreements also provide that the Issuers (i) shall make available for a period of 180 days after the consummation of the Exchange Offers a prospectus meeting the requirements of the Securities Act to any broker-dealer for use in connection with any resale of any such Exchange Notes and (ii) shall pay all expenses incident to the Exchange Offers (including the expense of one counsel to the holders of the Notes) and will jointly and severally indemnify certain holders of the Notes (including any broker-dealer) against certain liabilities, including liabilities under the Securities Act. A broker-dealer which delivers such a prospectus to purchasers in connection with such resales will be subject to certain of the civil liability provisions under the Securities Act and will be bound by the provisions of the applicable Registration Rights Agreement (including certain indemnification rights and obligations).

Each holder of Notes who wishes to exchange such Notes for Exchange Notes in an Exchange Offer will be required to make certain representations, including representations that (i) any Exchange Notes to be received by it will be acquired in the ordinary course of its business; (ii) it has no arrangement or understanding with any person to participate in the distribution of the Exchange Notes; and (iii) it is not an "affiliate" (as defined in Rule 405 under the Securities Act) of the applicable Issuer, or if it is an affiliate, that it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

If the holder is not a broker-dealer, it will be required to represent that it is not engaged in, and does not intend to engage in, the distribution of the Exchange Notes. If the holder is a broker-dealer that will receive Exchange Notes for its own account in exchange for Notes that were acquired as a result of market-making activities or other trading activities (an "Exchanging Dealer"), it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes.

Holders of the Notes will be required to make certain representations to the applicable Issuer (as described above) in order to participate in the applicable Exchange Offer and will be required to deliver information to be used in connection with a Shelf Registration Statement in order to have their Notes

included in such Shelf Registration Statement and benefit from the provisions regarding liquidated damages set forth in the preceding paragraphs. A holder who sells Notes pursuant to a Shelf Registration Statement generally will be required to be named as a selling securityholder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the applicable Registration Rights Agreement which are applicable to such a holder (including certain indemnification obligations).

For so long as the Notes are outstanding, the Issuers will continue to provide to holders of the Notes and to prospective purchasers of the Notes the information required by Rule 144A(d)(4) under the Securities Act.

The foregoing description of the Registration Rights Agreements is a summary only, does not purport to be complete and is qualified in its entirety by reference to all provisions of the Registration Rights Agreements, which have been filed as exhibits to the Registration Statement of which this Prospectus is a part.

BOOK-ENTRY; DELIVERY AND FORM

The certificates representing the Senior Subordinated Exchange Notes and the Senior Discount Exchange Notes will be issued in fully registered form. The Senior Subordinated Exchange Notes and the Senior Discount Exchange Notes will each initially be represented by a single, permanent global Exchange Note, in definitive, fully registered form without interest coupons (each a "Global Exchange Note") and will be deposited with the applicable Trustee as custodian for The Depository Trust Company, New York, New York ("DTC") and registered in the name of a nominee of DTC.

The descriptions of the operations and procedures of DTC, Euroclear and Cedel set forth below are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them from time to time. Neither the Issuers nor any of the Initial Purchasers takes any responsibility for these operations or procedures, and investors are urged to contact the relevant system or its participants directly to discuss these matters.

DTC has advised the Issuers that it is (i) a limited purpose trust company organized under the laws of the State of New York; (ii) a "banking organization" within the meaning of the New York Banking Law; (iii) a member of the Federal Reserve System; (iv) a "clearing corporation" within the meaning of the Uniform Commercial Code, as amended; and (v) a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC was created to hold securities for its participants (collectively, the "Participants") and facilitates the clearance and settlement of securities transactions between Participants through electronic book-entry changes to the accounts of its Participants, thereby eliminating the need for physical transfer and delivery of certificates. DTC's Participants include securities brokers and dealers (including the Initial Purchasers), banks and trust companies, clearing corporations and certain other organizations. Indirect access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies (collectively, the "Indirect Participants") that clear through or maintain a custodial relationship with a Participant, either directly or indirectly. Investors who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants.

The Issuers expect that pursuant to procedures established by DTC (i) upon deposit of each Global Exchange Note, DTC will credit the accounts of Participants designated by the Initial Purchasers with an interest in the Global Exchange Note and (ii) ownership of the Exchange Notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the interests of Participants) and the records of Participants and the Indirect Participants (with respect to the interests of persons other than Participants).

The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Accordingly, the ability to transfer interests in the Exchange Notes represented by a Global Exchange Note to such persons may be limited. In addition, because DTC can act only on behalf of its Participants, who in turn act on behalf of persons who hold interests through Participants, the ability of a person having an interest in Exchange Notes represented by a Global Exchange Note to pledge or transfer such interest to persons or entities that do not participate in DTC's system, or to otherwise take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a Global Exchange Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Exchange Notes represented by the Global Exchange Note for all purposes under the applicable Indenture. Except as provided below, owners of beneficial interests in a Global Exchange Note will not be entitled to have Exchange Notes represented by such Global Exchange Note registered in their names, will not receive or be entitled to receive physical delivery of Certificated Exchange Notes, and will not be considered the owners or holders thereof under the applicable Indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the Trustee thereunder. Accordingly, each holder owning a beneficial interest in a Global Exchange Note must rely on the procedures of DTC and, if such holder is not a Participant or an Indirect Participant, on the procedures of the Participant through which such holder owns its interest, to exercise any rights of a holder of Notes under the applicable Indenture

or such Global Exchange Note. The Issuers understand that under existing industry practice, in the event that either of the Issuers requests any action of holders of Exchange Notes, or a holder that is an owner of a beneficial interest in a Global Exchange Note desires to take any action that DTC, as the holder of such Global Exchange Note, is entitled to take, DTC would authorize the Participants to take such action and the Participants would authorize holders owning through such Participants to take such action or would otherwise act upon the instruction of such holders. Neither the Issuers nor the Trustees will have any responsibility or liability for any aspect of the records relating to or payments made on account of Exchange Notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to such Exchange Notes.

Payments with respect to the principal of, and premium, if any, liquidated damages, if any, and interest on, any Exchange Notes represented by a Global Exchange Note registered in the name of DTC or its nominee on the applicable record date will be payable by the applicable Trustee to or at the direction of DTC or its nominee in its capacity as the registered holder of the Global Exchange Note representing such Exchange Notes under the applicable Indenture. Under the terms of the Indentures, the Issuers and the Trustees may treat the persons in whose names the Exchange Notes, including the Global Exchange Notes, are registered as the owners thereof for the purpose of receiving payment thereon and for any and all other purposes whatsoever. Accordingly, neither the Issuers nor the Trustees has or will have any responsibility or liability for the payment of such amounts to owners of beneficial interests in a Global Exchange Note (including principal, premium, if any, liquidated damages, if any, and interest). Payments by the Participants and the Indirect Participants to the owners of beneficial interests in a Global Exchange Note will be governed by standing instructions and customary industry practice and will be the responsibility of the Participants or the Indirect Participants and DTC.

Transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds. Transfers between participants in Euroclear or Cedel will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Exchange Notes, cross-market transfers between the Participants in DTC, on the one hand, and Euroclear or Cedel participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Cedel, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Cedel, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Cedel, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Exchange Notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Cedel participants may not deliver instructions directly to the depositaries for Euroclear or Cedel.

Because of time zone differences, the securities account of a Euroclear or Cedel participant purchasing an interest in a Global Exchange Note from a Participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Cedel participant, during the securities settlement processing day (which must be a business day for Euroclear and Cedel) immediately following the settlement date of DTC. Cash received in Euroclear or Cedel as a result of sales of interest in a Global Exchange Note by or through a Euroclear or Cedel participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Cedel cash account only as of the business day for Euroclear or Cedel following DTC's settlement date.

Although DTC, Euroclear and Cedel have agreed to the foregoing procedures to facilitate transfers of interests in the Global Exchange Notes among participants in DTC, Euroclear and Cedel, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuers nor the Trustees will have any responsibility for the performance by DTC, Euroclear or Cedel or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Certificated Notes

If (i) either Issuer notifies the applicable Trustee in writing that DTC is no longer willing or able to act as a depositary or DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days of such notice or cessation; (ii) either Issuer, at its option, notifies the applicable Trustee in writing that it elects to cause the issuance of the applicable Exchange Notes in definitive form under the applicable Indenture; or (iii) upon the occurrence of certain other events as provided in the Indentures, then, upon surrender by DTC of such Global Exchange Note, Certificated Notes will be issued to each person that DTC identifies as the beneficial owner of the Exchange Notes represented by such Global Exchange Note. Upon any such issuance, the applicable Trustee is required to register such Certificated Notes in the name of such person or persons (or the nominee of any thereof) and cause the same to be delivered thereto.

Neither the Issuers nor the Trustees shall be liable for any delay by DTC or any Participant or Indirect Participant in identifying the beneficial owners of the related Exchange Notes and each such person may conclusively rely on, and shall be protected in relying on, instructions from DTC for all purposes (including with respect to the registration and delivery, and the respective principal amounts, of the Exchange Notes to be issued).

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following summary describes the material United States federal income tax consequences of the purchase, ownership and disposition of Notes and the exchange of Old Notes for Exchange Notes pursuant to the Exchange Offers as of the date hereof. Unless otherwise indicated, this summary relates only to holders who hold such Notes as capital assets, and does not cover special situations, such as those of dealers in securities or currencies, financial institutions, tax-exempt entities, life insurance companies, persons holding Notes as a part of a hedging, conversion or constructive sale transaction or a straddle or holders of Notes whose "functional currency" is not the U.S. dollar. Furthermore, the discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations, rulings and judicial decisions thereunder as of the date hereof, and such authorities may be repealed, revoked or modified so as to result in United States federal income tax consequences different from those discussed below. Persons considering the purchase, ownership or disposition of Notes or the exchange of Old Notes for Exchange Notes should consult their own tax advisors concerning the United States federal income tax consequences in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

As used herein, a "U.S. Holder" of a Note means a holder that is (i) a citizen or resident of the U.S., (ii) a corporation or partnership created or organized in or under the laws of the U.S. or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust which is subject to the supervision of a court within the United States and the control of a United States person as described in section 7701(a)(30) of the Code. A "Non-U.S. Holder" is a holder that is not a U.S. Holder.

Payments of Interest on Senior Subordinated Notes

Interest on a Senior Subordinated Note will generally be taxable to a U.S. Holder as ordinary income at the time it is paid or accrued in accordance with the U.S. Holder's method of accounting for tax purposes.

Payments of Interest on Senior Discount Notes

The Senior Discount Notes were issued at a substantial discount from their principal amount at maturity. Therefore, the Senior Discount Notes were issued with original issue discount ("OID") and U.S. Holders of the Senior Discount Notes will be subject to special tax accounting rules. The amount of OID equals the difference between (i) the sum of all amounts payable on the Senior Discount Notes (including interest payable on such Senior Discount Notes) and (ii) the "issue price" of the Senior Discount Notes. The "issue price" of the Senior Discount Notes was the first price at which a substantial amount of the Senior Discount Notes were sold (excluding sales to bond houses, brokers or similar persons acting in the capacity of underwriter, placement agent or wholesaler).

A U.S. Holder of a Senior Discount Note must include such OID in income on an economic accrual basis (using the constant-yield-to-maturity method of accrual described in section 1272(a) of the Code) and in advance of the receipt of the cash to which such OID is attributable, regardless of such holder's method of accounting. Under that method, a U.S. Holder generally will have to include in income increasingly greater amounts of OID in successive accrual periods. A U.S. Holder of a Senior Discount Note generally will not be required to include separately in income interest actually received on the Senior Discount Note. Amounts received pursuant to the Mandatory Principal Redemption will be treated as payments of interest to the extent of the OID that has accrued at the time of such redemption.

Market Discount

If a U.S. Holder purchases a Senior Subordinated Note for an amount that is less than its stated redemption price at maturity or a Senior Discount Note for an amount that is less than its adjusted issue price, the amount of the difference will be treated as "market discount" for United States federal income

tax purposes unless such difference is less than a specified de minimis amount. The "adjusted issue price" of a Senior Discount Note at the beginning of any accrual period is equal to its issue price increased by the accrued OID for each prior accrual period (determined without regard to the amortization of any acquisition or bond premium, as described below) and reduced by any payments made on such Senior Discount Note on or before the first day of the accrual period. Under the market discount rules, a U.S. Holder will be required to treat any principal payment on, or any gain on the sale, exchange, retirement or other disposition of, a Note as ordinary income to the extent of the market discount which has not previously been included in income and is treated as having accrued on such Note at the time of such payment or disposition. In addition, the U.S. Holder may be required to defer, until the maturity of the Note or its earlier disposition in a taxable transaction, the deduction of all or a portion of the interest expense on any indebtedness incurred or continued to purchase or carry such Note.

Any market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the Note, unless the U.S. Holder elects to accrue on a constant interest method. A U.S. Holder of a Note may elect to include market discount in income currently as it accrues (on either a ratable or constant interest method), in which case the rule described above regarding deferral of interest deductions will not apply. This election to include market discount in income currently, once made, applies to all market discount obligations acquired on or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS.

Acquisition Premium; Amortizable Bond Premium

A U.S. Holder that purchases a Senior Discount Note for an amount that is greater than its adjusted issue price but equal to or less than the sum of all amounts payable on the Senior Discount Note after the purchase date will be considered to have purchased such Senior Discount Note at an "acquisition premium." Under the acquisition premium rules, the amount of OID which such U.S. Holder must include in its gross income with respect to such Note for any taxable year will be reduced by the portion of such acquisition premium properly allocable to such year.

A U.S. Holder that purchases a Note for an amount in excess of the sum of all amounts payable on the Note after the purchase date other than interest on a Senior Subordinated Note will be considered to have purchased the Note at a "premium" and will not be required to include any OID in income. A U.S. Holder generally may elect to amortize the premium over the remaining term of the Note on a constant yield method as an offset to interest when includible in income under the U.S. Holder's regular accounting method. Bond premium on a Note held by a U.S. Holder that does not make such an election will decrease the gain or increase the loss otherwise recognized on disposition of the Note. The election to amortize premium on a constant yield method once made applies to all debt obligations held or subsequently acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS.

Sale, Exchange and Retirement of Notes

Upon the sale, exchange, retirement or other disposition of a Note, a U.S. Holder will recognize gain or loss equal to the difference between the amount realized upon the sale, exchange, retirement or other disposition (less any accrued interest on a Senior Subordinated Note, which will be taxable as such) and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note will, in general, be the U.S. Holder's cost therefor, increased, in the case of the Senior Discount Notes, by OID and reduced by any cash payments on the Note (other than payments of interest on a Senior Subordinated Note). Capital gains of individuals derived in respect of capital assets held for more than one year are eligible for reduced rates of taxation which may vary depending upon the holding period of such capital assets. The deductibility of capital losses is subject to limitations.

Exchange of Notes

The exchange of Senior Subordinated Old Notes and Senior Discount Old Notes for Senior Subordinated Exchange Notes and Senior Discount Exchange Notes, respectively, pursuant to the Exchange Offers should not constitute a taxable event to holders. Consequently, no gain or loss should be recognized by a holder upon receipt of such a Senior Subordinated Exchange Note or Senior Discount

Exchange Note, the holding period of such Senior Subordinated Exchange Note or Senior Discount Exchange Note should include the holding period of the Senior Subordinated Old Note or the Senior Discount Old Note exchanged therefor and the basis of such Senior Subordinated Exchange Note or Senior Discount Exchange Note should be the same as the basis of the Senior Subordinated Old Note or Senior Discount Old Note immediately before the exchange.

Non-U.S. Holders

Under present United States federal income and estate tax law, and subject to the discussion below concerning backup withholding:

(a) no withholding of United States federal income tax will be required with respect to the payment by the Company or any paying agent of principal or interest (which for purposes of this discussion includes OID) on a Note owned by a Non-U.S. Holder, provided (i) that the beneficial owner does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote within the meaning of section 871(h)(3) of the Code and the regulations thereunder, (ii) the beneficial owner is not a controlled foreign corporation that is related to the Company through stock ownership, (iii) the beneficial owner is not a bank whose receipt of interest on a Note is described in section 881(c)(3)(A) of the Code and (iv) the beneficial owner satisfies the statement requirement (described generally below) set forth in section 871(h) and section 881(c) of the Code and the regulations thereunder;

(b) no withholding of United States federal income tax will be required with respect to any gain or income realized by a Non-U.S. Holder upon the sale, exchange, retirement or other disposition of a Note; and

(c) a Note beneficially owned by an individual who at the time of death is a Non-U.S. Holder will not be subject to United States federal estate tax as a result of such individual's death, provided that such individual does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the company entitled to vote within the meaning of section 871(h)(3) of the Code and provided that the interest payments with respect to such Note would not have been, if received at the time of such individual's death, effectively connected with the conduct of a United States trade or business by such individual.

To satisfy the requirement referred to in (a)(iv) above, the beneficial owner of such Note, or a financial institution holding the Note on behalf of such owner, must provide, in accordance with specified procedures, a paying agent of the Company with a statement to the effect that the beneficial owner is not a U.S. person. Currently, these requirements will be met if (1) the beneficial owner provides his name and address, and certifies, under penalties of perjury, that he is not a U.S. person (which certification may be made on an Internal Revenue Service ("IRS") Form W-8 (or successor form)) or (2) a financial institution holding the Note on behalf of the beneficial owner certifies, under penalties of perjury, that such statement has been received by it and furnishes a paying agent with a copy thereof. Under recently finalized Treasury regulations (the "Final Regulations"), the statement requirement referred to in (a)(iv) above may also be satisfied with other documentary evidence for interest paid after December 31, 1999 with respect to an offshore account or through certain foreign intermediaries.

If a Non-U.S. Holder cannot satisfy the requirements of the "portfolio interest" exception described in (a) above, payments of interest (including OID) made to such Non-U.S. Holder will be subject to a 30% withholding tax unless the beneficial owner of the Note provides the Company or its paying agent, as the case may be, with a properly executed (1) IRS Form 1001 (or successor form) claiming an exemption from (or a reduction in) withholding under the benefit of an applicable tax treaty or (2) IRS Form 4224 (or successor form) stating that interest paid on the Note is not subject to withholding tax because it is effectively connected with the beneficial owner's conduct of a trade or business in the United States. Under the Final Regulations, Non-U.S. Holders will generally be required to provide IRS Form W-8 in lieu of IRS Form 1001 and IRS Form 4224, although alternative documentation may be applicable in certain situations. Moreover, under the Final Regulations, the benefit of an applicable tax treaty may, in certain circumstances, and subject to significant limitations under the Code, be claimed

by the foreign partners of a foreign partnership that holds the Notes. Foreign partners are urged to consult their own tax advisors to determine whether they are eligible to claim such benefits.

If a Non-U.S. Holder is engaged in a trade or business in the U.S. and interest (including OID) on the Note is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above, will be subject to United States federal income tax on such interest (including OID) on a net income basis in the same manner as if it were a U.S. Holder. In addition, if such holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of its effectively connected earnings and profits for the taxable year, subject to adjustments. For this purpose, interest (including OID) on a Note will be included in such foreign corporation's earnings and profits.

Any gain or income realized upon the sale, exchange, retirement or other disposition of a Note generally will not be subject to United States federal income tax unless (i) such gain or income is effectively connected with a trade or business in the U.S. of the Non-U.S. Holder, or (ii) in the case of a Non-U.S. Holder who is an individual, such individual is present in the U.S. for 183 days or more in the taxable year of such sale, exchange, retirement or other disposition, and certain other conditions are met.

Special rules may apply to certain Non-U.S. Holders, such as "controlled foreign corporations", "passive foreign investment companies" and "foreign personal holding companies", that are subject to special treatment under the Code. Such entities should consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to certain payments of principal, interest, OID and premium on a Note and to certain payments of proceeds from the sale of a Note made to U.S. Holders other than certain exempt recipients (such as corporations). A 31% backup withholding tax will apply to such payments if the U.S. Holder fails to provide a taxpayer identification number or certification of exempt status or fails to report in full dividend and interest income.

In general, no information reporting or backup withholding will be required with respect to payments made by the Company or any paying agent to Non-U.S. Holders if a statement described in (a)(iv) under "Non-U.S. Holders" has been received (and the payor does not have actual knowledge that the beneficial owner is a U.S. person). Backup withholding and information reporting may apply to the proceeds of the sale of a Note within the U.S. or conducted through certain U.S. related financial intermediaries unless the statement described in (a)(iv) under "Non-U.S. Holders" has been received (and the payor does not have actual knowledge that the beneficial owner is a U.S. person) or the holder otherwise establishes an exemption.

PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Notes for its own account pursuant to any of the Exchange Offers must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for Old Notes where such Old Notes were acquired as a result of market-making activities or other trading activities. A broker-dealer may not participate in the Exchange Offer with respect to Old Notes acquired other than as a result of market-making activities or other trading activities. To the extent any such broker-dealer participates in the Exchange Offer and so notifies the applicable Issuers, or causes such Issuers to be so notified in writing, the Issuers have agreed that for a period of 180 days after the date of this Prospectus, they will make this Prospectus, as amended or supplemented, available to such broker-dealer for use in connection with any such resale, and will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the applicable Letter of Transmittal. In addition, until , 1998 (90 days after the date of this Prospectus), all dealers effecting transactions in the Exchange Notes may be required to deliver a prospectus.

The Issuers will not receive any proceeds from any sale of Exchange Notes by broker-dealers. Exchange Notes received by broker-dealers for their own account pursuant to any of the Exchange Offers may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Notes or a combination of such methods of resale, at prevailing market prices at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Exchange Notes. Any broker-dealer that resells Exchange Notes that were received by it for its own account pursuant to any of the Exchange Offers and any broker or dealer that participates in a distribution of such Exchange Notes may be deemed to be an "underwriter" within the meaning of the Securities Act, and any profit on any such resale of Exchange Notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. Each Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

The Issuers have agreed to pay all expenses incident to each of the Exchange Offers (other than commissions and concessions of any broker-dealers), subject to certain prescribed limitations, and will indemnify the holders of the Old Notes against certain liabilities, including certain liabilities that may arise under the Securities Act.

By its acceptance of any Exchange Offer, any broker-dealer that receives Exchange Notes pursuant to such Exchange Offer hereby agrees to notify the applicable Issuers prior to using the Prospectus in connection with the sale or transfer of Exchange Notes, and acknowledges and agrees that, upon receipt of notice from the applicable Issuers of the happening of any event which makes any statement in the Prospectus untrue in any material respect or which requires the making of any changes in the Prospectus in order to make the statements therein not misleading or which may impose upon the Issuers disclosure obligations that may have a material adverse effect on the Issuers (which notice the Issuers agree to deliver promptly to such broker-dealer), such broker-dealer will suspend use of the Prospectus until the Issuers have notified such broker-dealer that delivery of the Prospectus may resume and have furnished copies of any amendment or supplement to the Prospectus to such broker-dealer.

LEGAL MATTERS

Certain legal matters with respect to the Exchange Offers will be passed upon for the Issuers by Simpson Thacher & Bartlett, New York, New York and by Mr. Jeffrey B. Kramp, General Counsel of the Issuers.

EXPERTS

The consolidated balance sheets of Holdings as of December 31, 1996 and 1997 and the consolidated statements of income, stockholders' equity and cash flows of Holdings for each of the three years in the period ended December 31, 1997 included in this Prospectus have been included herein in reliance on the report of Coopers & Lybrand L.L.P., independent accountants, given on the authority of that firm as experts in accounting and auditing.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

To the Stockholders and Board of Directors of
WESCO International, Inc.

We have audited the accompanying consolidated balance sheets of WESCO International, Inc. (formerly CDW Holding Corporation) and subsidiaries as of December 31, 1996 and 1997, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1997. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of WESCO International, Inc. and subsidiaries as of December 31, 1996 and 1997, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

/s/ COOPERS & LYBRAND L.L.P.

600 Grant Street
Pittsburgh, Pennsylvania
February 6, 1998, except for Note 17,
as to which the date is May 8, 1998.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share data)

	December 31,		March 31,
	1996	1997	1998
			(unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	--	$ 7,620	$ 18,405
Trade accounts receivable, net of allowance for doubtful accounts of $10,075, $10,814 and $10,937 in 1996, 1997 and 1998, respectively	$311,896	351,170	393,368
Other accounts receivable	19,040	17,261	16,400
Inventories	263,107	299,406	317,934
Income tax receivable	--	3,405	--
Prepaid expenses and other current assets	1,998	3,699	3,430
Deferred income taxes (Note 7)	12,731	14,277	16,832
Total current assets	608,772	696,838	766,369
Property, buildings and equipment, net (Note 4)	93,951	95,082	100,482
Trademarks, net of accumulated amortization of $453, $586 and $652 in 1996, 1997 and 1998, respectively	3,541	3,408	3,342
Goodwill, net of accumulated amortization of $1,887, $4,522 and $5,267 in 1996, 1997 and 1998, respectively (Note 15)	62,553	65,923	80,031
Other assets (Note 5)	4,670	9,609	11,824
Total assets	$773,487	$870,860	$962,048
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$283,434	$311,796	$335,943
Accrued payroll and benefit costs	25,597	27,694	15,565
Restructuring reserve	4,541	3,982	5,913
Income taxes payable	4,972	--	2,725
Other current liabilities (Note 6)	17,160	17,063	23,679
Total current liabilities	335,704	360,535	383,825
Long-term debt (Notes 8 and 17)	260,635	294,275	350,544
Other noncurrent liabilities	6,311	5,875	6,020
Deferred income taxes (Note 7)	13,161	16,662	17,118
Total liabilities	615,811	677,347	757,507
Commitments and contingencies (Note 13)			
Redeemable Class A common stock, $.01 par value, 88,082, 89,306, and 93,230 shares issued and outstanding in 1996, 1997 and 1998, respectively (Note 9)	8,930	8,978	11,416
Stockholders' equity (Note 9):			
Class A common stock, $.01 par value, 2,000,000 authorized, 933,280 shares issued and outstanding in 1996, 1997 and 1998	9	9	9
Class B nonvoting convertible common stock, $.01 par value, 2,000,000 shares authorized	--	--	--
Additional capital	93,319	93,319	93,319
Retained earnings	53,129	89,366	97,889
Common stock to be issued under option	2,500	2,500	2,500
Accumulated other comprehensive income	(211)	(659)	(592)
Total stockholders' equity	148,746	184,535	193,125
Total liabilities and stockholders' equity	$773,487	$870,860	$962,048

The accompanying notes are an integral part of the consolidated financial statements.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands)

	For the year ended			For the three month period ended March 31,	
	1995	1996	1997	1997	1998
				(unaudited)	
Sales, net	$1,857,042	$2,274,622	$2,594,819	$576,776	$693,448
Cost of goods sold (exclusive of depreciation and amortization)	1,535,998	1,869,565	2,130,900	472,436	566,754
Gross profit	321,044	405,057	463,919	104,340	126,694
Selling, general and administrative expenses	257,972	326,003	372,532	86,679	103,564
Depreciation and amortization	7,339	10,846	11,331	2,771	2,956
Income from operations	55,733	68,208	80,056	14,890	20,174
Interest expense, net	15,813	17,382	20,109	4,798	6,202
Income before income taxes and extraordinary charge	39,920	50,826	59,947	10,092	13,972
Provision for income taxes (Note 7)	14,790	18,364	23,710	4,007	5,449
Income before extraordinary charge	25,130	32,462	36,237	6,085	8,523
Extraordinary charge, net of applicable taxes (Note 8)	8,068	--	--	--	--
Net income	$ 17,062	$ 32,462	$ 36,237	$ 6,085	$ 8,523

The accompanying notes are an integral part of the consolidated financial statements.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Dollars in thousands, except share data)

	Comprehensive Income	Shares	Amount	Additional Capital	Retained Earnings	Common Stock to be Issued Under Option	Accumulated Other Comprehensive Income
Balances at December 31, 1994		933,280	$ 9	$93,319	$ 3,605	$2,500	$ 42
Net income	$17,062	--	--	--	17,062	--	--
Translation adjustment	(168)	--	--	--	--	--	(168)
Comprehensive income	$16,894						
Balances at December 31, 1995		933,280	9	93,319	20,667	2,500	(126)
Net income	$32,462	--	--	--	32,462	--	--
Translation adjustment	(85)	--	--	--	--	--	(85)
Comprehensive income	$32,377						
Balances at December 31, 1996		933,280	9	93,319	53,129	2,500	(211)
Net income	$36,237	--	--	--	36,237	--	--
Translation adjustment	(448)	--	--	--	--	--	(448)
Comprehensive income	$35,789						
Balances at December 31, 1997		933,280	9	93,319	89,366	2,500	(659)
Net income	$ 8,523	--	--	--	8,523	--	--
Translation adjustment	67	--	--	--	--	--	67
Comprehensive income	$ 8,590						
Balances at March 31, 1998 (unaudited)		933,280	$ 9	$93,319	$97,889	$2,500	$ (592)

The accompanying notes are an integral part of the consolidated financial statements.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

	For the year ended			For the three month period ended March 31,	
	1995	1996	1997	1997	1998
Cash flows from operating activities:					
Net income	$ 17,062	$ 32,462	$ 36,237	$ 6,085	$ 8,523
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	7,339	10,846	11,331	2,771	2,956
Amortization of debt issuance costs and interest rate caps	1,213	531	418	111	121
Extraordinary charge, net of applicable taxes	8,068	--	--	--	--
Charge in lieu of and deferred income taxes	14,222	(78)	2,837	(10)	(2,099)
Changes in assets and liabilities, excluding the effects of acquisitions:					
Trade and other receivables	(26,844)	(21,058)	(32,641)	7,518	(4,181)
Inventories	(26,874)	(24,389)	(31,671)	(24,882)	6,302
Prepaid and other current assets	254	5,930	(1,120)	(1,108)	467
Other assets	(1,202)	700	(3,652)	(559)	(2)
Accounts payable	27,118	20,323	9,690	(6,962)	3,581
Accrued payroll and benefit costs	6,287	(1,942)	1,594	(12,339)	(12,129)
Restructuring reserve	(2,909)	(1,636)	(1,499)	(637)	(540)
Other current and noncurrent liabilities	1,995	(6,472)	(2,646)	(2,501)	10,171
Net cash (used for) provided by operating activities	25,729	15,217	(11,122)	(32,513)	13,170
Cash flows from investing activities:					
Capital expenditures	(6,456)	(9,411)	(12,446)	(1,402)	(3,651)
Proceeds from the sale of property, buildings and equipment	668	2,338	3,996	379	--
Acquisitions, net of cash acquired (Note 14)	(6,181)	(103,918)	(13,914)	(9,647)	(43,951)
Net cash used for investing activities	(11,969)	(110,991)	(22,364)	(10,670)	(47,602)
Cash flows from financing activities:					
Proceeds from long-term debt	878,930	544,907	426,594	157,478	225,906
Repayments of long-term debt	(893,038)	(459,730)	(389,613)	(113,362)	(182,186)
Outstanding checks in excess of cash available	2,292	1,489	4,249	--	--
Debt issuance costs	(218)	(682)	(172)	(164)	(204)
Issuance and repurchase of common stock and exercise of stock options, net	2,224	1,200	48	--	1,701
Net cash provided by (used for) financing activities	(9,810)	87,184	41,106	43,952	45,217
Net change in cash and cash equivalents	3,950	(8,590)	7,620	769	10,785
Cash and cash equivalents at the beginning of the period	4,640	8,590	--	--	7,620
Cash and cash equivalents at the end of the period	$ 8,590	$ --	$ 7,620	$ 769	$ 18,405

The accompanying notes are an integral part of the consolidated financial statements.

1. ORGANIZATION:

On February 28, 1994, WESCO International, Inc. (formerly CDW Holding Corporation) (Holdings) and its subsidiaries (collectively, the Company) completed the acquisition of substantially all of the assets and certain liabilities of Westinghouse Electric Supply Company from Westinghouse Electric Corporation (Westinghouse). Holdings has as its only asset all of the outstanding common stock of WESCO Distribution, Inc. and its subsidiaries (WESCO); accordingly, the financial statements presented herein are identical to those of WESCO. The Company was formed by the Clayton & Dubilier Private Equity Fund IV Limited Partnership, managed by Clayton, Dubilier & Rice, Inc. for the purpose of the acquisition. All of the Company's commercial activities, which commenced February 28, 1994, are carried out by WESCO. WESCO, headquartered in Pittsburgh, Pennsylvania, is a full-line distributor of electrical supplies and equipment and currently operates branch locations in the United States, Canada, Mexico, Puerto Rico and Guam.

The acquisition was accounted for as a purchase and, accordingly, the assets and liabilities acquired have been recorded at their estimated fair value at the date of acquisition, less the excess of the fair value of the assets and liabilities acquired over the purchase price. This excess was allocated to the noncurrent assets of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES:

Principles of Consolidation:

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. These may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. They may also affect the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates upon subsequent resolution of some matters.

Revenue Recognition:

Revenues of the Company are recognized at the time of product shipment.

Cash Equivalents:

Cash equivalents are defined as highly liquid investments with original maturities of 90 days or less when purchased.

Inventories:

Inventories primarily consist of merchandise purchased for resale and are stated at the lower of cost or market. Cost is determined principally under the average cost method.

Property, Buildings and Equipment:

Property, buildings and equipment are recorded at cost. Depreciation expense is determined over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over either their respective lease terms or their estimated lives, whichever is shorter.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES: -- Continued

Expenditures for new facilities and improvements that extend the useful life of an asset are capitalized. Ordinary repairs and maintenance are expensed as incurred. When property is retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any related gains or losses are recorded.

Intangibles:

Goodwill and other intangibles arising from acquisitions are being amortized on a straight-line basis over periods not exceeding 25 years. The Company regularly reviews the individual components of the balance by evaluating the estimated future undiscounted cash flows to determine the recoverability of the assets and recognizes, on a current basis, any decrease in value.

Trademarks acquired are recorded at cost and are amortized on a straight-line basis over periods not exceeding 25 years.

Income Taxes:

Deferred income taxes result primarily from temporary differences between financial and tax reporting. A valuation allowance is provided when a portion or all of a deferred tax asset may not be realized.

For interim periods, income taxes are provided for based on management's best estimate of the effective tax rate expected to be applicable for the full calendar year.

Foreign Currency Translation:

The local currency is the functional currency for the Company's operations outside the United States. Assets and liabilities of these operations are translated to U.S. dollars at the exchange rate in effect at each period-end. Income statement accounts are translated at the average exchange rate prevailing during the period. Translation adjustments arising from the use of differing exchange rates from period to period are included as a component of stockholders' equity. Gains and losses from foreign currency transactions are included in net income for the period.

Environmental Expenditures:

The Company has facilities and operations which distribute certain products that must comply with environmental regulations and laws. Expenditures for current operations are expensed or capitalized, as appropriate. Expenditures relating to existing conditions caused by past operations, and which do not contribute to future revenue, are expensed. Liabilities are recorded when remedial efforts are probable and the costs can be reasonably estimated.

Interim Consolidated Financial Statements (unaudited):

The unaudited consolidated balance sheet and statement of stockholders' equity as of March 31, 1998 and the unaudited consolidated statements of income and cash flows for the three month periods ended March 31, 1997 and 1998, in the opinion of management, have been prepared on the same basis as the audited consolidated financial statements and include all adjustments necessary for the fair presentation of the results of the interim periods. All adjustments reflected in the consolidated financial statements are of a normal recurring nature. The data disclosed in the notes to the consolidated financial statements for these periods are also unaudited. Results for the three month periods ended March 31, 1997 and 1998 are not necessarily indicative of the results to be expected for the full year.

Reclassifications:

Certain prior year amounts have been reclassified in order to conform with the current presentations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES: -- Continued

New Accounting Pronouncements:

In June 1997, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income," which establishes standards for reporting and displaying comprehensive income and its components. This Statement requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. The provisions of SFAS No. 130 have been adopted in the three month period ended March 31, 1998 and all years presented have been adjusted to reflect the adoption. In the Company's case, comprehensive income includes net income and unrealized gains and losses from currency translation.

Additionally, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and related disclosures about products and services, geographic areas and major customers. SFAS No. 131 is effective for fiscal years beginning after December 15, 1997. Management is currently evaluating the impact of this standard on the financial statements.

3. CONCENTRATIONS OF CREDIT RISK AND SIGNIFICANT SUPPLIERS:

The Company distributes its products and extends credit to a large number of customers in the industrial, construction, utility and manufactured structures market. In addition, one supplier accounted for approximately 20%, 18%, and 18% of the Company's purchases for the years ended December 31, 1995, 1996 and 1997, respectively.

4. PROPERTY, BUILDINGS AND EQUIPMENT:

	December 31,	
	1996	1997
Land	$ 18,543	$ 17,875
Buildings and leasehold improvements	59,174	61,629
Furniture, fixtures and equipment	27,412	30,083
	105,129	109,587
Less: accumulated depreciation and amortization	(14,266)	(20,721)
	90,863	88,866
Construction in progress	3,088	6,216
	$ 93,951	$ 95,082

5. OTHER ASSETS:

	December 31,	
	1996	1997
Debt issuance costs	$ 1,098	$ 1,270
Software costs	5,162	6,846
Favorable lease commitments	1,054	1,054
Other	879	1,916
	8,193	11,086
Less: accumulated amortization	(6,036)	(7,355)
	2,157	3,731
Restricted cash	2,513	5,878
	$ 4,670	$ 9,609

5. OTHER ASSETS: -- Continued

Debt issuance costs are being amortized on a straight-line basis, which does not differ significantly from the effective interest rate method, over the term of the related debt (see Note 8).

Restricted cash represents proceeds received from the sale of properties which collateralize the First Mortgage Notes. Such proceeds are restricted for either repayment of the First Mortgage Notes or acquisition of additional properties which would be issued as collateral under the First Mortgage Notes (see Note 8).

6. OTHER CURRENT LIABILITIES:

	December 31,	
	1996	1997
Accrued taxes other than income	$ 9,782	$10,696
Accrued interest	1,912	1,508
Notes payable	1,597	891
Other current liabilities	3,869	3,968
	$17,160	$17,063

The notes payable relate to a portion of the purchase price for certain acquisitions.

7. INCOME TAXES:

At the acquisition date, February 28, 1994, the Company had approximately $45,000 of future tax deductions ($18,000 of tax benefits) which resulted in the creation of certain deferred tax assets. A valuation allowance was recorded for the full amount of the assets reflected on the opening balance sheet since the realization of these future benefits was not considered likely at that time. However, at December 31, 1996, all of these deductions had been recognized. The recognition of these benefits resulted in a reduction in noncurrent intangible assets, principally trademarks.

The charge in lieu of taxes recognized in 1995 and 1996 represents the amount of tax expense that would have been recognized had the benefits described above been recorded at the time of the acquisition.

The provision for income taxes is as follows:

	1995	1996	1997
Current:			
U.S. federal	$ 468	$ 15,360	$16,689
State	100	2,872	3,067
Foreign	--	210	1,117
Deferred:			
U.S. federal	7,218	(1,588)	2,727
State	1,314	(267)	(183)
Foreign	740	523	293
Charge in lieu of taxes	4,950	1,254	--
Provision for income taxes before extraordinary charge	14,790	18,364	23,710
Tax benefit of extraordinary charge	(5,244)	--	--
	$ 9,546	$ 18,364	$23,710

7. INCOME TAXES: -- Continued

The components of income before income taxes and extraordinary charge by jurisdiction are as follows:

	1995	1996	1997
United States	$35,815	$49,072	$57,083
Canada	4,105	1,754	2,864
	$39,920	$50,826	$59,947

A reconciliation between the federal statutory income tax rate and the effective rate is as follows:

	1995	1996	1997
Federal income taxes at the statutory rate	34.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	5.2	4.2	3.3
Nondeductible expenses	1.8	2.5	2.6
Tax on income of foreign subsidiary	1.0	(0.1)	0.3
Net adjustment to valuation allowance	(5.0)	(5.8)	--
Other	--	0.3	(1.6)
	37.0%	36.1%	39.6%

In 1995 and 1996, the Company determined that it was more likely than not that it would realize the benefits of certain deferred tax assets originating subsequent to the acquisition. As a result, the Company recognized benefits of approximately $1,980 and $2,928 in 1995 and 1996, respectively, associated with the realization of the post acquisition deferred tax assets through the reversal of the associated valuation allowance.

The deferred taxes are as follows:

	1996	1997
Accounts receivable	$ 3,327	$ 4,236
Inventory	4,412	4,819
Restructuring reserve	90	484
Other	4,902	4,738
	12,731	14,277
Intangibles	(320)	(3,766)
Property, buildings and equipment	(4,429)	(4,079)
Other	(8,412)	(8,817)
	(13,161)	(16,662)
	$ (430)	$ (2,385)

8. LONG-TERM DEBT:

	December 31,	
	1996	1997
United States debt agreements:		
Revolving Credit Loans (A)	$177,400	$205,900

Zero Coupon First Mortgage Note, due February 2001, net of unamortized debt discount of $21,046 in 1996 and $16,601 in 1997 (B)	54,473	58,918
Other	700	2,839
Canadian debt agreements (U.S. dollar equivalents):		
Revolving Credit Loans (A)	21,900	20,245
8% First Mortgage Note, due February 2001 (C)	6,162	6,373
	$260,635	$294,275

8. LONG-TERM DEBT: -- Continued

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(A) The Company has entered into credit agreements with various banks providing for an aggregate of $360,000 ($300,000 at December 31, 1996) of revolving credit facilities, expiring February 2000. The agreements provide for floating rates, based on either Prime or LIBOR in the United States and Prime or Bankers' Acceptance rates in Canada plus a fixed margin. The interest rates for 1996 for the revolving credit loans ranged from 6.3% to 8.3% in the United States and was 3.2% in Canada. The interest rates for 1997 for the revolving credit loans ranged from 6.1% to 8.5% in the United States and was 4.4% to 5.3% in Canada. The weighted average interest rate was 6.7% and 6.0% for the years ended December 31, 1996 and 1997, respectively (see Note 17).

In 1995, the Company terminated the existing credit agreements and refinanced the outstanding indebtedness. In connection with this refinancing, the Company recorded an extraordinary charge of $13,312 ($8,068 after-tax) relating to the write-off of unamortized debt issuance and other costs associated with the early termination of the debt.

(B) The Company issued a Zero Coupon First Mortgage Note to Westinghouse for the purchase of the real estate acquired in the United States. This note has a yield to maturity of 8% and a maturity value of $75,519.

(C) The Company issued a First Mortgage Note to Westinghouse for the purchase of the real estate acquired in Canada. All interest and principal will be due February 2001.

The Company has two interest rate cap agreements with individual notional amounts of $80,000 that expire in March 1998 and August 1999. The aggregate cost of the interest rate caps of $278 is being amortized to interest expense over the period of the agreements on a straight-line basis. The agreements effectively provide a ceiling for interest at rates ranging from 6.8% to 7.0%. The market value of the interest rate caps is estimated to be $42 at December 31, 1997.

The agreements contain various restrictive covenants that, among other things, impose (i) limitations on the incurrence of additional indebtedness or guaranties; (ii) limitations on the issuance of additional stock of subsidiaries; (iii) limitations on liens or negative pledges; (iv) limitations on investments, loans, acquisitions or advances; (v) limitations on dividends; (vi) limitations on the sale, lease or other disposal of assets; (vii) limitations on transactions among affiliates which are not arms-length; (viii) limitations on entering into new lines of business; and (ix) limitations on capital expenditures. In addition, the agreements require the Company to meet certain financial tests based on net worth, a funded indebtedness to consolidated EBITDA ratio and fixed charge coverage.

The Company is permitted to pay dividends under certain limited circumstances. At December 31, 1997, no retained earnings were available to pay dividends.

The Company had outstanding letters of credit in the amount $3,250 at December 31, 1996 and 1997. These letters of credit are used as collateral for performance and bid bonds. The value of these letters of credit approximates contract value.

The value of assets collateralized under the aforementioned debt agreements was approximately $651,348 and $719,533 at December 31, 1996 and 1997, respectively.

The fair value of the Company's long-term debt is estimated to be approximately $255,620 and $290,035 at December 31, 1996 and 1997, respectively, based on current market interest rates and discounted cash flows.

Future principal payments of long-term debt in excess of one year as of December 31, 1997 are as follows:

1999	$228,230
2000	385
2001	65,594
2002	66

9. CAPITAL STOCK:

Common Stock:

There are 2,000,000 shares each of Class A and Class B common stock authorized at a par value of $.01 per share. The Class B common stock is identical to the Class A common stock, except for voting and conversion rights. The holders of Class B common stock have no voting rights. With certain exceptions, Class B common stock may be converted, at the option of the holder, into the same number of shares of Class A common stock. No Class B common stock was outstanding at December 31, 1996 and 1997.

At December 31, 1997, shares of common stock reserved for future issuance were as follows:

	Number of Shares
Stock purchase plan	24,986
Stock option plan	81,114
Stock option plan for branch employees	24,900

Redeemable Class A Common Stock:

Certain employees and key management of the Company who hold Class A common stock and options may require the Company to repurchase, under certain conditions, death, disability or termination without cause, all of the shares and the exercisable portion of the options held. This repurchase right terminates upon the consummation of an initial equity public offering of Holding's Class A common stock.

10. STOCK INCENTIVE PLANS:

Stock Purchase Plan:

Under the Company's stock purchase plan, certain employees of the Company may be granted an opportunity to purchase Holdings' Class A common stock. The maximum number of shares available for purchase may not exceed 55,000. The purchase price per share is determined by the Board of Directors of the Company to represent fair market value, as defined by the Stock Subscription Agreement. Should the purchase price of the stock be less than the fair market value of the stock at the grant date, such excess will be recorded as compensation expense in the consolidated statement of income. The plan will continue in effect until either the earlier of June 15, 1999, or the date on which all shares of common stock to be offered have been issued. At December 31, 1996 and 1997, a total of 30,504 and 31,304 shares, respectively, have been purchased under the plan. During 1995, 14,624 shares were purchased for a weighted-average share price, of $103 under the plan. During 1996, 2,610 shares were purchased for a weighted-average share price of $169 under the plan. During 1997, 800 shares were purchased for a weighted-average share price of $251 under the plan. In conjunction with the purchase of shares pursuant to the plan, the Company has granted options to purchase shares of common stock equal to approximately one and one-third of the number of shares purchased. See the stock option plan described below for further information.

Other Stock Purchases:

In addition to the stock purchase plan, certain key management employees of the Company, nonemployee directors and other investors were granted an opportunity to purchase Holdings' Class A common stock. The purchase price per share was determined by the Board of Directors to represent the fair market value, as defined by the Stock Subscription Agreement, at the date of grant. At each of December 31, 1996 and 1997, 54,150 shares had been purchased. During 1995, 8,140 shares were purchased at a weighted-average share price of $111 under these additional offerings. During 1996, 2,140 shares were purchased at a share price of $195 under an additional offering.

10. STOCK INCENTIVE PLANS: -- Continued

Stock Option Plan:

Participation in the Company's stock option plan is limited to officers and key employees of the Company. The maximum number of Class A common stock options (and the maximum shares of common stock subject to options) granted under the plan may not exceed 181,000. The exercise price per share is determined by the Board of Directors of the Company, but will not be less than the estimated fair market value, as defined by the Stock Option Agreements, on the grant date. Options granted to a participant will vest and will become exercisable over five years, except in the event of a change in control. Each option terminates on the tenth anniversary of its grant date unless terminated sooner under certain conditions.

Stock Option Plan for Branch Employees:

The Company also has a stock option plan whose participation is limited to branch managers and other key branch personnel. The Compensation Committee of the Board of Directors of the Company may grant such employees up to 50,000 options. Provisions for exercise price, vesting and termination of these options are substantially the same as the stock option plan described above.

The transactions for shares under options are as follows:

	1995	1996	1997
Outstanding, beginning of year			
Number	68,860	95,970	98,842
Weighted-average exercise price	$ 100	$ 102	$ 107
Granted			
Number	27,110	6,300	26,140
Weighted-average exercise price	$ 106	$ 181	$ 198
Exercised			
Number	--	3,428	1,714
Weighted-average exercise price	--	$ 100	$ 100
Canceled			
Number	--	--	3,424
Weighted-average exercise price	--	--	$ 102
Outstanding, end of year			
Number	95,970	98,842	119,844
Weighted-average exercise price	$ 102	$ 107	$ 127
Exercisable, end of year			
Number	10,226	18,796	33,848
Weighted-average exercise price	$ 100	$ 101	$ 103

The following summarizes certain stock options information at December 31, 1997:

Options outstanding:

Range of exercise price	Number	Weighted-average remaining life	Weighted-average exercise price
$ 100--$251	119,844	7.3	$127

Options exercisable:

Range of exercise price	Number	Weighted-average exercise price
$ 100--$195	33,848	$103

The Westinghouse option, discussed in Note 12, has not been included in the above data.

10. STOCK INCENTIVE PLANS: -- Continued

The stock option plans require the Company to repurchase the exercisable portion of the options held by an employee if the employee dies, is disabled or terminated without cause. This repurchase right terminates upon consummation of an initial equity public offering of Holdings' Class A common stock. Since the triggering event requiring the repurchase is considered remote, the Company accounts for the option plans as fixed plans and accordingly no compensation expense has been recorded.

In connection with the implementation of SFAS No. 123, "Accounting for Stock-Based Compensation," the Company has elected to continue to account for stock-based compensation arrangements under the provisions of Accounting Principles Board (APB) Opinion No. 25, which resulted in no compensation costs being recorded.

If compensation costs had been determined based on the fair value at the grant dates according to SFAS No. 123, the Company's net income and earnings per share, would have been as follows:

	1995	1996	1997
Net income:			
As reported	$17,062	$32,462	$36,237
Pro forma	16,960	32,399	35,711

The weighted-average fair value of options granted was $6.23, $16.70 and $33.56 per share for the years ended 1995, 1996 and 1997, respectively. The fair value of each option grant is estimated on the date of grant using the Black-Sholes based pricing model with the following assumptions:

	1995	1996	1997
Risk-free interest rate	6.4%	6.5%	6.5%
Option term	7 years	7 years	7 years

11. EMPLOYEE BENEFITS:

A majority of the Company's employees are covered by defined contribution retirement savings plans for their service rendered subsequent to the acquisition date. Westinghouse retains certain retiree pension and health benefits for service rendered prior to formation. U.S. employee contributions of not more than 6% of eligible compensation are matched 50% by the Company. Company contributions for Canadian employees range from 1% -- 6% of eligible compensation based on years of service.

In addition, employer contributions may be made at the discretion of the Board of Directors and can be based on the Company's current year performance. Employees are credited for service with Westinghouse in determining the vesting of Company contributions. For the years ended December 31, 1995, 1996 and 1997, the Company contributed $7,096, $9,256 and $12,453, respectively, which was charged to expense.

12. RELATED PARTIES:

Pursuant to an agreement, Clayton, Dubilier & Rice, Inc. provides financial advisory and management consulting services to the Company for an annual fee of approximately $400.

WESCO purchases products and services from and sells products to Westinghouse. A summary of these purchases and sales is as follows:

	1995	1996	1997
Purchases from Westinghouse	$27,481	$19,115	$15,498
Sales to Westinghouse	27,311	21,192	21,666

12. RELATED PARTIES: -- Continued

The amount due from Westinghouse at December 31, 1996 and 1997, net of amounts owed, was approximately $4,664 and $2,623, respectively.

In connection with the acquisition, the Company granted Westinghouse an option to purchase 100,000 shares of Class A common stock at a price of $100 per share. The option is exercisable until it terminates on February 28, 1999. The Company has a right of first refusal if Westinghouse decides to sell its option to a third party prior to its termination. The fair value of this option, which was recorded at the acquisition, was $2,500 and is included in the consolidated balance sheets as Common Stock to Be Issued Under Option.

13. COMMITMENTS AND CONTINGENCIES:

Future minimum rental payments required under operating leases, primarily for real property that have noncancelable lease terms in excess of one year as of December 31, 1997, are as follows:

1998	$17,692
1999	14,831
2000	12,838
2001	10,602
2002	6,175
Thereafter	8,593

Rental expense for the years ended December 31, 1995, 1996 and 1997, was $16,326, $22,032 and $26,371, respectively.

The Company has litigation arising from time to time in the normal course of business. In management's opinion, any present litigation the Company is aware of will not materially affect the Company's consolidated financial position, results of operations or cash flows.

Westinghouse agreed to indemnify the Company for certain environmental liabilities that existed at the time of the acquisition. The Company has made a claim under this indemnity amounting to $1.5 million. The ultimate resolution of this environmental compliance issue is not expected to materially impact the Company's consolidated financial position, results of operations or cash flows.

The Company has guaranteed $5,636 in loans to certain stockholders at December 31, 1997.

14. SUPPLEMENTAL CASH FLOW INFORMATION:

Supplemental cash flow information is as follows:

	1995	1996	1997
Cash paid during the year for:			
Interest	$ 12,433	$ 11,600	$ 15,377
Income taxes	1,062	13,756	27,523
Details of acquisitions:			
Fair value of assets acquired	18,455	170,583	21,498
Value of liabilities assumed	(6,242)	(54,884)	(5,334)
Restructuring reserve	--	(5,102)	--
Notes issued to seller	(5,900)	(2,950)	(2,250)
Cash paid for acquisitions	6,313	107,647	13,914
Less: cash acquired	132	3,729	--
	$ 6,181	$ 103,918	$ 13,914

15. ACQUISITIONS:

During the three years ended December 31, 1997, the Company acquired eleven distributors with branches located across the United States for an aggregate purchase price of $12,423 and $158,802 and $19,248, respectively. The largest acquisition, in April 1996, was EESCO, Inc. with headquarters in Chicago, Illinois. These acquisitions resulted in goodwill of approximately $6,146, $59,766 and $5,913 for the years ending 1995, 1996 and 1997, respectively.

The acquisitions have been accounted for under the purchase method of accounting for business combinations. The results of operations of these companies are included in the consolidated financial statements from the acquisition dates forward. Pro forma results of these acquisitions, assuming they had been made at the beginning of each year presented, would not be materially different from the results reported.

In December 1997, the Company entered into definitive agreements to acquire two distribution businesses for approximately $59,500 financed principally through $45,000 in borrowings under the Company's credit agreement and $14,500 of uncollateralized notes. Up to $5,000 of such notes may be converted to shares of Class A common stock at an initial equity public offering price at the election of the holder, which election is required to be made prior to an initial equity public offering. Both acquisitions closed in January 1998. These acquisitions have been accounted for under the purchase method of accounting for business combinations.

16. GEOGRAPHIC INFORMATION:

The Company is engaged principally in one line of business -- distribution of electrical supplies -- which represents more than 90% of consolidated sales. The following table presents information about the Company by geographic area. There were no material amounts of sales or transfers among geographic areas and no material amounts of United States export sales:

	United States	Canada	Total
As of and for the year ended December 31, 1995			
Sales, net	$1,598,618	$258,424	$1,857,042
Income from operations	47,910	7,823	55,733
Identifiable assets	500,905	80,431	581,336
As of and for the year ended December 31, 1996			
Sales, net	2,014,107	260,515	2,274,622
Income from operations	63,562	4,646	68,208
Identifiable assets	688,791	84,696	773,487
As of and for the year ended December 31, 1997			
Sales, net	2,313,862	280,957	2,594,819
Income from operations	74,774	5,282	80,056
Identifiable assets	781,692	89,168	870,860

17. SUBSEQUENT EVENTS:

On May 8, 1998, the Company acquired a distribution business for approximately $47,200 financed principally through borrowings under the Company's credit agreement and seller notes.

On February 13, 1998, the Company amended the revolving credit agreements (see Note 8). The amendment allows the Company to borrow up to a maximum of $445,000 through February 2001, releases all previously required collateral and amends certain restrictive covenants. The loans continue to adjust for floating rates, based on either Prime or LIBOR in the United States and Prime or Bankers' Acceptance rates in Canada plus a fixed margin.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or any offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus nor any offer or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuers since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

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Prospectus

WESCO Distribution, Inc.

Offer to Exchange up to $300,000,000 of its 9 1/8% Senior Subordinated Notes Due 2008, Series B, which have been registered under the Securities Act, for any and all of its Outstanding 9 1/8% Senior Subordinated Notes Due 2008, Series A

WESCO International, Inc.

Offer to Exchange $87,000,000 of its 11 1/8% Senior Discount Notes Due 2008, Series B, which have been registered under the Securities Act, for $87,000,000 of its Outstanding 11 1/8% Senior Discount Notes Due 2008, Series A

, 1998

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers.

Under Section 145 of the Delaware General Corporation Law (the "Delaware Law"), a corporation may indemnify its directors, officers, employees and agents and its former directors, officers, employees and agents and those who serve, at the corporation's request, in such capacity with another enterprise, against expenses (including attorney's fees), as well as judgments, fines and settlements in nonderivative lawsuits, actually and reasonably incurred in connection with the defense of any action, suit or proceeding in which they or any of them were or are made parties or are threatened to be made parties by reason of their serving or having served in such capacity. The Delaware General Corporation Law provides, however, that such person must have acted in good faith and in a manner such person reasonably believed to be in (or not opposed to) the best interests of the corporation and, in the right of the corporation, where such person has been adjudged liable to the corporation, unless, and only to the extent that a court determines that such person fairly and reasonably is entitled to indemnity for costs the court deems proper in light of liability adjudication. Indemnity is mandatory to the extent a claim, issue or matter has been successfully defended.

The Certificate of Incorporation and By-Laws of each Issuer provide for mandatory indemnification of directors and officers on generally the same terms as permitted by the Delaware General Corporation Law.

Item 21. Exhibits and Financial Statement Schedules.

(a) Exhibits:

See the Exhibit Index included immediately preceding the exhibits to this registration Statement.

(b) Financial Statement Schedules:

Schedule II - Valuation and Qualifying Accounts.

All other schedules have been omitted because they are not applicable or not required or the required information is included in the financial statements or notes thereto.

In connection with our audits of the consolidated financial statements of WESCO International, Inc. (formerly CDW Holding Corporation) and subsidiaries as of December 31, 1996 and 1997 and for each of the three years in the period ended December 31, 1997, which financial statements are included in the Registration Statement, we have also audited the financial statement schedule listed in Item 20 herein.

In our opinion, this financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

/s/ Coopers & Lybrand LLC
600 Grant Street
Pittsburgh, Pennsylvania
February 6, 1998, except for
Note 17, as to which the date is
May 8, 1998

Item 22. Undertakings.

The undersigned Registrants hereby undertake:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereto, which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrants hereby undertake as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed to be underwriters, in addition to the information called for by the other Items of the applicable form.

The Registrants undertake that every prospectus: (i) that is filed pursuant to the immediately preceding undertaking or (ii) that purports to meet the requirements of section 10(a)(3) of the Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrants pursuant to the foregoing provisions, or otherwise, the Registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrants of expenses incurred or paid by a director, officer or controlling person of a Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Registrants hereby undertake to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

The undersigned Registrants hereby undertake to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Pittsburgh, Pennsylvania, on June 24, 1998.

WESCO INTERNATIONAL, INC.

By: /s/ ROY W. HALEY
Name: Roy W. Haley
Title: President and Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned directors and officers of WESCO International, Inc., do hereby constitute and appoint David F. McAnally, Steven A. Burleson and Anthony D. Tutrone, or either of them, our true and lawful attorneys and agents, to do any and all acts and things in our name and on our behalf in our capacities as directors and officers and to execute any and all instruments for us and in our names in the capacities indicated below, which said attorneys and agents, or either of them, may deem necessary or advisable to enable said corporation to comply with the Securities Act of 1933 and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this Registration Statement, including specifically, but without limitation, power and authority to sign for us or any of us in our names in the capacities indicated below, any and all amendments (including post-effective amendments) hereto and we do hereby ratify and confirm all that said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 24th day of June, 1998 by the following persons in the capacities indicated, with respect to WESCO International, Inc.:

Signature	Title
/s/ ROY W. HALEY Roy W. Haley	Chairman, President and Chief Executive Officer (Principal Executive Officer)
/s/ DAVID F. MCANALLY David F. McAnally	Treasurer (Principal Financial Officer)
/s/ STEVEN A. BURLESON Steven A. Burleson	Vice President and Corporate Controller (Principal Accounting Officer)
/s/ JAMES L. SINGLETON James L. Singleton	Director
/s/ JAMES A. STERN James A. Stern	Director
/s/ ANTHONY D. TUTRONE Anthony D. Tutrone	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Pittsburgh, Pennsylvania, on June 24, 1998.

WESCO DISTRIBUTION, INC.

By: /s/ ROY W. HALEY
Name: Roy W. Haley
Title: President and Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned directors and officers of WESCO Distribution, Inc., do hereby constitute and appoint David F. McAnally, Steven A. Burleson and Anthony D. Tutrone, or either of them, our true and lawful attorneys and agents, to do any and all acts and things in our name and on our behalf in our capacities as directors and officers and to execute any and all instruments for us and in our names in the capacities indicated below, which said attorneys and agents, or either of them, may deem necessary or advisable to enable said corporation to comply with the Securities Act of 1933 and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this Registration Statement, including specifically, but without limitation, power and authority to sign for us or any of us in our names in the capacities indicated below, any and all amendments (including post-effective amendments) hereto and we do hereby ratify and confirm all that said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 24th day of June, 1998 by the following persons in the capacities indicated, with respect to WESCO Distribution, Inc.:

Signature	Title
/s/ ROY W. HALEY Roy W. Haley	Chairman, President and Chief Executive Officer (Principal Executive Officer)
/s/ DAVID F. MCANALLY David F. McAnally	Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ STEVEN A. BURLESON Steven A. Burleson	Vice President and Corporate Controller (Principal Accounting Officer)
/s/ JAMES L. SINGLETON James L. Singleton	Director
/s/ JAMES A. STERN James A. Stern	Director
/s/ ANTHONY D. TUTRONE Anthony D. Tutrone	Director

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

EXHIBITS
FILED WITH
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

WESCO INTERNATIONAL, INC.

(Exact name of issuer as specified in its charter)

WESCO DISTRIBUTION, INC.

(Exact name of issuer as specified in its charter)

Volume I

EXHIBIT INDEX

(a) Exhibits:

Exhibit No.	Description of Exhibit
2.1	Recapitalization Agreement dated as of March 27, 1998 among Thor Acquisitions L.L.C., WESCO International, Inc. (formerly known as CDW Holding Corporation, "Holdings") and certain securityholders of Holdings.
2.2	Purchase Agreement dated May 29, 1998 among Holdings, WESCO Distribution, Inc. (the "Company"), Chase Securities Inc. and Lehman Brothers Inc. (the "Initial Purchasers").
3.1	Certificate of Incorporation of Holdings.
3.2 +	By-Laws of Holdings.
3.3	Certificate of Incorporation of the Company.
3.4	By-Laws of the Company.
4.1	Indenture dated as of June 5, 1998 among the Company, Holdings and Bank One, N.A.
4.2	Form of 9 1/8% Senior Subordinated Note Due 2008, Series A (included in Exhibit 4.1).
4.3	Form of 9 1/8% Senior Subordinated Note Due 2008, Series B (included in Exhibit 4.1).
4.4	Exchange and Registration Rights Agreement dated as of June 5, 1998 among the Company, Holdings and the Initial Purchasers.
4.5	Indenture dated as of June 5, 1998 between Holdings and Bank One, N.A.
4.6	Form of 11 1/8% Senior Discount Note Due 2008, Series A (included in Exhibit 4.5).
4.7	Form of 11 1/8% Senior Discount Note Due 2008, Series B (included in Exhibit 4.5).
4.8	Exchange and Registration Rights Agreement dated as of June 5, 1998 among Holdings and the Initial Purchasers.
5.1*	Opinion of Simpson Thacher & Bartlett relating to the Notes.
5.2*	Opinion of Jeffrey B. Kramp relating to the Notes.
10.1 +	CDW Holding Corporation Stock Purchase Plan.
10.2 +	Form of Stock Subscription Agreement.
10.3 +	CDW Holding Corporation Stock Option Plan.
10.4 +	Form of Stock Option Agreement.
10.5 +	CDW Holding Corporation Stock Option Plan for Branch Employees.
10.6 *	Form of Branch Stock Option Agreement.
10.7 +	[Intentionally deleted.]
10.8 +	Non-Competition Agreement, dated as of February 28, 1996, between Westinghouse Electric Corporation, Holdings and the Company
10.9 +	Employment Agreement between the Company and Stanley C. Weiss.
10.10+	Lease dated May 24, 1995 as amended by Amendment One dated June, 1995 and by Amendment Two dated December 24, 1995 by and between the Company as Tenant and Opal Investors, L.P. and Mural GEM Investors as Landlord.
10.11+	Lease dated April 1, 1992 as renewed by Letter of Notice of Intent to Renew dated December 13, 1996 by and between the Company successor in interest to Westinghouse Electric Supply Company, a former division of Westinghouse Electric Corporation as Tenant and Utah State Retirement Fund as Landlord.
10.12+	Lease dated September 4, 1997 by and between the Company as Tenant and The Buncher Company as Landlord.
10.13+	Lease dated March, 1995 by and between WESCO Distribution-Canada, Inc. ("WESCO Canada") as Tenant and Atlantic Construction, Inc. as Landlord.

Exhibit No.	Description of Exhibit
10.14	Credit Agreement dated as of June 5, 1998 among Holdings, the Company, WESCO Canada, The Chase Manhattan Bank, The Chase Manhattan Bank of Canada and Lehman Commercial Paper, Inc.
10.15	U.S. Receivables Sales Agreement dated June 5, 1998 among the Company, WESCO Receivables Corp. (the "SPC"), The Chase Manhattan Bank and other sellers named therein.
10.16	Canadian Receivables Sales Agreement dated June 5, 1998 among the Company, WESCO Canada, the SPC, The Chase Manhattan Bank of Canada and other sellers named therein.
10.17	WESCO Receivables Master Trust Pooling Agreement dated June 5, 1998 among the Company, WESCO Canada, the SPC, and The Chase Manhattan Bank.
10.18	WESCO Receivables Master Trust Pooling Agreement Series 1998-1 Supplement dated June 5, 1998.
10.19	Amended and Restated Registration and Participation Agreement dated June 5, 1998 among Holdings and certain securityholders of Holdings named therein.
10.20	Employment Agreement dated June 5, 1998 between Roy W. Haley and the Company.
12	Computation of Ratios of Earnings to Fixed Charges.
21.1*	Subsidiaries of Holdings and the Company.
23.1*	Consent of Simpson Thacher & Bartlett (included in its opinion filed as Exhibit 5.1 hereto).
23.2*	Consents of Jeffrey B. Kramp (included in its opinion filed as Exhibit 5.2 hereto).
23.3	Consent of Coopers & Lybrand LLP, Independent Auditors.
24	Powers of Attorney - Pages II- through II hereof.
25.1	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of Bank One, N.A., as Trustee.
27 *	Financial Data Schedule.
99.1*	Form of Senior Subordinated Letter of Transmittal.
99.2*	Form of Senior Subordinated Notice of Guaranteed Delivery.
99.3*	Form of Senior Discount Letter of Transmittal.
99.4*	Form of Senior Discount Notice of Guaranteed Delivery.

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* To be filed by amendment.

+ Previously filed

(b) Financial Statement Schedules:

Schedule II -- Valuation and Qualifying Accounts.+

All other schedules have been omitted because they are not applicable or not required or the required information is included in the financial statements or notes thereto.

RECAPITALIZATION AGREEMENT

among

THOR ACQUISITIONS L.L.C., as Investor,

CDW HOLDING CORPORATION

and

CERTAIN SECURITYHOLDERS OF
CDW HOLDING CORPORATION, as Participating Securityholders

Dated as of March 27, 1998

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RECAPITALIZATION AGREEMENT

RECAPITALIZATION AGREEMENT, dated as of March 27, 1998, among Thor Acquisitions L.L.C., a Delaware limited liability company (the "Investor"), CDW Holding Corporation, a Delaware corporation (the "Company"), and each party (each, a "Participating Securityholder") that either (a) is listed on the signature pages hereof under the heading "Participating Securityholders" or (b) becomes party to this Agreement as a Participating Securityholder after the date hereof pursuant to Section 1.4.

W I T N E S S E T H :

WHEREAS, the parties listed in Schedule 1.1 (each, a "Securityholder") own all of the issued and outstanding capital stock of the Company, consisting of 1,026,510 shares (each a "Share") of Class A Common Stock, par value $.01 per share ("Class A Common Stock"), of which (a) 958,282 Shares are owned by the parties listed in Part A of Schedule 1.1 (each, a "Non-Management Securityholder") and (b) 68,228 Shares are owned by the parties listed in Part B of Schedule 1.1, as such Schedule may be amended prior to the Closing in accordance with Section 1.4 (each, a "Management Securityholder");

WHEREAS, the parties listed in Schedule 1.2 (each, an "Option Holder") hold all of the issued and outstanding options to acquire additional shares of capital stock of the Company, consisting of 230,844 options, each to acquire one share of Class A Common Stock (each, an "Option"), of which (a) 110,284 Options are held by the parties listed in Part A of Schedule 1.2 (each, a "Non-Management Option Holder"), (b) 95,460 Options are held by the parties listed in Part B of Schedule 1.2, as such Schedule may be amended prior to the Closing in accordance with Section 1.4 (each, a "Management Option Holder") and (c) 25,100 Options (each, a "Branch Option") are held by the parties listed in Part C of Schedule 1.2;

WHEREAS, the Company desires, on the terms and conditions and for the consideration set forth in this Agreement, to (a) repurchase the aggregate number of Shares set forth in the column entitled "Number of Repurchased Shares" in Part A of Schedule 1.1 (the "Repurchased Shares"), (b) cancel in exchange for the payment provided herein (i) the aggregate number of Options set forth in the column entitled "Number of Surrendered Options" in Part A of Schedule 1.2, and (ii) the aggregate number of Options set forth in the column entitled "Number of Surrendered Options" in Part B of Schedule 1.2, as such Part B of Schedule 1.2 may be amended prior to the Closing in accordance with Section 1.4 (such Options so cancelled as contemplated by the preceding clauses (i) and (ii), the "Surrendered Options"), and (c) to maintain outstanding after the Closing all of the Branch Options (without acceleration of the vesting schedule for

such Options);

WHEREAS, the Investor desires, on the terms and conditions and for the consideration set forth in this Agreement, to (a) purchase from the Company, and the Company desires to issue and sell to the Investor, the number of newly issued shares of Class A Common Stock equal to the Number of Newly Issued Shares (the "Newly Issued Shares"), and (b) purchase from the Management Securityholders the aggregate number of Shares set forth in the column entitled "Number of Investor Purchased Shares" in Part B of Schedule 1.1, as such Schedule may be amended prior to the Closing in accordance with Section 1.4 (the "Investor Purchased Shares"); and

WHEREAS, each Management Securityholder that is a Participating Securityholder (a "Management Participating Securityholder") desires to hold, and not sell to (or have cashed-out by) the Company, each Share owned by such Securityholder that is not an Investor Purchased Share and each Option owned by such Securityholder that is not a Surrendered Option, and, to the extent provided herein, such Securityholder desires to maintain his or her remaining equity interests in the Company after giving effect to all of the transactions contemplated by this Agreement;

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations and warranties made herein and of the mutual benefits to be derived therefrom, the parties hereto agree as follows:

ARTICLE I

RECAPITALIZATION; CLOSING

1.1 Sale and Purchase of Shares. (a) Repurchased Shares. Subject to the terms and conditions hereof, at the Closing, each Non-Management Securityholder that is a Participating Securityholder (a "Non-Management Participating Securityholder") will sell to the Company, and the Company will purchase from such Securityholder, the number of Repurchased Shares set forth opposite such Securityholder's name in the column entitled "Number of Repurchased Shares" in Part A of Schedule 1.1, which Shares shall constitute such Securityholder's Repurchased Shares, for a purchase price (such Securityholder's "Purchase Price for Repurchased Shares") equal to the product of (i) $621.08 (the "Per Share Purchase Price") and (ii) the number of such Repurchased Shares. Unless the Company and the Investor otherwise agree, the aggregate Purchase Price for Repurchased Shares payable for all Repurchased Shares (the "Aggregate Purchase Price for Repurchased Shares") shall in no event exceed $595,169,785.

(b) Investor Purchased Shares. Subject to the terms and conditions hereof, at the Closing, each Management

Participating Securityholder will sell to the Investor, and the Investor will purchase from such Securityholder, the number of Investor Purchased Shares set forth opposite such Securityholder's name in the column entitled "Number of Investor Purchased Shares" in Part B of Schedule 1.1, which Shares shall constitute such Securityholder's Investor Purchased Shares, for a purchase price (such Securityholder's "Purchase Price for Investor Purchased Shares") equal to the product of (i) the Per Share Purchase Price and (ii) the number of such Investor Purchased Shares. Unless the Company and the Investor otherwise agree, the aggregate Purchase Price for Investor Purchased Shares payable for all Investor Purchased Shares (the "Aggregate Purchase Price for Investor Purchased Shares") shall in no event exceed $10,680,713.

1.2 Surrendered Options. (a) Non-Management Options. Subject to the terms and conditions hereof, at the Closing, the Company will pay for the account of each Non-Management Option Holder, in exchange for the cancellation of the number of Options set forth opposite such Option Holder's name in the column entitled "Number of Surrendered Options" in Part A of Schedule 1.2, which Options shall constitute such Option Holder's Surrendered Options, an amount (such Option Holder's "Option Cancellation Amount") equal to the product of (i) the number of such Surrendered Options and (ii) the amount by which the Per Share Purchase Price exceeds the per share exercise price of such Options set forth opposite such Option Holder's name in the column entitled "Exercise Price" in Part A of Schedule 1.2. Unless the Company and the Investor otherwise agree, the aggregate Option Cancellation Amount payable in respect of all Non-Management Options shall in no event exceed $57,466,787.

(b) Management Options. Subject to the terms and conditions hereof, at the Closing, the Company will pay for the account of each Management Option Holder, in exchange for the cancellation of the number of Options set forth opposite such Option Holder's name in the column entitled "Number of Surrendered Options" in Part B of Schedule 1.2, which Options shall constitute such Option Holder's Surrendered Options, an Option Cancellation Amount equal to the product of (i) the number of such Surrendered Options and (ii) the amount by which the Per Share Purchase Price exceeds the per share exercise price of such Options set forth opposite such Option Holder's name in the column entitled "Exercise Price" in Part B of Schedule 1.2. Unless the Company and the Investor otherwise agree, the aggregate Option Cancellation Amount payable in respect of all Management Options shall in no event exceed $7,082,811.

(c) Release. The surrender by an Option Holder of an Option for cancellation in exchange for the payment provided in this Section 1.2 shall constitute a release of any and all rights such Option Holder has or may have had in such Option.

1.3 Rolled-Over Options. Each Option held by a Management Option Holder that is not a Surrendered Option and each Branch Option (each, a " Rolled Over Option") shall (a) continue to be held, and not surrendered for payment at the Closing, by the Option Holder holding such Option and (b) continue to be an option to acquire shares of Class A Common Stock on the terms and conditions provided in the Option Plans and the Management Stock Option Agreements, provided that, in the case of each Management Option that is a Rolled Over Option, subject to Section 6.8, all conditions to vesting of any such Options that are then unvested shall be terminated.

1.4 Offer Notice. (a) Delivery of Offer Notice. Promptly following the execution and delivery of this Agreement by the Company, the Investor and Fund IV, the Company and the Investor shall prepare and deliver a joint offer notice (an "Offer Notice") to each Securityholder that is not an original signatory to this Agreement, pursuant to which (i) if such Securityholder is a Non-Management Securityholder, the Company will offer (A) to purchase from such Securityholder his, her or its Repurchased Shares and (B) to cash out such Securityholder's Surrendered Options, in each case, on the terms and conditions provided in Sections 1.1(a) and 1.2(a), and (ii) if such Securityholder is a Management Securityholder, (A) the Investor will offer to purchase from such Securityholder his or her Investor Purchased Shares on the terms and conditions provided in Section 1.1(b) and (B) the Company will offer to cash out his or her Surrendered Options on the terms and conditions provided in Section 1.2(b). The Offer Notice shall contain such information (financial and otherwise) as the Company and the Investor shall determine to be appropriate so that the Offer Notice, as of its date, shall not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) Acceptance of Offer Notice. Each Securityholder receiving an Offer Notice may accept such Offer Notice and thereby become a Participating Securityholder by delivering to the Company, the Investor and the Custodian, not later than the last day of the Participation Election Period a written notice substantially in the form of, if such Securityholder is a Non-Management Securityholder, Exhibit A hereto or, if such Securityholder is a Management Securityholder, Exhibit B hereto (each a "Securityholder Acceptance"), duly executed by such Securityholder. Each Management Securityholder delivering a Securityholder Acceptance shall specify in such Securityholder Acceptance (i) the number of Shares owned by such Securityholder that are to constitute Investor Purchased Shares, which shall not be greater than the number of Shares originally specified in Part B of Schedule 1.1 on the date hereof as such Securityholder's Investor Purchased Shares, and (ii) the number of Options owned by such Securityholder that are to constitute Surrendered Options, which shall not be greater than the number of Options

originally specified in Part B of Schedule 1.2 on the date hereof as such Securityholder's Surrendered Options. Upon timely delivery by a Securityholder of a duly executed Securityholder Acceptance, such Securityholder shall become a Participating Securityholder for all purposes, and bound by all provisions, of this Agreement. Upon timely delivery by a Securityholder (other than CBS) of a duly executed Securityholder Acceptance, such Securityholder shall be deemed to have executed and delivered, and to be bound by all provisions of, a Power of Attorney and Custody Agreement, in the form of, if such Securityholder is a Non-Management Securityholder, Exhibit C hereto, or if such Securityholder is a Management Securityholder, Exhibit D hereto (each a "Custody Agreement"), including, but not limited to, the appointment, on the terms and condition of such Custody Agreement, of (A) Clayton, Dubilier & Rice, Inc. ("CD&R") and each of the other persons named therein as such Securityholder's attorney-in-fact and (B) CD&R as custodian (the "Custodian") of such Securityholder's Repurchased Shares or Investor Purchased Shares, as the case may be.

(c) Additional Shares and Options. Prior to the expiration of the Participation Election Period, the Company may, in compliance with applicable securities laws, issue to a limited number of members of WESCO's management (each, a "New Securityholder") up to an additional 600 shares of Class A Common Stock (each, a "New Share") in the aggregate and grant to such New Securityholders up to an additional 780 options, each to acquire one share of Class A Common Stock (each, a "New Option"), in the aggregate, provided that (i) each such New Securityholder shall enter into a stock subscription agreement and stock option agreement substantially in the form of the Management Stock Subscription Agreements and Management Stock Option Agreements, (ii) such shares shall be issued and sold to such New Securityholders for a per share purchase price equal to the Per Share Purchase Price and such options shall have a per share exercise price equal to the Per Share Purchase Price and (iii) each such New Securityholder shall, at the time of the issuance of such shares and the grant of such options, execute and deliver to the Company, Investor and the Custodian a Securityholder Acceptance substantially in the form Exhibit B hereto. Upon timely delivery by a New Securityholder of a Securityholder Acceptance, for all purposes of this Agreement, such New Securityholder shall become a Securityholder and a Participating Securityholder and such New Securityholder's New Shares and New Options shall become Shares and Options.

(d) Amendment of Schedules 1.1 and 1.2. Upon timely delivery by a Management Securityholder of a duly executed Securityholder Acceptance, if such Securityholder Acceptance has specified a number of Investor Purchased Shares or Surrendered Options that is less than the number set forth in Part B of Schedule 1.1 or Part B of Schedule 1.2, as the case may be, on the date hereof, (i) Part B of Schedule 1.1 shall be amended to insert opposite such Securityholder's name in the column entitled

"Number of Investor Purchased Shares" in such Part B of Schedule 1.1 the number of such Securityholder's Investor Purchased Shares specified in such Securityholder Acceptance, and (ii) Part B of Schedule 1.2 shall be deemed to be amended to insert opposite such Securityholder's name in the column entitled "Number of Surrendered Options" in such Part B of Schedule 1.2 the number of such Securityholder's Surrendered Options specified in such Securityholder Acceptance. Upon timely delivery by a New Securityholder of a duly executed Securityholder Acceptance pursuant to Section 1.4(c), (A) Part B of Schedule 1.1 shall be deemed to be amended to (1) insert such New Securityholder's name in the appropriate position in the column entitled "Securityholder", (2) insert opposite such New Securityholder's name in the column entitled "Number of Shares" the number of such New Securityholder's New Shares and (3) insert opposite such Securityholder's name in the column entitled "Number of Investor Purchased Shares" the number of such New Shares that are to constitute Investor Purchased Shares pursuant to such New Securityholder's Securityholder Acceptance, which shall not be greater than 25% of such New Shares, and (B) Part B of Schedule 1.2 shall be deemed to be amended to (1) insert such New Securityholder's name in the appropriate position in the column entitled "Management Option Holder", (2) insert opposite such New Securityholder's name in the column entitled "Number of Options" the number of such New Securityholder's New Options, (3) insert opposite such Securityholder's name in the column entitled "Exercise Price" the per share exercise price of such New Options and (4) insert opposite such New Securityholder's name in the column entitled "Number of Surrendered Options" the number of such New Options that are to constitute Surrendered Options pursuant to such New Securityholder's Securityholder Acceptance, which shall not be greater than 15% of such New Options. Promptly following the expiration of the Participation Election Period, Part B of Schedule 1.1 and Part B of Schedule 1.2 shall be revised to reflect any amendments thereto deemed to have been made pursuant to this Section 1.4(d), provided that all such amendments deemed to have been made pursuant to this Section 1.4(d) shall be effective whether or not such revisions are actually made. Except as provided in this Section 1.4(d), Schedules 1.1 and 1.2 may not be amended without the prior written consent of the Investor, the Company and the Participating Securityholder affected by such amendment.

1.5 Purchase and Sale of Newly Issued Shares. Subject to the terms and conditions hereof, at the Closing, the Company will sell to the Investor, and the Investor will purchase from the Company, the Newly Issued Shares for a purchase price equal to the product of (a) the Per Share Purchase Price and (b) the Number of the Newly Issued Shares. Unless the Company and the Investor otherwise agree, the aggregate purchase price to be paid by the Investor for the Newly Issued Shares (the "Purchase Price for Newly Issued Shares") shall in no event exceed $310,000,000.

1.6 Closing. Unless this Agreement shall have been

terminated pursuant to Section 9.1, and subject to the satisfaction or waiver of the conditions set forth in Article VII, the closing of the sale and purchase of the Repurchased Shares, Investor Purchased Shares, Surrendered Options and Newly Issued Shares (the "Closing") will take place at the offices of Debevoise & Plimpton, 875 Third Avenue, New York, New York, at 10:00 a.m. on the date that is 74 days after the date of this Agreement, or such later date as may be agreed pursuant to Section 9.1(b), but in no event earlier than the second Business Day following the date on which the last of the conditions to be fulfilled or waived set forth in Article VII shall be fulfilled or waived in accordance with this Agreement, or such other time as the parties hereto may agree in writing (the "Closing Date"). At the Closing:

(a) each Non-Management Participating Securityholder will deliver to the Company, free and clear of all Liens, certificates representing all of the Repurchased Shares set forth opposite such Securityholder's name in Part A of Schedule 1.1, duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank, and bearing or accompanied by all requisite stock transfer stamps;

(b) each Management Participating Securityholder will deliver to the Investor, free and clear of all Liens, certificates representing all of the Investor Purchased Shares set forth opposite such Securityholder's name in Part B of Schedule 1.1, duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank, and bearing or accompanied by all requisite stock transfer stamps;

(c) the Investor will pay:

(i) to the Company the Purchase Price for Newly Issued Shares by wire transfer of immediately available funds to such account as shall be designated in writing by the Company to the Investor at least two Business Days prior to the Closing Date; and

(ii) to the Custodian the Aggregate Purchase Price for Investor Purchased Shares by wire transfer of immediately available funds to such account as shall be designated in writing by the Custodian to the Investor at least two Business Days prior to the Closing Date, and such payment to the Custodian shall constitute payment in full to each Management Participating Securityholder of such Securityholder's Purchase Price for Investor Purchased Shares;

(d) the Company will:

(i) deliver to the Investor certificates

representing all of the Newly Issued Shares, registered in the name of the Investor (or its nominee), all of which Newly Issued Shares will have been duly authorized and validly issued and, upon payment as provided in clause (c)(i) above, will be fully paid and nonassessable;

(ii) pay to the Custodian the Aggregate Purchase Price for Repurchased Shares (excluding CBS' Purchase Price for Repurchased Shares) by wire transfer of immediately available funds to such account as shall be designated in writing by the Custodian to the Company at least two Business Days prior to the Closing Date, and such payment to the Custodian shall constitute payment in full to each Non-Management Participating Securityholder (other than CBS) of such Securityholder's Purchase Price for Repurchased Shares;

(iii) pay to CBS CBS' Purchase Price for Repurchased Shares and CBS' Option Cancellation Amount by wire transfer of immediately available funds to such account as shall be designated in writing by CBS to the Company in writing at least two Business Days prior to the Closing Date; and

(iv) pay to each Non-Management Option Holder (other than CBS) and each Management Option Holder an amount equal to such Option Holder's Option Cancellation Amount.

Upon consummation of the Closing, (1) all Options held by CBS shall be cancelled and terminated and (2) all other Options that are Surrendered Options shall, pursuant to the terms of the related Management Stock Option Agreement and Stock Option Plan, be cancelled and terminated. All payments made pursuant to this Section 1.6 shall be made net of applicable Employment and Withholding Taxes and any such withheld amounts shall be deemed to have been received by the person entitled to payment pursuant to this Section 1.6. Each Option Holder holding any Surrendered Options shall execute and deliver such agreements, receipts or acknowledgments as the Company may reasonably request to confirm cancellation of such Option Holder's Surrendered Options (including, but not limited to, an appropriate amendment to any applicable Management Stock Option Agreement).

ARTICLE II

DEFINITIONS

2.1 Specific Definitions. As used in this Agreement and the Schedules hereto, the following terms have the following meanings:

Acquisition Proposal: the meaning set forth in

Section 6.4.

Affiliate: with respect to any Person, a Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such Person. "Control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

Agreement: this Recapitalization Agreement, including the Exhibits and Schedules hereto.

Aggregate Purchase Price for Investor Purchased Shares: the meaning set forth in Section 1.1(b).

Aggregate Purchase Price for Repurchased Shares: the meaning set forth in Section 1.1(a).

Antitrust Division: the meaning set forth in Section 7.3(a).

Branch Option: the meaning set forth in the recitals.

Branch Option Plan: the CDW Holding Corporation Stock Option Plan for Branch Employees.

Business Day: any day other than a Saturday or Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

CBS: CBS Corporation, formerly known as Westinghouse Electric Corporation.

CBS Equity Agreement: the Stock Subscription, Stock Option and Stockholders Agreement, dated as of February 28, 1994, among the Company, Fund IV and CBS.

Class A Common Stock: the meaning set forth in the recitals.

Closing: the meaning set forth in Section 1.6.

Closing Date: the meaning set forth in Section 1.6.

Code: the Internal Revenue Code of 1986, as amended.

Company: the meaning set forth in the preamble.

Company Taxes: the meaning set forth in Section 4.6(a).

Confidentiality Agreement: the meaning set forth in Section 6.3.

Consent: any consent, approval, authorization, order, notice, filing, registration or qualification of or with or waiver from any Person.

Contracts: the meaning set forth in Section 4.15(a).

Custodian: the meaning set forth in Section 1.4(b).

Custody Agreement: the meaning set forth in Section 1.4(b).

Employment and Withholding Taxes: any federal, state, provincial, local, foreign or other employment, unemployment insurance, social security, disability, workers' compensation, payroll, health care or other similar tax, duty or other governmental charge or assessment or deficiencies thereof and all Taxes required to be withheld by or on behalf of each of the Company and each of its Subsidiaries in connection with amounts paid or owing to any employee, independent contractor, creditor or other Person, in each case, on or in respect of the business or assets thereof.

Environmental Law: any foreign, federal, state, provincial or local law, statute, rule, regulation, order, judgment or decree relating to (a) the manufacture, transport, use, treatment, storage, recycling, disposal release or threatened release of Hazardous Substances, or (b) the protection of human health or the environment (including, without limitation, natural resources, structures, air, and surface or subsurface land or waters).

Equity Agreements: the CBS Equity Agreement, the Fund IV Stock Subscription Agreement, the Management Stock Option Agreements, the Management Stock Subscription Agreements, the Option Plans, the Stock Purchase Plan and the Registration and Participation Agreement.

ERISA: the meaning set forth in Section 4.9(b).

Financial Statements: the meaning set forth in Section 4.4(a).

Financing: the meaning set forth in Section 5.6(a).

Financing Commitments: the meaning set forth in Section 5.6(b).

Form S-1: the meaning set forth in Section 3.6.

FTC: the meaning set forth in Section 7.3(a).

Fund IV: The Clayton & Dubilier Private Equity Fund IV Limited Partnership.

Fund IV Stock Subscription Agreement: the Stock Subscription Agreement, dated as of February 28, 1994, between the Company and Fund IV.

GAAP: the meaning set forth in Section 4.4(a).

Governmental Entity: any governmental or regulatory authority, agency, court, commission or other entity, domestic or foreign.

Hazardous Substance: any material or substance that is either: (a) listed, defined, classified or regulated as a waste, hazardous or toxic or any other term of similar import pursuant to any applicable Environmental Law, or (b) any petroleum, petroleum product or by-product, asbestos containing material, polychlorinated biphenyls or radioactive materials.

HSR Act: the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

Income Tax: any federal, state, provincial, local or foreign income, alternative, minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits or windfall profits tax or other similar tax, estimated tax, duty or other governmental charge or assessment or deficiencies thereof.

Income Tax Return: any Tax Return relating to Income Taxes.

Intellectual Property: the meaning set forth in Section 4.14(a).

Investor: the meaning set forth in the preamble.

Investor Purchased Shares: the meaning set forth in the recitals.

IRS: the Internal Revenue Service.

Leased Real Property: all real property interests leased by the Company or its Subsidiaries pursuant to the Leases.

Leases: the meaning set forth in Section 4.12(a).

Licenses: the meaning set forth in Section 4.14(b).

Lien: any mortgage, pledge, deed of trust, hypothecation, claim, security interest, title defect, encumbrance, burden, charge or other similar restriction, lease,

sublease, claim, title retention agreement, option, easement, covenant, encroachment or other adverse claim.

Management Option Holder: the meaning set forth in the recitals.

Management Participating Securityholder: the meaning set forth in the recitals.

Management Securityholder: the meaning set forth in the recitals.

Management Stock Option Agreements: the stock option agreements which have been entered into between the Company and each Option Holder other than CBS with respect to the issuance of such Option Holder's Options.

Management Stock Subscription Agreements: the stock subscription agreements which have been entered into between the Company and each Securityholder other than Fund IV and CBS with respect to the issuance of such Securityholder's Shares.

Material Adverse Change: since any specified date, a material adverse change (a) in the properties, assets, liabilities, business, financial condition or results of operations of the Company and its Subsidiaries taken as a whole or (b) that would have a material adverse effect on the ability of the Company to consummate the transactions contemplated by this Agreement, in each case, other than as a result of general economic conditions in the industry in which the Company and its Subsidiaries operate.

Material Adverse Effect: a material adverse effect (a) on the properties, assets, liabilities, business, financial condition or results of operations of the Company and its Subsidiaries taken as a whole or (b) that would have a material adverse effect on the ability of the Company to consummate the transactions contemplated by this Agreement, in each case, other than as a result of general economic conditions in the industry in which the Company and its Subsidiaries operate.

New Option: the meaning set forth in Section 1.4(c).

New Securityholder: the meaning set forth in Section 1.4(c).

New Share: the meaning set forth in Section 1.4(c).

Newly Issued Shares: the meaning set forth in the recitals.

Non-Management Option Holder: the meaning set forth in the recitals.

Non-Management Participating Securityholder: the meaning set forth in Section 1.1(a).

Non-Management Securityholder: the meaning set forth in the recitals.

Number of Newly Issued Shares: a number (rounded to the nearest whole number) equal to (a) the quotient obtained by dividing the Aggregate Investment by Investor by the Per Share Purchase Price minus (b) the aggregate number of Investor Purchased Shares. The term "Aggregate Investment by Investor" means an amount equal to (i) if the Actual Rollover is equal to or less than $90 million, $310 million, and (ii) if the Actual Rollover is greater than $90 million, an amount equal to $400 million minus the Actual Rollover. The term "Actual Rollover" means an amount equal to the sum of (A) the product of the aggregate number of Rolled Over Shares and the Per Share Purchase Price, and (B) the product of the aggregate number of Rolled Over Options and the Per Share Purchase Price, and subtracting from such product the aggregate exercise price in respect of such Rolled Over Options. The Actual Rollover amount will be determined based on, and following, the elections made by the Securityholders pursuant to the Securityholder Acceptances delivered hereunder.

Offer Notice: the meaning set forth in Section 1.4(a).

Option: the meaning set forth in the recitals.

Option Cancellation Amount: the meaning set forth in Section 1.2(a).

Option Holder: the meaning set forth in the recitals.

Option Plans: the Branch Option Plan and the Stock Option Plan.

Ordinary Course of Business: the meaning set forth in Section 4.5.

Organizational Documents: (a) with respect to any corporation, its articles or certificate of incorporation or memorandum and articles of association and by-laws, and (b) with respect to any a partnership, its partnership agreement.

Owned Real Property: the meaning set forth in Section 4.11(a).

Participating Securityholder: the meaning set forth in the preamble.

Participating Securityholder Signing Date: the later to occur of (a) the date on which all Securityholders have become Participating Securityholders in accordance with the terms of

this Agreement and (b) the date on which the Participation Election Period ends.

Participation Election Period: the period commencing on the Offer Date and ending at the end of the day that is the 20th Business Day from and including the Offer Date, or, if the Offer Date is not a Business Day, from and including the first Business Day after the Offer Date. The term "Offer Date" means the date on which the Offer Notice is first published or sent to Securityholders.

Pension Plan: the meaning set forth in Section 4.9(b).

Permits: the meaning set forth in Section 4.10.

Permitted Liens: the meaning set forth in Section 4.11(b).

Per Share Purchase Price: the meaning set forth in Section 1.1(a).

Person: any natural person, firm, partnership, association, corporation, company, trust, business trust, Governmental Entity or other entity.

Plans: the meaning set forth in Section 4.9(a).

Pro Forma Balance Sheet: the meaning set forth in Section 4.4(b).

Purchase Price for Investor Purchased Shares: the meanings set forth in Section 1.1(b).

Purchase Price for Newly Issued Shares: the meaning set forth in Section 1.5.

Purchase Price for Repurchased Shares: the meaning set forth in Section 1.1(a).

Real Property: the meaning set forth in Section 4.11(d).

Real Property Laws: the meaning set forth in Section 4.11(f).

Registration and Participation Agreement: the Registration and Participation Agreement, dated as of February 28, 1994, among the Company, Fund IV, CBS and Roy W. Haley.

Repurchased Shares: the meaning set forth in the recitals.

Required Participating Securityholders: Participating Securityholders holding at least a majority of all Shares held by

Participating Securityholders.

Rolled Over Option: the meaning set forth in Section 1.3.

Rolled Over Share: each Share owned by a Management Securityholder that is not an Investor Purchased Share.

Securityholder: the meaning set forth in the recitals.

Securityholder Acceptance: the meaning set forth in Section 1.4(b).

Share: the meaning set forth in the recitals.

Stock Option Plan: the CDW Holding Corporation Stock Option Plan.

Stock Purchase Plan: the CDW Holding Corporation Stock Purchase Plan.

Subsidiary: with respect to any Person (the "Parent"), any other Person (other than a natural person), whether incorporated or unincorporated, of which at least a majority of the securities or ownership interests having by their terms ordinary voting power to elect a majority of the board of directors or other persons performing similar functions is directly or indirectly owned or controlled by the Parent or by one or more of its respective Subsidiaries or by the Parent and any one or more of its respective Subsidiaries.

Surrendered Options: the meaning set forth in the recitals.

Tax: any federal, state, provincial, local or foreign income, alternative, minimum, accumulated earnings, personal holding company, franchise, capital stock, profits, windfall profits, gross receipts, sales, use, value added, transfer, registration, stamp, premium, excise, customs duties, severance, real property, personal property, ad valorem, occupancy, license, occupation, employment, payroll, social security, disability, unemployment, workers' compensation, withholding, estimated or other similar tax, assessment or other governmental charge.

Tax Return: any return, report, declaration, form, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof that relates to the Company or any of its Subsidiaries.

Treasury Regulations: the regulations prescribed under the Code.

WESCO: WESCO Distribution, Inc.

2.2 Other Definitional Provisions. (a) The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement.

(b) Terms defined in the singular have the same meaning when used in the plural, and vice versa.

(c) References to "Sections", "Exhibits" and "Schedules" refer to Sections of, and Exhibits and Schedules to, this Agreement (as each of the same may be amended in accordance with the terms hereof), unless otherwise specified.

ARTICLE III

REPRESENTATIONS AND WARRANTIES AS TO THE PARTICIPATING SECURITYHOLDERS

With respect to Sections 3.1 through 3.5, each Participating Securityholder, and with respect to Section 3.6, each Management Participating Securityholder, as to itself, severally and not jointly represents and warrants to the Investor and the Company as follows:

3.1 Authorization, etc. Such Securityholder has full power, authority and legal capacity to enter into this Agreement and any Custody Agreement to which such Securityholder is a party and to perform such Securityholder's obligations hereunder and thereunder. If such Securityholder is not a natural person, the execution and delivery by such Securityholder of this Agreement and any Custody Agreement to which such Securityholder is a party, and the consummation by such Securityholder of the transactions contemplated hereby and thereby have been duly authorized by all requisite partnership or corporate action, as the case may be, of such Securityholder. This Agreement and any Custody Agreement to which such Securityholder is a party have been duly executed and delivered by such Securityholder and constitute the legal, valid and binding obligations of such Securityholder enforceable against such Securityholder in accordance with their respective terms.

3.2 Conflicts; Consents. (a) Conflicts. Except as set forth in Schedule 3.2(a), the execution and delivery by such Securityholder of this Agreement and any Custody Agreement to which such Securityholder is a party, and the consummation by such Securityholder of the transactions contemplated hereby and thereby, do not and will not conflict with, or result in any violation of, or default under (or any event that, with notice or lapse of time or both, would constitute a default under), or give rise to any right of termination, cancellation or acceleration of any obligation or loss of material benefit under, or result in the creation of a Lien on any property or assets of such Securityholder pursuant to, any provision of (i) if such

Securityholder is not a natural person, such Securityholder's Organizational Documents, (ii) any mortgage, indenture, loan agreement, note, bond, deed of trust, other agreement, commitment or obligation for the borrowing of money or the obtaining of credit, lease or other agreement, contract, license, franchise, permit or instrument to which such Securityholder is a party or by which such Securityholder or such Securityholder's Shares may be bound, or (iii) any judgment, order, decree, law, statute, rule or regulation applicable to such Securityholder or to such Securityholder's Shares, other than, in the case of clause (ii) or (iii), any conflicts, violations, defaults, terminations, cancellations, accelerations, losses of benefits or Liens that, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on such Securityholder's ability to consummate the transactions contemplated by this Agreement or any Custody Agreement to which such Securityholder is a party.

(b) Consents. Except (i) as set forth in Schedule 3.2(b), (ii) as may be required under the HSR Act or the Competition Act (Canada) and (iii) for any Consents where the failure to obtain such Consents, either in any individual case or in the aggregate, would not reasonably be expected to have a material adverse effect on such Securityholder's ability to consummate the transactions contemplated by this Agreement or any Custody Agreement to which such Securityholder is a party: no Consent of or with any court, Governmental Entity or third person is required to be obtained or made by such Securityholder in connection with the execution and delivery by such Securityholder of this Agreement or any Custody Agreement to which such Securityholder is a party or consummation by such Securityholder of the transactions contemplated herein or therein.

3.3 Title to Repurchased Shares, Investor Purchased Shares and Surrendered Options. Such Securityholder owns beneficially and of record and free and clear of any Liens, (a) if such Securityholder is a Non-Management Securityholder, the number of Repurchased Shares set forth opposite such Securityholder's name in the column entitled "Number of Repurchased Shares" in Part A of Schedule 1.1, (b) if such Securityholder is a Management Securityholder, the number of Investor Purchased Shares set forth opposite such Securityholder's name in the column entitled "Number of Investor Purchased Shares" in Part B of Schedule 1.1, (c) if such Securityholder is a Non-Management Option Holder, the number of Options set forth opposite such Securityholder's name in the column entitled "Number of Surrendered Options" in Part A of Schedule 1.2, and (d) if such Securityholder is a Management Option Holder, the number of Options set forth opposite such Securityholder's name in the column entitled "Number of Surrendered Options" in Part B of Schedule 1.2. Upon the delivery of, and payment for, such Securityholder's Surrendered Options at the Closing as provided in this Agreement, such Securityholder will transfer to the Company good and valid title

to such Surrendered Options, free and clear of any Lien. If such Securityholder is a Non-Management Securityholder, upon the delivery of, and payment for, such Securityholder's Repurchased Shares at the Closing as provided in this Agreement, such Securityholder will transfer to the Company good and valid title to such Repurchased Shares, free and clear of any Lien. If such Securityholder is a Management Securityholder, upon the delivery of, and payment for, such Securityholder's Investor Purchased Shares at the Closing as provided in this Agreement, such Securityholder will transfer to the Investor good and valid title to such Investor Purchased Shares, free and clear of any Lien.

3.4 Litigation. There is no action, claim, suit, arbitration or proceeding pending or, to such Securityholder's knowledge, threatened against such Securityholder and there is no investigation pending or, to such Securityholder's knowledge, threatened against such Securityholder, in each case, before any court or Governmental Entity, that could have a material adverse effect on such Securityholder's ability to consummate the transactions contemplated by this Agreement or any Custody Agreement to which such Securityholder is a party.

3.5 Brokers and Finders. Such Securityholder has not employed any broker, finder or investment banker in connection with the transactions contemplated herein so as to give rise to any claim against the Company or the Investor for any brokerage, finder's or investment banker's commission, fee or similar compensation.

3.6 Unregistered Shares. Such Securityholder (a) has received from or on behalf of the Company and the Investor all information (financial and otherwise) necessary for such Securityholder to have a material understanding of the Company and its Subsidiaries, their respective businesses and the merits and risks of consummating the transactions contemplated by this Agreement to be consummated by such Securityholder, including, but not limited to, (i) a copy of the Company's Registration Statement on Form S-1 (file no. 333-43225), as amended by the Amendment No. 1 to Registration Statement on Form S-1 filed with the Securities and Exchange Commission (the "SEC") on March 10, 1998 (the "Form S-1"), and (ii) a copy of the Offer Notice, (b) is retaining his or her Rolled Over Shares and Rolled Over Options for his or her account for investment and not with a view to the distribution thereof, (c) has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the retention of his or her Rolled Over Shares and Rolled Over Options, (d) has had the opportunity to ask questions and receive answers concerning the terms and conditions of the transactions contemplated by this Agreement and to obtain any additional information which the Company or the Investor possesses or can acquire without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such Securityholder in connection with this Agreement and

(e) understands that neither his or her Rolled Over Shares nor Rolled Over Options have been registered under the Securities Act of 1933, as amended (the "Securities Act"), and therefore such Shares and Options cannot be resold unless they are registered under the Securities Act or an exemption from such registration is available.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES AS TO THE COMPANY AND ITS SUBSIDIARIES

The Participating Securityholders and the Company jointly and severally represent and warrant to the Investor as follows:

4.1 Corporate Status, etc. (a) Organization. Schedule 4.1 lists all of the Company's Subsidiaries and their respective jurisdictions of incorporation. Each of the Company and its Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has full corporate power and authority to own, lease and operate its properties and to carry on its business as presently conducted.

(b) Qualification. Each of the Company and its Subsidiaries is duly qualified to do business and in good standing as a foreign corporation in all jurisdictions in which the failure to be so qualified would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Organizational Documents. The Company has made available to the Investor complete and correct copies of the Organizational Documents of the Company and each of its Subsidiaries, as in effect on the date hereof.

(d) Corporate Records. The Investor has been given the opportunity to inspect the corporate minutes and stock transfer books of the Company and each of its Subsidiaries.

(e) Authorization, etc. The Company has full corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of the Company. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligations of the Company enforceable against the Company in accordance with its terms.

4.2 Capitalization. (a) The Company. The authorized capital stock of the Company consists of (i) 2,000,000 shares of

Class A Common Stock, of which (A) as of the date hereof, there are issued and outstanding 1,026,510 shares, (B) as of the Closing Date, there will be issued and outstanding 1,026,510 shares plus the number of any New Shares issued pursuant to Section 1.4(c), which shall not exceed 600, (C) as of the date hereof, there are subject to issuance upon exercise of the outstanding Options 230,844 shares, (D) as of the Closing Date, there will be subject to issuance upon exercise of the outstanding Options 230,844 shares plus the number of shares issuable upon exercise of any New Options granted pursuant to Section 1.4(c), which shall not exceed 780, and (E) 1,290 shares are held by the Company in its treasury, and (ii) 2,000,000 shares of Class B Common Stock, par value $.01 per share, none of which shares are outstanding. The Shares constitute all of the issued and outstanding capital stock of the Company, have been duly authorized and validly issued and are fully paid and nonassessable. The Newly Issued Shares to be issued and sold to the Investor have been duly authorized and, when issued and sold to the Investor in accordance with the terms of this Agreement, such shares will be validly issued, fully paid and nonassessable. Schedule 1.1 lists all Persons owning of record any Shares and specifying for each such Person the number of Shares owned by such Person.

(b) Subsidiaries. Schedule 4.2(b) lists for each Subsidiary of the Company the shares of capital stock of such Subsidiary that are authorized, the shares of capital stock of such Subsidiary that are issued and outstanding and the Persons owning such issued and outstanding shares. All issued and outstanding shares of capital stock of the Company's Subsidiaries have been duly authorized and validly issued and are fully paid and nonassessable and are owned by the Persons listed in Schedule 4.2(b), free and clear of any Liens. Except for the shares of capital stock of the Company's Subsidiaries and except as listed on Schedule 4.2(b), the Company does not own any capital stock or other equity interest in any other Person.

(c) Options. As of the date hereof, there are outstanding options to acquire 230,844 shares of Class A Common Stock. As of the Closing Date, there will be outstanding options to acquire 230,844 shares plus the number of shares issuable upon exercise of any New Options granted pursuant to Section 1.4(c), which shall not exceed 780. The Options constitute all of the outstanding options to acquire any shares of capital stock of the Company. Schedule 1.2 lists all Persons owning of record any Options, the number of shares of Class A Common Stock issuable upon exercise of the Options owned by such Person and the exercise price of the Options owned by such Person. There are no options outstanding to acquire any shares of capital stock of any of the Company's Subsidiaries. Except for the Rolled Over Options, no Options will be outstanding after the Closing.

(d) Agreements with Respect to Securities of the Company and its Subsidiaries. Except (i) as set forth in

Schedule 1.2 and Schedule 4.2(d) and (ii) as provided in this Agreement and the Equity Agreements, there are no (A) preemptive or similar rights on the part of any holders of any class of securities of the Company or any of its Subsidiaries; (B) subscriptions, options, warrants, conversion, exchange or other rights, agreements or commitments of any kind obligating the Company or any of its Subsidiaries to issue or sell, or cause to be issued and sold, any shares of capital stock of the Company or any of its Subsidiaries or any securities convertible into or exchangeable for any such shares; (C) stockholder agreements, voting trusts or other agreements or understandings to which the Company or any of its Subsidiaries or any Securityholder is a party or to which the Company or any of its Subsidiaries or any Securityholder is bound relating to the voting, registration, transfer, purchase, redemption or other acquisition of any shares of the capital stock of the Company or any of its Subsidiaries; (D) outstanding dividends, whether current or accumulated, due or payable on any of the capital stock of the Company or any of its Subsidiaries; or (E) issued and outstanding bonds, debentures, notes or other indebtedness of the Company or any of its Subsidiaries that have the right to vote (or are convertible into, or exchangeable for, any securities that have the right to vote) on any matters on which the stockholders of the Company or any of its Subsidiaries may vote.

4.3 Conflicts; Consents. (a) Conflicts. Except as set forth in Schedule 4.3(a), the execution and delivery of this Agreement by the Participating Securityholders and the Company, and the consummation by the Participating Securityholders and the Company of the transactions contemplated hereby, do not and will not conflict with, or result in any violation of, or default under (or any event that, with notice or lapse of time or both, would constitute a default under), or give rise to any right of termination, cancellation or acceleration of any obligation or loss of material benefit under, or result in the creation of a Lien on any property or assets of the Company or any of its Subsidiaries pursuant to, any provision of (i) the Organizational Documents of the Company or any of its Subsidiaries, (ii) any mortgage, indenture, loan agreement, note, bond, deed of trust, other agreement, commitment or obligation for the borrowing of money or the obtaining of credit, lease (including the Leases) or other agreement, contract, license, franchise, permit or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries may be bound, or (iii) any judgment, order, decree, law, statute, rule or regulation applicable to the Company or any of its Subsidiaries, other than, in the case of clause (ii) or (iii), any conflicts, violations or defaults, terminations, cancellations, accelerations, losses of benefits or Liens that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(b) Consents. Except (i) as set forth in Schedule 4.3(b), (ii) as may be required under the HSR Act and

the Competition Act (Canada) and (iii) for any Consents where the failure to obtain such Consents, either in any individual case or in the aggregate, would not reasonably be expected to have a Material Adverse Effect: no Consent of or with any court, Governmental Entity or third person is required to be obtained by the Company or any of its Subsidiaries in connection with the execution and delivery of this Agreement by the Company or the consummation by the Company of the transactions contemplated hereby or the ownership and operation by the Company and its Subsidiaries of their respective businesses and properties subsequent to the Closing in substantially the same manner as previously owned and operated by the Company and its Subsidiaries (assuming no circumstance peculiar to the Investor unknown to the Participating Securityholders and not applicable to the Securityholders).

4.4 Financial Statements. (a) The Company has delivered to the Investor complete and correct copies of audited consolidated statements of operations, changes in stockholders' equity and cash flows of the Company and its Subsidiaries for the fiscal years ended December 31, 1995, December 31, 1996 and December 31, 1997 and audited consolidated balance sheets of the Company and its Subsidiaries as at such dates (the "Financial Statements"), together with the notes thereto, in each case audited by Coopers & Lybrand, the Company's certified public accountants. The Financial Statements have been prepared in accordance with generally accepted accounting principles ("GAAP") consistently applied throughout the periods indicated and present fairly in all material respects the financial condition of the Company and its Subsidiaries on a consolidated basis at the respective dates indicated and the results of operations and cash flows of the Company and its Subsidiaries on a consolidated basis for the respective periods indicated.

(b) The Company has delivered to the Investor a pro forma unaudited consolidated balance sheet of the Company and its Subsidiaries as at December 31, 1997 (the "Pro Forma Balance Sheet"), giving effect as of such date to the acquisitions of the electrical distribution business of Avon Electrical Supplies, Inc. and its affiliates and Brown Wholesale Electric Company (the "Acquired Companies"). The Pro Forma Balance Sheet (i) presents fairly in all material respects the financial position of the Company and its Subsidiaries on a consolidated basis at such date on such pro forma basis and (ii) has been prepared on bases reflecting the best estimates and judgments of the Company, at the time of preparation and delivery of the Pro Forma Balance Sheet, as to the operations and financial condition of the Acquired Companies.

4.5 Events Subsequent to Latest Financial Statements. Except as set forth in Schedule 4.5, since December 31, 1997, the business of the Company and its Subsidiaries has been operated only in the ordinary course of business consistent with past custom and practice (including,

without limitation, with respect to quantity and frequency) (the "Ordinary Course of Business") and there has not been any (a) Material Adverse Change, (b) damage, destruction or other casualty loss with respect to any asset or property owned, leased or otherwise used by the Company or any of its Subsidiaries, whether or not covered by insurance, which has had, or would reasonably be expected to have, a Material Adverse Effect, (c) strike, lockout, work stoppage or slowdown by employees of the Company or any of its Subsidiaries, in each case, whether actual or, to the knowledge of the Company and the Participating Securityholders, threatened, which has had, or would reasonably be expected to have, a Material Adverse Effect or (d) action or event that would be prohibited under clause (f), (i), (j), (k), (l), (m), (n), (o)(i) or (p) of Section 6.1 had such action or event been taken by the Company or any of its Subsidiaries after the date hereof.

4.6 Tax Matters. (a) Filing of Returns and Payment of Taxes. Except as set forth in Schedule 4.6(a), all material Tax Returns required to be filed on or before the Closing Date have (or by the Closing Date will have) been duly filed or the time for filing such Tax Returns shall have been validly extended to a date after the Closing Date. Except for Taxes set forth in Schedule 4.6(a) or as reflected or reserved against in the Financial Statements (other than in respect of deferred taxes), the following Taxes (collectively, "Company Taxes") have (or by the Closing Date will have) been duly paid: (i) all material Taxes shown to be due on such Tax Returns and (ii) all material Taxes due and payable on or before the Closing Date that are or may become payable by the Company or any of its Subsidiaries or chargeable as a Lien upon the assets thereof (whether or not shown on any Tax Return). Except as set forth in Schedule 4.6(a), all material Employment and Withholding Taxes required to be withheld and paid on or before the Closing Date have (or by the Closing Date will have) been duly paid to the proper Governmental Entity or properly set aside in accounts for such purpose.

(b) Extensions, etc. Except as set forth in Schedule 4.6(b), no written agreement or other document extending, or having the effect of extending, the period of assessment or collection of any Company Taxes or Employment and Withholding Taxes, and no power of attorney with respect to any such Taxes, has been executed or filed with the IRS or any other taxing authority.

(c) Tax Filing Groups; Income Tax Jurisdictions. Except as set forth in Schedule 4.6(c), neither the Company nor any of its Subsidiaries is or has been at any time a member of any affiliated, consolidated, combined or unitary group for purposes of filing Income Tax Returns or paying Income Taxes. Set forth in Schedule 4.6(c) are all countries, states, provinces, cities or other jurisdictions in which the Company and its Subsidiaries currently file or have filed within the last

year an Income Tax Return.

(d) Copies of Returns; Audits; etc. The Company has (or by the Closing Date will have) made available to the Investor complete and accurate copies of all Tax Returns with respect to all periods beginning on or after February 28, 1994 that have been filed or will be required to be filed (after giving effect to all valid extensions of time for filing) on or before the Closing Date. Except as set forth in Schedule 4.6(d), (i) no material Company Taxes or material Employment and Withholding Taxes have been asserted in writing by any Governmental Entity since February 28, 1994 to be due, (ii) no revenue agent's report or written assessment for Taxes has been issued by any Governmental Entity in the course of any audit that has been completed since February 28, 1994 with respect to material Company Taxes or material Employment and Withholding Taxes, and (iii) no material issue has been raised by any Governmental Entity in the course of any audit that has not been completed with respect to material Company Taxes or material Employment and Withholding Taxes, which issue has been raised in a writing that has been received by the Company. Schedule 4.6(d) sets forth the Tax Returns with respect to U.S. federal Income Taxes that have been audited or are currently under audit. Except as set forth in Schedule 4.6(d), no other Tax Return is currently under audit by any other taxing authority, and no Employment and Withholding Taxes are currently under audit by any taxing authority. Except as set forth in Schedule 4.6(d), neither the IRS nor any other taxing authority is now asserting in writing against the Company or any of its Subsidiaries any material deficiency or claim for additional Taxes or any material adjustment of Taxes.

(e) Section 1445(a) of the Code. Neither the Company nor the Investor will be required to deduct and withhold any amount pursuant to section 1445(a) of the Code upon the transfer of the Repurchased Shares to the Company or the Investor Purchased Shares to the Investor pursuant to this Agreement.

(f) Tax Sharing Agreements. Except as set forth in Schedule 4.6(f) (all of which agreements or arrangements will be terminated as of the Closing Date), neither the Company nor any of its Subsidiaries is a party to or bound by or has any obligation under any Tax sharing agreement or arrangement.

(g) No closing agreement pursuant to section 7121 of the Code (or any predecessor provision) or any similar provision of any state, local, or foreign law has been entered into by or with respect to the Company or any of its Subsidiaries and no ruling has been received by the Company or any of its Subsidiaries from any taxing authority.

(h) No consent to the application of section 341(f)(2) of the Code (or any predecessor provision) has been made or filed by or with respect to the Company or any of its Subsidiaries or any of their assets or properties. None of the assets or

properties of the Company or any of its Subsidiaries is an asset or property that is or will be required to be treated (i) as described in section 168(f)(8) of the Internal Revenue Code of 1954, as amended and in effect immediately before the enactment of the Tax Reform Act of 1986, or (ii) tax-exempt use property within the meaning of section 168(h)(1) of the Code.

(i) The Company and each of its Subsidiaries have not agreed to make and are not required to make any adjustment under Section 481(a) of the Code, by reason of a change in accounting method or otherwise.

(j) Neither the Company nor any of its Subsidiaries has issued or assumed (i) any obligations described in Section 279(a) of the Code, (ii) any applicable high yield discount obligations, as defined in Section 163(i) of the Code, or (iii) any registration-required obligations, within the meaning of Section 163(f)(2) of the Code, that is not in registered form.

(k) Without limiting the foregoing representations in any way, the Company and each of its Subsidiaries have collected all material sales and use Taxes required to be collected, and have remitted, or will remit on a timely basis, such amounts to the appropriate governmental authorities, or have been furnished properly completed exemption certificates.

4.7 Litigation. Except as set forth in Schedule 4.7, there is no action, claim, suit, arbitration or proceeding pending or, to the knowledge of the Company and the Participating Securityholders, threatened against the Company or any of its Subsidiaries and there is no investigation pending or, to the knowledge of the Company and the Participating Securityholders, threatened against the Company or any of its Subsidiaries, in each case, before any court or Governmental Entity, that would reasonably be expected to have a Material Adverse Effect.

4.8 Compliance with Laws. Except (a) as set forth in Schedule 4.8, and (b) as to matters relating to Environmental Law, the businesses of each of the Company and its Subsidiaries have not been, and are not being, conducted in violation of their internal policies and procedures or of any law, ordinance, regulation, judgment, order, decree, license or permit of any Governmental Entity, except for possible violations which individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect. Except (i) as set forth in Schedule 4.8, and (ii) as to matters relating to Environmental Law, no investigation or review by any Governmental Entity with respect to the Company or any of its Subsidiaries is pending, or to the knowledge of the Company and the Participating Securityholders, threatened, nor has any Governmental Entity indicated an intention to conduct the same, in each case other than those the outcome of which would not reasonably be expected to have a Material Adverse Effect.

4.9 Employee Benefits. (a) Schedule 4.9(a) contains a complete and accurate list of all material bonus, incentive or deferred compensation, pension, retirement, profit-sharing, savings, stock purchase, stock option or other equity-based, severance, welfare and fringe benefit plans, programs, policies or arrangements, other than immaterial pay or similar policies, sponsored by the Company or any of its Subsidiaries or to which the Company or any of its Subsidiaries is required to contribute or under which any employee or former employee of Company or any of its Subsidiaries has any present or future benefits or under which the Company or any Subsidiary has any present or future liability (the "Plans").

(b) Each Plan has been operated and administered in accordance with its terms and with applicable law, including, but not limited to, the Employment Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code, where applicable, except for any failure to so operate and administer any Plan that would not reasonably be expected to have a Material Adverse Effect. Each Plan which is an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA (a "Pension Plan") and which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the IRS or an application is currently pending with the IRS, each Pension Plan is so qualified and there are no circumstances likely to result in revocation of any such favorable determination letter. With respect to Plans in Canada, each such Plan, where applicable, is registered in compliance with all applicable laws and the Company is not aware of any circumstances likely to result in a revocation of the registration of any Plan in Canada. Except as set forth in Schedule 4.9(b), there is no material pending or, to the knowledge of the Company and the Participating Securityholders, threatened legal action, suit or claim relating to the Plans. Neither the Company nor any of its Subsidiaries has engaged in a transaction with respect to any Plan that, assuming the taxable period of such transaction expired as of the date hereof, would reasonably be expected to subject the Company or any of its Subsidiaries to a tax or penalty imposed by either section 4975 of the Code or section 502(i) of ERISA in an amount which would be material.

(c) No Plan is (i) subject to Title IV of ERISA or section 302 of the Code or, with respect to Plans in Canada, subject to an order by any regulatory authority to wind up the Plans, or (ii) a "multi-employer pension plan" within the meaning of Section 1 of the Ontario Pension Benefits Act, or any similar applicable statute, or a multiple employer plan, within the meaning of Section 4063 of ERISA.

(d) All material contributions required to be made under the terms of any Plan or applicable law have been timely made.

(e) With respect to each Plan, the Company has

provided or made available to the Investor true and complete copies of the following documents, to the extent applicable: (i) all of the most recent Plan documents and all amendments thereto; (ii) all of the most recent trust instruments and insurance contracts; (iii) the three most recent Forms 5500 filed with the IRS or with respect to Plans in Canada, evidence that the Plan is duly registered with all applicable regulatory authorities; (iv) the most recent summary plan description; and (v) the most recent determination letter issued by the IRS.

(f) No event has occurred and no condition exists that would subject the Company or its Subsidiaries, either directly or by reason of their affiliation with any member of their "Controlled Group" (defined as any organization which is a member of a controlled group of organizations within the meaning of Code sections 414(b), (c), (m) or (o)), to any tax, fine, lien, penalty or other liability imposed by ERISA, the Code or other applicable laws, rules and regulations.

(g) Except as contemplated by Section 1.2(b) or set forth in Schedule 4.9(g), the consummation of the transactions contemplated by this Agreement will not: (i) entitle any employee to any severance pay, unemployment compensation or other similar payment or (ii) result in the acceleration of the timing of payment of any compensation payable to any employee or the vesting of any benefit of any such employee.

(h) With respect to any multiemployer plan (within the meaning of ERISA section 4001(a)(3)) to which the Company, its Subsidiaries or any member of their Controlled Group has any liability or contributes (or has at any time contributed or had an obligation to contribute): (i) none of the Company, its Subsidiaries or any member of their Controlled Group has incurred any material withdrawal liability under Title IV of ERISA or would be subject to such material liability if, as of the Closing, the Company, its Subsidiaries or any member of their Controlled Group were to engage in a complete withdrawal (as defined in ERISA section 4203) or partial withdrawal (as defined in ERISA section 4205) from any such multiemployer plan; and (ii) no such multiemployer plan is in reorganization or insolvent (as those terms are defined in ERISA sections 4241 and 4245, respectively).

4.10 Permits. The Company and each of its Subsidiaries have all permits, licenses, franchises, rights, waivers and authorizations that are necessary for them to own, lease or operate their properties and assets and to conduct their operations in the manner in which they are presently conducted (collectively, "Permits"), other than any Permits where the failure to have such Permit, in any individual case or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No event has occurred or other fact exists with respect to the Permits that allows, or after notice or lapse of time or both would allow, revocation or termination of any of the

Permits or would result in any other impairment of the rights of the holder of any of the Permits that individually or in the aggregate would reasonably be expected to have a Material Adverse Effect. There is not pending or, to the knowledge of the Company and the Participating Securityholders, threatened, any application, petition, objection or other pleading with any Governmental Entity that challenges or questions the validity of or any rights of the holder under any Permit, except for such applications, petitions, objections or other pleadings that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.11 Owned Real Property. (a) Schedule 4.11(a) contains a complete and correct list of all real property currently owned by the Company or any of its Subsidiaries (the "Owned Real Property").

(b) The Company or one of its Subsidiaries, as the case may be, has good and marketable fee simple title to the Owned Real Property free and clear of any Liens, except (i) those Liens set forth in Schedule 4.11(b), (ii) Liens reflected or reserved against in the Financial Statements, (iii) (A) Liens for taxes and assessments not yet due and payable or that are being contested in good faith and by appropriate proceeding and (B) Liens of warehousemen, mechanics and materialmen and other similar statutory Liens incurred in the Ordinary Course of Business, which Liens, in the case of clauses (A) and (B), individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, and (iv) Liens (other than consensual Liens securing indebtedness) that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect (such Liens described in the preceding clauses (i), (ii), (iii) and (iv), the "Permitted Liens").

(c) Except as set forth in Schedule 4.11(c), there are no outstanding options or rights of first refusal to purchase the Owned Real Property, or any portion thereof or interest therein.

(d) The Owned Real Property and the Leased Real Property (collectively, the "Real Property"), together with easements appurtenant thereto, include all of the real property used or held for use in connection with or otherwise required to carry on the business of the Company and its Subsidiaries.

(e) There are no proceedings in eminent domain or other similar proceedings pending, or to the knowledge of the Company and the Participating Securityholders, threatened affecting any portion of the Owned Real Property that would reasonably be expected to have a Material Adverse Effect.

(f) Except with respect to matters relating to Environmental Law, the current use and operation of the Owned Real Property does not violate any applicable building, zoning, subdivision and other land use or similar laws, codes,

ordinances, rules, regulations and orders of Governmental Entities (collectively, the "Real Property Laws"), other than those violations (i) disclosed in Schedule 4.11(f) or (ii) that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect, and neither the Company nor any of its Subsidiaries has received any written notice of violation or claimed violation of any Real Property Law relating to the Owned Real Property, other than as disclosed in Schedule 4.11(f).

4.12 Leases. (a) Schedule 4.12 contains a complete and correct list of all real property leases to which the Company or any of its Subsidiaries is a party or is bound (the "Leases"). The Company has made available to Investor correct and complete copies of the Leases. Pursuant to the Leases, the Company or its Subsidiaries hold good and valid leasehold title to the Leased Real Property, in each case in accordance with the provisions of the applicable Lease, free and clear of all Liens, except for Permitted Liens, but subject to Liens encumbering the fee title to the Leased Real Property. Except as disclosed in Schedule 4.12, (i) each of the Leases is valid and legally binding, enforceable and in full force and effect, and (ii) neither the Company nor any of its Subsidiaries, and to the knowledge of the Company and the Participating Securityholders no other party, is in default under any Lease, except (x) in the case of clause (i), as such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws affecting creditors generally and by the availability of equitable remedies, and (y) in the cases of clauses (i) and (ii), for such failures to be enforceable or such defaults as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any of its Subsidiaries has received written notice of a proceeding in eminent domain or other similar proceeding affecting the Leased Real Property that would reasonably be expected to have a Material Adverse Effect.

(c) The present use and operation of the Leased Real Property does not violate any Real Property Laws, except to the extent such violations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and neither the Company nor any of its Subsidiaries has received any notice of violation or claimed violation of any Real Property Law relating to the Leases, except to the extent such violations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.13 Personal Property; Condition of Assets. (a) Except as set forth in Schedule 4.13 and except for intangible assets which are the subject of Section 4.14, the Company or one of its Subsidiaries has good title to, or a valid leasehold interest in, all personal properties and assets other than Real Property that are material to the business and operations of the

Company and its Subsidiaries taken as a whole, free and clear of any Liens, except for the Permitted Liens.

(b) All of the Company's and each of its Subsidiaries' equipment in regular use has been well maintained and is in good and serviceable condition, reasonable wear and tear excepted, except where the failure to be so maintained or in such condition would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.14 Intellectual Property. (a) Schedule 4.14(a) sets forth a complete and correct list, as of the date hereof, of all Intellectual Property (as defined below). The term "Intellectual Property" means all trademarks, service marks, trade names, copyrights, software (other than commercially available software), proprietary technology, inventions and patents, including registrations and applications to register or renew the registration of any of the foregoing, that are owned by the Company or any of its Subsidiaries and are material to the conduct of the business of the Company, but "Intellectual Property" shall not include the name or mark "WESCO." To the knowledge of the Company and the Participating Securityholders, except as set forth in Schedule 4.14(a), (i) the use of the Intellectual Property by the Company or any of its Subsidiaries as currently used does not infringe on the rights of any third party and (ii) there is no claim of any Person that challenges the rights of the Company or any of its Subsidiaries in respect of any Intellectual Property; except in each case for infringements or claims that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. The Company confirms that it and its Subsidiaries have been using and are using the name and mark "WESCO" in commerce in the Ordinary Course of Business.

(b) Schedule 4.14(b) sets forth a complete and correct list, as of the date hereof, of all Licenses (as defined below). The term "Licenses" means all material written licenses to which the Company or any of its Subsidiaries is a party, pursuant to which (i) the Company or such Subsidiary grants any Person any royalty-bearing or exclusive right to use any of the Intellectual Property, or (ii) any person or entity grants the Company or such Subsidiary the right to use any trademarks, service marks, trade names, copyrights, software (other than commercially available software), proprietary technology, inventions or patents not owned by the Company or any of its Subsidiaries that are material to the conduct of the business of the Company or any of its Subsidiaries as currently conducted. The Company has furnished or made available to the Investor complete and correct copies of the Licenses listed in Schedule 4.14(b). Neither the Company nor any of its Subsidiaries, nor, to the knowledge of the Company and the Participating Securityholders, any other party thereto, is in default under any License, and each License is in full force and effect as to the Company or Subsidiary thereof party thereto, and to the knowledge of the Company and the Participating

Securityholders, as to each other party thereto, except for such defaults and failures to be so in full force and effect as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.15 Contracts. (a) Schedule 4.15 contains a complete and correct list, as of the date hereof, of all Contracts (as defined below). The term "Contracts" means all of the following types of contracts and agreements to which the Company or any of its Subsidiaries is a party, excluding any Leases, Licenses and Plans:

(i) all contracts and agreements with current or former directors, officers, other employees, consultants or advisors of the Company or a Subsidiary thereof, which contract or agreements are in effect as of the date hereof;

(ii) all contracts and agreements with sales representatives of the Company or a Subsidiary thereof, other than (x) contracts and agreements that by their terms may be terminated or canceled by the Company or a Subsidiary thereof with notice of not more than 60 days, without penalty, and (y) contracts and agreements that provide for payments based solely on products sold and require no minimum payments;

(iii) all collective bargaining agreements with any labor union currently representing employees of the Company or any of its Subsidiaries;

(iv) all mortgages, pledges, conditional sales contracts, indentures, security agreements, notes, loan agreements or guarantees of the obligations of a third party (other than the Company or any of its Subsidiaries);

(v) joint venture, limited partnership and limited liability company agreements, shareholders agreements and other similar agreements;

(vi) contracts, agreements and other instruments and arrangements (excluding individual purchase orders) for the purchase by the Company and its Subsidiaries of materials, supplies, products or services, and contracts, agreements and other instruments or arrangements (excluding individual purchase orders) for the sale or provision by the Company and its Subsidiaries of materials, supplies, products or services, in each case, not terminable on notice of 60 days or less without penalty, and under which the amount that would reasonably be expected to be paid or received by the Company exceeds $500,000 per annum or $2,500,000 in the aggregate;

(vii) all contracts, agreements or commitments relating to capital expenditures in excess of $500,000;

(viii) all contracts or agreements with any Person containing any provision or covenant prohibiting or materially limiting the ability of the Company or any of its Subsidiaries to engage in any business activity (or in any geographical area) or to compete with any Person;

(ix) all contracts or agreements that (A) limit or contain restrictions on the ability of the Company or any of its Subsidiaries to declare or pay dividends on, to make any other distributions in respect of or to issue or purchase, redeem or otherwise acquire its capital stock; to incur indebtedness, to incur or suffer to exist any Lien, to purchase any properties or assets or (B) would be terminable by the other party thereto, or result in any penalty or payment premium, upon consummation of the transactions contemplated by this Agreement;

(x) all contracts or agreements (other than this Agreement and any contract or agreement listed pursuant to clause (i) above) between the Company or any of its Subsidiaries, on the one hand, and any director, officer, stockholder or Affiliate of the Company or its Subsidiaries, on the other hand; and

(xi) any contract or agreement entered into other than in the ordinary course of business involving aggregate payments in excess of $1,000,000, to be made by or to the Company or any of its Subsidiaries after the date hereof, including, without limitation, any merger agreement, stock or asset purchase agreement or other acquisition agreement which contains "earn out", deferred payment or other delayed or contingent payments to be made thereunder.

(b) The Company has furnished or made available to the Investor complete and correct copies of the Contracts listed in Schedule 4.15, as in effect on the date hereof. Neither the Company nor any of its Subsidiaries, nor, to the knowledge of the Company and the Participating Securityholders, any other party thereto, is in default under any Contract, and each Contract is in full force and effect as to the Company or Subsidiary thereof party thereto, and to the knowledge of the Company and the Participating Securityholders, as to each other party thereto, except for such defaults and failures to be so in full force and effect as would not reasonably be expected to have a Material Adverse Effect.

4.16 Insurance. Schedule 4.16 sets forth a complete and correct list and description of all of the policies of liability, property, workers' compensation, life, employee fidelity, and other forms of insurance or bonds carried by the Company or any of its Subsidiaries on the date of this Agreement for the benefit of or in connection with the business of the Company and its Subsidiaries and the applicable termination or renewal dates of such policies. Each such policy is in full

force and effect and no notice of termination or cancellation of any such policy has been received by the Company or any of its Subsidiaries. There is no breach by the Company or any of its Subsidiaries or, to the knowledge of the Company and the Participating Securityholders, by any other party of any term or condition of any policy. All policy premiums due and payable prior to the Closing have been or will be (on or prior to the Closing Date) paid up to and through the Closing.

4.17 Environmental Matters. Except as disclosed in Schedule 4.17 (provided that any environmental assessments, audits or studies listed on Schedule 4.17 shall qualify the representations and warranties in this Section 4.17 only to the extent that such assessment, audits and studies provide the Investor with reasonable notice of the environmental condition upon which such qualification is based), or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect:

(a) The Company and its Subsidiaries are and have been in compliance with all applicable Environmental Laws;

(b) The Company and its Subsidiaries have obtained, and are and have been in compliance with, all permits and authorizations required under applicable Environmental Laws;

(c) Neither the Company nor any of its Subsidiaries has received any notice of violation, alleged violation, non-compliance, liability or potential liability regarding Environmental Laws;

(d) No judicial proceeding or governmental or administrative action or investigation is pending or, to the knowledge of the Company and the Participating Securityholders, threatened, under or relating to any applicable Environmental Law pursuant to which the Company or any of its Subsidiaries is or will be named as a party or would otherwise incur liability;

(e) Neither the Company nor any of its Subsidiaries has entered into any agreement with any Governmental Entity pursuant to which the Company or any of its Subsidiaries has assumed or otherwise incurred responsibility for the investigation, monitoring or remediation of any condition resulting from or relating to the release, treatment, storage or disposal of Hazardous Substances or any violation of Environmental Laws.

(f) There are no circumstances, conditions or events that could result in claims or liability for the Company or any of its Subsidiaries pursuant or relating to any Environmental Law;

(g) All environmental site assessments, compliance audits and similar environmental studies relating to

environmental conditions at the Company or any of its Subsidiaries have been made available to the Investor.

4.18 Labor Matters. Except as set forth in Schedule 4.18, (a) there is no labor strike, dispute, or stoppage pending or, to the knowledge of the Company and the Participating Securityholders, threatened against the Company or its Subsidiaries, and, since February 28, 1994, neither the Company nor any of its Subsidiaries has experienced any labor strike, dispute or stoppage or other material labor difficulty; (b) the Company and its Subsidiaries have complied with all applicable labor laws in connection with the employment of their respective employees, except for any failure to comply that would not reasonably be expected to have a Material Adverse Effect; and (c) except as set forth in Schedule 4.18, neither the Company nor any of its Subsidiaries is a party to or bound by any Contract or other agreement with any labor union or association representing its respective employees.

4.19 Information in Form S-1. The Form S-1 (including any amendments or supplements thereto) does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

4.20 Brokers and Finders. Neither the Company nor any of its Subsidiaries has employed any broker, finder or investment banker in connection with the transactions contemplated herein so as to give rise to any claim against the Investor for any brokerage, finder's or investment banker's commission, fee or similar compensation, except that the Company has employed Goldman, Sachs & Co. and Merrill Lynch & Co. as its financial advisers, the arrangements with which have been disclosed in writing to the Investor prior to the execution and delivery hereof, and the aggregate amount of fees to be paid thereunder shall not exceed $12,000.000.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor represents and warrants to the Company and the Participating Securityholders as follows:

5.1 Investor's Corporate Status. The Investor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

5.2 Authorization, etc. The Investor has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to perform its obligations hereunder. The execution and

delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of the Investor. This Agreement has been duly executed and delivered by the Investor and constitutes the legal, valid and binding obligation of the Investor enforceable against the Investor in accordance with its terms.

5.3 Conflicts, Consents. (a) Conflicts. The execution and delivery of this Agreement by the Investor, and the consummation by the Investor of the transactions contemplated hereby, do not and will not conflict with, or result in any violation of or default under (or any event that, with notice or lapse of time or both, would constitute a default under), or give rise to any right of termination, cancellation or acceleration of any obligation or loss of material benefit under, or result in the creation of a Lien on any property or assets of the Investor pursuant to, any provision of (i) the Organizational Documents of the Investor, (ii) any mortgage, indenture, loan agreement, note, bond, deed of trust, other agreement, commitment or obligation for the borrowing of money or the obtaining of credit, lease or other agreement, contract, license, franchise, permit or instrument to which the Investor is a party or by which it may be bound, or (iii) any judgment, order, decree, law, statute, rule or regulation applicable to the Investor, other than, in the case of clauses (ii) or (iii), any conflicts, violations, defaults, terminations, cancellations, accelerations, losses of benefits or Liens that, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the Investor's ability to consummate the transactions contemplated by this Agreement.

(b) Consents. Except (i) as may be required under the HSR Act and the Competition Act (Canada) or (ii) for any Consents where the failure to obtain such Consents, either in any individual case or in the aggregate, would not reasonably be expected to have a material adverse effect on the Investor's ability to consummate the transactions contemplated by this Agreement: no Consent of or with any court, Governmental Entity or third person is required to be obtained by the Investor in connection with the execution and delivery by the Investor of this Agreement or the consummation by the Investor of the transactions contemplated hereby.

5.4 Litigation. There is no action, claim, suit, arbitration or proceeding pending or, to the Investor's knowledge, threatened against the Investor and there is no investigation pending or, to the Investor's knowledge, threatened against the Investor, in each case, before any court or Governmental Entity, that could have a material adverse effect on the Investor's ability to consummate the transactions contemplated by this Agreement.

5.5 Purchase for Investment. The Investor is

acquiring the Shares for its own account for investment and not with a view to any distribution thereof. The Investor acknowledges receipt of advice from the Company to the effect that the Shares have not been registered under the Securities Act or any state securities laws.

5.6 Financing. (a) The Investor has or will have at the Closing available cash or existing borrowing facilities that together are sufficient to enable it and the Company to consummate the transactions contemplated by this Agreement (the "Financing").

(b) To the extent any portion of the Financing is to consist of borrowed funds, the Investor has delivered to the Company complete and correct copies of binding commitment letters received by the Investor with respect to such Financing (the "Financing Commitments").

5.7 Brokers and Finders. The Investor has not employed any broker, finder or investment banker in connection with the transactions contemplated herein so as to give rise to any claim against any Participating Securityholder for any brokerage, finder's or investment banker's commission, fee or similar compensation.

5.8 Investment Canada Act. The Investor is a "WTO Investor" within the meaning of that term under the Investment Canada Act.

ARTICLE VI

COVENANTS

6.1 Conduct of the Company and its Subsidiaries. Except as set forth in Schedule 6.1 or with the prior written consent of the Investor, from the date hereof to the Closing, the Company will, and will cause its Subsidiaries to:

(a) conduct their businesses only in the Ordinary Course of Business;

(b) maintain and keep their properties and equipment in the same manner as heretofore maintained and kept;

(c) keep in full force and effect insurance comparable in amount and scope of coverage to that now maintained by them (to the extent available on commercially reasonable terms in the case of any renewal or replacement policies);

(d) perform in all material respects all of their obligations under all contracts and commitments applicable to their businesses or properties;

(e) use their best reasonable efforts to maintain and preserve their business organizations intact, and maintain their relationships with their suppliers and customers so that they will be preserved after the Closing;

(f) maintain their books of account and records in the usual and regular manner;

(g) comply in all material respects with all laws and regulations applicable to them and to the conduct of their businesses;

(h) not amend their certificates of incorporation or by-laws;

(i) not merge or consolidate with, or agree to merge or consolidate with, or purchase or otherwise acquire, or agree to purchase or otherwise acquire, substantially all of the assets of, any other Person;

(j) not sell, lease or otherwise dispose of, or mortgage or otherwise subject to any consensual Lien, any of their assets having a value in excess of $250,000 in any individual case or $2,500,000 in the aggregate other than in the Ordinary Course of Business;

(k) not incur any indebtedness, or enter into any guarantee of any indebtedness of any other Person, other than indebtedness incurred, and guarantees entered into, in the Ordinary Course of Business and indebtedness incurred pursuant to credit facilities in effect as of the date hereof;

(l) not make any loans or advances to any other Person, other than in the Ordinary Course of Business or to the Company or any of its wholly owned Subsidiaries;

(m) not make capital expenditures, other than in accordance with the Company's 1998 Capital Plan (as previously provided to the Investor), but in no event shall such capital expenditures exceed $3,000,000 in the aggregate;

(n) not (i) declare, set aside or pay any dividends on, or make any other distributions in respect of, any of its capital stock, (ii) split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, (iii) purchase, redeem or otherwise acquire any shares of its capital stock or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities, or (iv) except as provided in Section 1.4(c), authorize for issuance, sell, deliver or agree or

commit to issue, sell or deliver any capital stock or any other securities;

(o) not (i) increase the compensation or fringe benefits of any of its current or former directors, officers or employees (except for increases in salary or wages in the Ordinary Course of Business), (ii) grant any severance or termination pay not currently required to be paid under existing Plans, or (iii) establish, adopt, enter into or amend or terminate any Plan (except as required by Law) or any plan, agreement, program, policy, trust, fund or other arrangement that would be a Plan if it were in existence as of the date of this Agreement;

(p) not propose or adopt any changes to the accounting methods, principles or practices used by the Company or its Subsidiaries, except as otherwise required by law or GAAP;

(q) not make any election with respect to any Taxes (or computation thereof) affecting the Company or any of its Subsidiaries without the consent of the Investor, which consent shall not be unreasonably withheld or delayed; and

(r) promptly advise the Investor in writing of any change or effect that results in or has, or would reasonably be expected to result in or have, a Material Adverse Change or Material Adverse Effect.

6.2 Efforts to Consummate Transaction. The parties hereto shall use their best reasonable efforts to take or cause to be taken all actions required to consummate the transactions contemplated hereby. The parties hereto shall file or supply, or cause to be filed or supplied, all material applications, notifications and information required to be filed or supplied by them pursuant to applicable law in connection with the transactions contemplated hereby, including filings and reports pursuant to the HSR Act and the Competition Act (Canada). Each party hereto shall use its best reasonable efforts to obtain all consents and approvals from Governmental Entities and third parties required to be obtained by such party for the consummation of the transactions contemplated hereby, other than any Consents where the failure to obtain such Consent, either in any individual case or in the aggregate, could not have a material adverse effect on the transactions contemplated hereby. Each party hereto shall cooperate in good faith with the other parties hereto in the obtaining of all Consents from Governmental Entities and third parties required to be obtained for the consummation of the transactions contemplated hereby.

6.3 Access and Information. Prior to the Closing, and subject to the restrictions set forth in the Confidentiality Agreement, the Company shall permit the Investor and its representatives after the date of execution of this Agreement to have reasonable access, during regular business hours, to the

properties, books, records, contracts and agreements and officers, employees and tax advisors of the Company and its Subsidiaries, and shall furnish, or cause to be furnished, to the Investor and its representatives any financial and operating data and other information (including, without limitation, tax returns and accountants' work papers with respect to the Company or any of its Subsidiaries) that is available with respect to the business, properties, financial condition and operations of the Company and its Subsidiaries as the Investor may reasonably request from time to time. All information provided or obtained pursuant to the foregoing shall be held by Investor in accordance with and subject to the terms of the Confidentiality Agreement, dated January 6, 1998, between the Company and The Cypress Group L.L.C. (the "Confidentiality Agreement").

6.4 Non-Solicitation. The Company and the Participating Securityholders agree that neither the Company nor any of its Subsidiaries nor any Participating Securityholder nor any of their respective officers, directors and employees shall, and the Participating Securityholders shall direct and use their best efforts to cause the Company's employees, agents and representatives (including, without limitation, any investment banker, attorney or accountant retained by the Company or any of its Subsidiaries) not to, (a) file any further amendment to the Form S-1 or undertake any selling efforts, including, but not limited to, initiating any "roadshow", in connection with any possible offering of securities of the Company, or (b) initiate, solicit or encourage, directly or indirectly, any inquiries or the making of any proposal or offer (including, without limitation, any proposal or offer to stockholders of the Company) with respect to a merger, consolidation, recapitalization or similar transaction involving, or any purchase of all or any significant portion of the assets or any equity securities of, the Company or any of its Subsidiaries (any such proposal or offer being hereinafter referred to as an "Acquisition Proposal") or engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any person relating to an Acquisition Proposal, or otherwise facilitate any effort or attempt to make or implement an Acquisition Proposal. The Participating Securityholders will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing. The Participating Securityholders will take the necessary steps to inform the individuals or entities referred to in the first sentence hereof of the obligations undertaken in this Section 6.4. The Participating Securityholders will notify the Investor immediately if any such inquiries or proposals are received by, any such information is requested from, or any such negotiations or discussions are sought to be initiated or continued with the Company and will immediately deliver to the Investor any written documentation relating thereto.

6.5 Publicity. Except as required by applicable law,

the Investor shall not, directly or indirectly, make or cause any public announcement or issue any notice in respect of this Agreement or the transactions contemplated hereby without the prior written consent of the Company and Fund IV, and none of the Participating Securityholders or the Company shall, directly or indirectly, make or cause to be made any such public announcement or issue any notice without the prior written consent of the Investor. The Participating Securityholders, the Company and the Investor shall consult with each other prior to issuing any press releases or otherwise making public statements with respect to the transactions contemplated hereby and prior to making any filings with any Governmental Entity or with any national securities exchange with respect thereto.

6.6 Employee Matters. (a) From and after the Closing Date, the Investor shall cause the Company and its Subsidiaries to honor, pay, perform and satisfy any and all liabilities, obligations and responsibilities to or in respect to each current or former employee of the Company or any such Subsidiary under the terms of (x) each Plan as in effect immediately prior to the Closing and (y) each agreement or other written arrangement between the Company or any such Subsidiary and any such employee, in each case, which has been disclosed to the Investor on Schedule 4.9(a) or Schedule 4.15.

(b) Notwithstanding the foregoing provisions, nothing in this Section 6.6 shall (i) prevent the Company or its Subsidiaries from terminating or amending any Plan to the extent permitted by applicable law, (ii) obligate the Investor, the Company or its Subsidiaries to offer or provide any benefit related to the equity securities of the Investor, the Company or its Subsidiaries or (iii) guarantee the continued employment of any person employed by the Company or its Subsidiaries or interfere with their right to terminate such employment at any time (except to the extent of any such person's agreement with the Company or its Subsidiaries disclosed on Schedule 4.9(a) or Schedule 4.15).

6.7 Transfer Taxes. The Company shall be liable for all transfer Taxes (including, without limitation, any real property transfer gains Taxes) arising from the sale of the Repurchased Shares and the Newly Issued Shares.

6.8 Employment Agreements and Other Benefits. Upon the reasonable request of the Investor, prior to the Closing Date, the Company shall seek shareholder approval of, and the Participating Securityholders shall approve (if permitted under applicable law), any compensation payments or acceleration of benefits under any employment agreements, option plans, bonus plans or other benefit arrangements in a manner sufficient to satisfy Section 28OG(b)(5)(A)(ii) of the Code and not constitute "parachute payments" (within the meaning of Section 280G of the Code) provided that, in the event such approval is not obtained, notwithstanding any other provision of this Agreement, the Company shall have no obligation to make such payments or

accelerate such benefits.

6.9 Financing. The Company agrees to provide, and will cause its Subsidiaries and its and their respective officers and employees to provide, all reasonable cooperation in connection with the arrangement of the Financing, including, but not limited to, the preparation of audited financial statements in a form meeting the requirements of Regulation S-X of the Securities Act, the execution and delivery of any commitment letters, underwriting or placement agreements, pledge and security documents, other definitive financing documents, or other requested agreements, certificates or documents, including any indemnity agreements or any certificates of officers of the Company with respect to solvency matters, as may be reasonably requested by the Investor, in each case, provided that neither the Company nor any Subsidiary shall thereby incur, or become obligated to incur, any material obligation or liability to any Person for which the Company or any of its Subsidiaries would be liable in the event this Agreement is terminated pursuant to Section 9.1 (other than by reason of a breach of this Agreement by the Company or any Participating Securityholder). The Company agrees to use its best reasonable efforts to (i) cause Coopers & Lybrand LLP to assist in the preparation of any financial statements required with respect to the Financing and (ii) obtain from Coopers & Lybrand LLP its consent to the inclusion of any statements or reports prepared by it in documents that may be filed with the SEC pursuant to the Securities Act by any of the parties hereto or their respective Affiliates. The Company shall cooperate with any reasonable requests of the Investor or the SEC related to the recording of the transactions contemplated hereby as a recapitalization for financial reporting purposes. In conjunction with the obtaining of any such Financing, the Company agrees, at the request of the Investor, to call for prepayment or redemption, or to prepay, redeem and/or renegotiate, as the case may be, any then existing indebtedness of the Company, provided that no such prepayment or redemption shall themselves actually be made until contemporaneously with the Closing.

6.10 Restrictions on Participating Securityholders. Each Participating Securityholder hereby covenants and agrees that, prior to the Closing, such Participating Securityholder shall not sell, transfer or otherwise dispose of all or any part of the Repurchased Shares, Investor Purchased Shares or Surrendered Options owned by such Participating Securityholder.

6.11 Waiver of Participation Rights. Each Participating Securityholder agrees, with respect to any Shares owned by such Participating Securityholder that are not Repurchased Shares or Investor Purchased Shares, that such Shares shall not be repurchased by the Company or purchased by the Investor pursuant to this Agreement and hereby waives all rights under Section 4 of the Registration and Participation Agreement with respect to such Shares in connection with the consummation of the transaction contemplated by this Agreement.

6.12 Actions with respect to Equity Agreements. (a) Fund IV hereby waives, effective upon the Closing, its rights under Section 5 of the Management Stock Subscription Agreements in connection with the consummation of the transactions contemplated by this Agreement.

(b) Fund IV hereby assigns, effective upon the Closing, all of its rights under each of the Stock Purchase Plan, the Management Stock Subscription Agreements, the Stock Option Plans, the Management Stock Option Agreements and the Registration and Participation Agreement to the Investor, and each of the Company and the Participating Securityholders hereby agree and acknowledge that the Investor shall be entitled to enforce all such rights to the full extent provided thereunder. The Company, the Participating Securityholders and the Investor agree, effective upon the Closing, (i) to the amendment of the Stock Option Plans, the Management Stock Option Agreements, the Stock Purchase Plan and the Management Stock Subscription Agreements to (A) replace each reference therein to "The Clayton & Dubilier Private Equity Fund IV Limited Partnership" or "Fund IV" to be a reference to the Investor, and to make such conforming changes as are necessary to properly reflect the other transactions contemplated by this Agreement, (B) subject to Section 6.8, terminate all conditions to vesting of any Options granted to Management Option Holders under the Stock Option Plan that are not yet vested and (C) terminate the right of the Company and the Investor under the Management Stock Subscription Agreements, Stock Option Agreements, Stock Purchase Plan and Option Plans to repurchase the shares of Class A Common Stock and options to purchase shares of Class A Common Stock issued thereunder from the holder thereof upon the termination of such holder's employment with WESCO or the Company, and (ii) to the amendment and restatement of the Registration and Participation Agreement to be in the form of Exhibit E hereto. The Company and each Participating Securityholder agrees that, upon the request of the Investor, he, she or it will execute and deliver a counterpart signature page to any amendment (or amendment and restatement) of the agreements referred to in the preceding sentence as necessary to effect the amendments thereof contemplated by the preceding sentence.

(c) Each of the Company, Fund IV and each Participating Securityholder consents (to the extent required) to the termination at the Closing of each of the CBS Equity Agreements, the Fund IV Stock Subscription Agreement and the CBS-Fund IV Governance Side Letter, dated as of February 28, 1994 and, effective upon the Closing (without any further action required), each such agreement shall be terminated and no longer in force and effect.

6.13 Actions with respect to Management Loans. The Company shall take such actions as are reasonably requested by any Management Borrower to maintain payment of such Management Borrower's Management Loan on the terms, and at the scheduled

maturities, that would apply absent the consummation of the transactions contemplated hereby, and the Management Borrowers shall take all reasonable actions necessary to have their Management Loan agreements amended to reflect the substitution of references therein to Fund IV to be references to the Investor. The term "Management Borrower" means any Management Participating Securityholder that has incurred loans ("Management Loans") guaranteed by the Company in connection with the initial acquisition of such Securityholder's Shares.

6.14 Financing Commitments. The Investor will execute each of the Financing Commitments not later than the next Business Day following the earlier to occur of (a) the day on which the Participation Election Period expires and (b) the day on which the Company delivers to the Investor written confirmation that the Participating Securityholder Signing Date has occurred.

ARTICLE VII

CONDITIONS TO CLOSING

7.1 Conditions to the Obligation of the Investor. The obligation of the Investor to consummate the transactions contemplated hereby shall be subject to the satisfaction or waiver by the Investor on or prior to the Closing Date of each of the following conditions:

(a) Each of the representations and warranties of the Participating Securityholders and of the Company contained in Articles III and IV shall be true, in the case of any representation or warranty that is qualified as to materiality, in all respects, and in the case of any representation or warranty that is not so qualified, in all material respects, in each case, when made and as of the Closing Date, with the same effect as though those representations and warranties had been made on and as of the Closing Date; each of the covenants and agreements of the Participating Securityholders and the Company to be performed on or prior to the Closing Date shall have been duly performed in all material respects; and the Investor shall have received at the Closing certificates to that effect dated as of the Closing Date and executed on behalf of the Participating Securityholders and the Company.

(b) There shall not have been issued and be in effect any order, decree or judgment of or in any court or tribune of competent jurisdiction preventing the consummation of the transactions contemplated hereby.

(c) (i) All directors of the Company or any of its Subsidiaries whose resignations shall have been requested in writing by the Investor not less than 5 days prior to the Closing Date shall have submitted their resignations or been removed from

office effective as of the Closing Date and (ii) the persons designated, in writing not less than 5 days prior to the Closing Date, by the Investor to become directors of the Company and any of its Subsidiaries shall be elected as such directors effective as of the Closing Date.

(d) All corporate, partnership and other proceedings of each Participating Securityholder and the Company in connection with the transactions contemplated by this Agreement and all documents and instruments incident thereto, shall be reasonably satisfactory in substance and form to the Investor, and the Investor shall have received all such documents and instruments, or copies thereof, certified if requested, as may be reasonably requested.

(e) The Consulting Agreement, dated as of February 28, 1994, by and among the Company, WESCO and Clayton, Dubilier & Rice, Inc. shall have been terminated.

(f) (i) The CBS Equity Agreements, the Fund IV Stock Subscription Agreement and the CBS-Fund IV Governance Side Letter dated as of February 28, 1994 shall have been terminated, (ii) each of the Equity Agreements shall have been amended in the manner contemplated by Section 6.12(b) and (iii) the Compensation Committee of the Company's Board of Directors shall have duly adopted (A) a resolution pursuant to and in accordance with Section 8 of the Option Plans and the Management Stock Option Agreements, in which the Compensation Committee has reasonably determined in good faith that, following the Closing Date (and after giving effect to all the transactions contemplated hereby), all of the Rolled Over Options shall be "Alternative Options", as defined in the Option Plans and the Management Stock Agreements, (B) a resolution providing that no further shares of Class A Common Stock may be issued and sold pursuant to the Stock Purchase Plan and no further options to acquire shares of Class A Common Stock may be granted under the Stock Option Plan and (C) a resolution providing that there shall be no acceleration of the vesting schedule for the Branch Options in connection with the consummation of the transactions contemplated by this Agreement.

(g) (i) All Non-Management Securityholders shall be Non-Management Participating Securityholders and (ii) and each Non-Management Participating Securityholder shall have delivered to the Company (A) certificates evidencing such Securityholder's Repurchased Shares, duly endorsed in blank or accompanied by stock transfer powers duly executed in blank, if any, with all necessary stock transfer tax stamps attached thereto, if any, and cancelled, and (B) certificates meeting the requirements of Treasury Regulation ' 1.1445-2 to the effect that (x) such Securityholder is not a foreign person within the meaning of section 1445(b)(2) of the Code and the Treasury Regulations hereunder or (y) such Securityholder's interest in the Company is not a "United States real property interest" within the meaning of Section 897(c) of the Code and the Treasury regulations

thereunder.

(h) Each Management Securityholder shall have delivered to the Investor (i) certificates evidencing such Securityholder's Investor Purchased Shares, duly endorsed in blank or accompanied by stock transfer powers duly executed in blank, if any, with all necessary stock transfer tax stamps attached thereto, if any, and cancelled, and (ii) certificates meeting the requirements of Treasury Regulation ' 1.1445-2 to the effect that (x) such Securityholder is not a foreign person within the meaning of section 1445(b)(2) of the Code and the Treasury Regulations hereunder or (y) such Securityholder's interest in the Company is not a "United States real property interest" within the meaning of Section 897(c) of the Code and the Treasury regulations thereunder.

(i) Since the Participating Securityholder Signing Date, there shall have been no material adverse change in the participation by Management Securityholders in the transactions contemplated by this Agreement, either in respect of the continued participation by Management Securityholders as Management Participating Securityholders or in respect of the aggregate number of the Participating Management Securityholders' Rolled Over Shares.

7.2 Conditions to the Obligation of the Participating Securityholders and the Company. The obligation of the Participating Securityholders and the Company to consummate the transactions contemplated hereby shall be subject to the satisfaction or waiver by the Required Participating Securityholders and the Company on or prior to the Closing Date of each of the following conditions:

(a) Each of the representations and warranties of the Investor contained in Article V shall be true, in the case of any representation or warranty that is qualified as to materiality, in all respects, and in the case of any representation or warranty that is not so qualified, in all material respects, in each case, when made and as of the Closing Date, with the same effect as though those representations and warranties had been made on and as of the Closing Date; each of the covenants and agreements of the Investor to be performed on or prior to the Closing Date shall have been duly performed in all material respects; and the Participating Securityholders and the Company shall have received at the Closing certificates to that effect dated as of the Closing Date and executed on behalf of the Investor.

(b) There shall not have been issued and be in effect any order, decree or judgment of or in any court or tribunal of competent jurisdiction preventing the consummation of the transactions contemplated hereby.

(c) All corporate proceedings of the Investor in

connection with the transactions contemplated by this Agreement and all documents and instruments incident thereto, shall be reasonably satisfactory in substance and form to the Participating Securityholders and their counsel, and the Participating Securityholders and their counsel shall have received all such documents and instruments, or copies thereof, certified if requested, as may be reasonably requested.

7.3 Conditions to the Obligations of All Parties. The obligations of the parties to consummate the transactions contemplated hereby shall be subject to the satisfaction or waiver by the Investor, the Company and the Required Participating Securityholders on or prior to the Closing Date of the following conditions:

(a) Each party shall have duly filed with the Federal Trade Commission (the "FTC") and the Antitrust Division of the United States Department of Justice (the "Antitrust Division") the notification and report form required under the HSR Act with respect to the consummation of the transactions contemplated hereby. The waiting period required by the HSR Act shall have expired or been terminated by the FTC and the Antitrust Division.

(b) Either (i) an advance ruling certificate pursuant to section 102 of the Competition Act (Canada) shall have been issued by the Director of Investigation and Research appointed under such Act to the effect that such Director is satisfied that he or she would not have sufficient grounds upon which to apply to the Competition Tribunal for an order under section 92 of such Act with respect to the transactions contemplated by this Agreement, or (ii) the waiting period under section 123 of the Competition Act (Canada) shall have expired.

(c) Subject to the provisions of Section 7.3(a) and (b), all consents, authorizations, clearances, orders and approvals of, and filings and registrations with, any federal, state or foreign Governmental Entity which are required for or in connection with the execution and delivery of this Agreement and the consummation by each party hereto of the transactions contemplated hereby shall have been obtained or made.

ARTICLE VIII

SURVIVAL OF REPRESENTATIONS AND WARRANTIES

8.1 Survival of Representations and Warranties. (a) Except as set forth in Section 8.1(b), the representations and warranties and the covenants to be performed at or prior to Closing of the Participating Securityholders, the Company and the Investor contained in this Agreement or in any certificate delivered in connection with this Agreement shall not survive the Closing, and any and all breaches of such representations and warranties and covenants shall be deemed waived as of the

Closing.

(b) Notwithstanding Section 8.1(a), (i) the representations and warranties of the Participating Securityholders contained in Sections 3.3 and 3.5 and the representations and warranties of the Participating Securityholders and the Company contained in Sections 4.1 and 4.2 shall survive the Closing without limitation as to time, and (ii) this Section 8.1 shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Closing.

ARTICLE IX

TERMINATION

9.1 Termination. This Agreement may be terminated (or, in the case of clause (d) below, shall be terminated) at any time prior to the Closing Date:

(a) By the written agreement of the Investor and the Required Participating Securityholders;

(b) By the Required Participating Securityholders on the one hand or the Investor on the other hand by written notice to the other party after 5:00 p.m. New York City time on the date that is 74 days after the date of this Agreement (or such later date up to 84 days after the date of this Agreement as Fund IV may consent upon the request of the Investor, such consent not to be unreasonably withheld), if the transactions contemplated hereby shall not have been consummated pursuant hereto, unless such date is extended by the mutual written consent of the Required Participating Securityholders;

(c) By either the Investor, on the one hand, or the Required Participating Securityholders, on the other hand, by written notice to the other party if:

(i) the other party has (and the terminating party shall not have) failed to perform and comply with, in all material respects, all agreements, covenants and conditions hereby required to have been performed or complied with by such party prior to the time of such termination, and such failure shall not have been cured within 30 days following notice of such failure; or

(ii) any event shall occur after the date hereof that shall have made it impossible to satisfy a condition precedent to the terminating party's obligations to consummate the transactions contemplated by this Agreement, unless the occurrence of such event shall be due to the failure of the terminating party to perform or comply with any of the agreements, covenants or conditions hereof to be

performed or complied with by such party prior to the Closing;

(d) At the expiration of the Participating Election Period unless (i) Management Participating Securityholders hold Rolled Over Shares at least equal to the sum of (A) 51,181 and (B) the number equal to 75% of any New Shares issued pursuant to Section 1.4(c), or (ii) the Company, the Investor and Fund IV shall otherwise agree in writing; or

(e) By the Required Participating Securityholders if the Investor shall have failed to comply with Section 6.14.

9.2 Effect of Termination. In the event of the termination of this Agreement pursuant to the provisions of Section 9.1, this Agreement shall become void and have no effect, without any liability to any Person in respect hereof or of the transactions contemplated hereby on the part of any party hereto, or any of its directors, officers, representatives, stockholders or Affiliates, except as provided in Sections 6.5, Article X and this Section 9.2. Nothing in this Section 9.2 shall relieve any party of any liability for willful breach of this Agreement prior to the date of termination.

ARTICLE X

MISCELLANEOUS

10.1 Expenses. Except as otherwise specifically provided for in this Agreement, each party hereto shall bear their respective expenses, costs and fees (including attorneys', auditors' and financing fees, if any) in connection with the transactions contemplated hereby, including the preparation, execution and delivery of this Agreement and compliance herewith, whether or not the transactions contemplated hereby shall be consummated.

10.2 Amendments to Schedules. Schedules 1.1 and 1.2 may be amended only as provided in Section 1.4. The Participating Securityholders and the Company may amend or supplement any other Schedule hereto (other than Schedule 6.1) by delivery of a written amendment or supplement thereto to the Investor at any time or from time to time prior to the fifth business day before the Closing, and any such amendment or supplement shall have the effect, subject to the provisos below, of modifying the representations and warranties of the Participating Securityholders and the Company made herein (and shall be deemed to modify any such representation or warranty not previously qualified as to exceptions contained in such Schedule to include such qualification), provided, however, that no such supplement or amendment shall be delivered unless (i) (A) such supplement or amendment is delivered because the information contained therein, in the Participating Securityholders' or

Company's judgment, is necessary to make such Schedule complete and was inadvertently omitted from the Schedule previously delivered or (B) such supplement or amendment is being delivered because the information contained therein results from events occurring subsequent to the date hereof and (ii) the information contained in any such supplement or amendment either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, provided, further, that, unless and until the Investor consents thereto (which consent will not be unreasonably withheld), the delivery of any such amendment or supplement by the Participating Securityholders or the Company shall not be deemed to be effective for purposes of Section 7.1 or 9.1 hereunder.

10.3 Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail with postage prepaid, (c) sent by next-day or overnight mail or delivery or (d) sent by telecopy or telegram, as follows:

(i) if to the Participating Securityholders,

Clayton, Dubilier & Rice, Inc.
As Attorney-in-Fact and Custodian
375 Park Avenue, 18th Floor
New York, New York 10152
Fax: (212) 407-5252
Telephone: (212) 407-5200
Attention: William A. Barbe

with a copy to:

Debevoise & Plimpton
875 Third Avenue
New York, New York 10022
Fax: (212) 909-6836
Telephone: (212) 909-6000
Attention: George E.B. Maguire, Esq.

(ii) if to the Company,

CDW Holding Corporation
c/o WESCO Distribution, Inc.
Commerce Court
4 Station Square, Suite 700
Pittsburgh, PA 15219
Fax: (412) 454-2505
Telephone: (412) 454-2200
Attention: Jeffrey B. Kramp, Esq.

with a copy to:

Debevoise & Plimpton
875 Third Avenue
New York, New York 10022
Fax: (212) 909-6836
Telephone: (212) 909-6000
Attention: George E.B. Maguire, Esq.

(iii) if to the Investor,

c/o The Cypress Group L.L.C.
65 East 55th Street, 19th Floor
New York, New York 10017
Fax: (212) 705-0199
Telephone: (212) 705-0150
Attention: James L. Singleton

with a copy to:

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017
Fax: (212) 455-2502
Telephone: (212) 455-2530
Attention: David B. Chapnick, Esq.

or, in each case, at such other address as may be specified in writing to the other parties hereto.

All such notices, requests, demands, waivers and other communications shall be deemed to have been received (w) if by personal delivery on the day after such delivery, (x) if by certified or registered mail, on the seventh business day after the mailing thereof, (y) if by next-day or overnight mail or delivery, on the day delivered or (z) if by telecopy or telegram, on the next day following the day on which such telecopy or telegram was sent, provided that a copy is also sent by personal delivery, overnight courier or certified or registered mail.

10.4 Governing Law. THIS AGREEMENT SHALL BE GOVERNED IN ALL RESPECTS, INCLUDING AS TO VALIDITY, INTERPRETATION AND EFFECT, BY THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS RULES THEREOF.

10.5 Assignment; Successors; Binding Effect. This Agreement shall not be assignable by any party hereto without the prior written consent of all of the other parties and any attempt to assign this Agreement without such consent shall be void and of no effect, except that the Investor may assign, at least five days prior to the Closing, its entire interest in this Agreement, including the right to purchase the Newly Issued Shares and the Investor Purchased Shares, to any direct or indirect wholly-owned Subsidiary of the Investor pursuant to an assignment under which

such assignee assumes and agrees to perform all of the obligations of the Investor hereunder; provided, that, notwithstanding any such assignment, the Investor shall remain liable to perform all obligations hereunder. This Agreement shall become effective and binding upon the execution and delivery of a counterpart hereof by each of the Company, the Investor and Fund IV and shall become binding on each Participating Securityholder other than Fund IV on the execution and delivery of a Securityholder Acceptance by such Securityholder. This Agreement shall inure to the benefit of, and be binding on and enforceable against, the successors and assigns of the respective parties hereto. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person other than the parties and successors and assigns permitted by this Section 10.5 any right, remedy or claim under or by reason of this Agreement.

10.6 Amendment; Waivers, etc. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by or on behalf of the Company, the Investor and the Required Participating Securityholders, provided that, notwithstanding the foregoing, no such amendment, modification, discharge or waiver shall be effective to change the number of any Participating Securityholder's Repurchased Shares, Investor Purchased Shares or Surrendered Option or the amount of any Participating Securityholder's Purchased Price for Repurchased Shares, Purchase Price for Investor Purchased Shares or Option Cancellation Amount without the written consent of such Participating Securityholder. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time. Neither the waiver by any of the parties hereto of a breach of or a default under any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder. The rights and remedies herein provided are cumulative and none is exclusive of any other, or of any rights or remedies that any party may otherwise have at law or in equity.

10.7 Entire Agreement. This Agreement (including the Exhibits and Schedules referred to herein or delivered hereunder), the Custody Agreements and the Confidentiality Agreement constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

10.8 Severability. If any provision, including any phrase, sentence, clause, section or subsection, of this Agreement is invalid, inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering

such provisions in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

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

10.10 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument.

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

THOR ACQUISITIONS L.L.C.

By /s/ JAMES L. SINGLETON

Name: James L. Singleton
Title: Member

CDW HOLDING CORPORATION

By /s/ ROY W. HALEY

Name: Roy W. Haley
Title: President and CEO

Participating Securityholders (and as parties to the Amended and Restated Registration Rights Agreement):

THE CLAYTON & DUBILIER PRIVATE EQUITY FUND IV LIMITED PARTNERSHIP

By: Clayton & Dubilier Associates IV Limited Partnership, the General Partner

By /s/ WILLIAM A. BARBE

Name: William A. Barbe
Title: A General Partner

For the Purposes of Accepting the Appointments Under Each Custody Agreement as such Custody Agreement is Deemed to be Executed and Delivered to Pursuant to Section 1.4(b):

Accepted by
WILLIAM A. BARBE,
As Attorney-in-Fact

/s/ WILLIAM A. BARBE

Accepted by
DONALD J. GOGEL,
as Attorney-in-Fact

/s/ DONALD J. GOGEL

Accepted by
JOSEPH L. RICE, III,
as Attorney-in-Fact

/s/ JOSEPH L. RICE, III

Accepted on behalf of
CLAYTON, DUBILIER & RICE, INC.,
as Attorney-in-Fact

By: /s/ WILLIAM A. BARBE

Name: William A. Barbe
Title: Vice President,
Secretary and Treasurer

Accepted on behalf of
CLAYTON, DUBILIER & RICE, INC.,
as the Custodian

By: /s/ WILLIAM A. BARBE

Name: William A. Barbe
Title: Vice President,
Secretary and Treasurer

WESCO DISTRIBUTION, INC.
$300,000,000
9-1/8% Senior Subordinated Notes due 2008

WESCO INTERNATIONAL, INC.
$87,000,000
11-1/8% Senior Discount Notes due 2008

PURCHASE AGREEMENT

May 29, 1998

CHASE SECURITIES INC.
LEHMAN BROTHERS INC.
c/o Chase Securities Inc.
270 Park Avenue, 4th floor
New York, New York 10017

Ladies and Gentlemen:

WESCO Distribution, Inc., a Delaware corporation (the "Company"), proposes to issue and sell $300,000,000 aggregate principal amount of its 9-1/8% Senior Subordinated Notes due 2008 (the "Senior Subordinated Notes"). WESCO International, Inc., a Delaware corporation ("Holdings" and, together with the Company, the "Issuers"), proposes to issue and sell $87,000,000 aggregate principal amount at maturity of its 11-1/8% Senior Discount Notes due 2008 (the "Senior Discount Notes" and, together with the Senior Subordinated Notes, the "Securities"). The Senior Subordinated Notes will be issued pursuant to an Indenture to be dated as of June 5, 1998 (the "Senior Subordinated Notes Indenture"), among the Company, Holdings, as guarantor, and Bank One, N.A., as trustee (the "Senior Subordinated Notes Trustee") and will be guaranteed on an unsecured senior subordinated basis by Holdings. The Senior Discount Notes will be issued pursuant to an Indenture to be dated as of June 5, 1998 (the "Senior Discount Notes Indenture" and, together with the Senior Subordinated Notes Indenture, the "Indentures"), between Holdings and Bank One, N.A., as trustee (the "Senior Discount Notes Trustee" and, together with the Senior Subordinated Notes Trustee, the "Trustees"). The Issuers hereby confirm their agreement with Chase Securities Inc. ("CSI") and Lehman Brothers Inc. ("Lehman Brothers" and, together with CSI, the "Initial Purchasers") concerning the purchase of the Securities from the Issuers by the several Initial Purchasers.

The Securities will be offered and sold to the Initial Purchasers without being registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption therefrom. The Issuers have prepared a preliminary offering memorandum dated May 13, 1998 (the "Preliminary Offering Memorandum"), and will prepare an offering memorandum dated the date hereof (the "Offering Memorandum") setting forth information concerning the Issuers and the Securities. Copies of the Preliminary Offering Memorandum have been, and copies of the Offering Memorandum will be, delivered by the Issuers to the Initial Purchasers pursuant to the terms of this

Agreement. Any references herein to the Preliminary Offering Memorandum and the Offering Memorandum shall be deemed to include all amendments and supplements thereto, unless otherwise noted. The Issuers hereby confirm that they have authorized the use of the Preliminary Offering Memorandum and the Offering Memorandum in connection with the offering and resale of the Securities by the Initial Purchasers in accordance with Section 2.

Holders of the Senior Subordinated Notes (including the Initial Purchasers and their direct and indirect transferees) will be entitled to the benefits of an Exchange and Registration Rights Agreement, substantially in the form attached hereto as Annex A (the "Senior Subordinated Notes Registration Rights Agreement"), pursuant to which the Company will agree to file with the Securities and Exchange Commission (the "Commission") (i) a registration statement under the Securities Act (the "Senior Subordinated Notes Exchange Offer Registration Statement") registering an issue of senior subordinated notes of the Company (the "Senior Subordinated Exchange Securities") which are identical in all material respects to the Senior Subordinated Notes (except that the Senior Subordinated Exchange Securities will not contain terms with respect to transfer restrictions) and (ii) under certain circumstances, a shelf registration statement pursuant to Rule 415 under the Securities Act (the "Senior Subordinated Notes Shelf Registration Statement"). Holders of the Senior Discount Notes (including the Initial Purchasers and their direct and indirect transferees) will be entitled to the benefits of an Exchange and Registration Rights Agreement, substantially in the form attached hereto as Annex B (the "Senior Discount Notes Registration Rights Agreement" and, together with the Senior Subordinated Notes Registration Rights Agreement, the "Registration Rights Agreements"), pursuant to which Holdings will agree to file with the Commission (i) a registration statement under the Securities Act (the "Senior Discount Notes Exchange Offer Registration Statement" and, together with the Senior Subordinated Notes Exchange Offer Registration Statement, the "Exchange Offer Registration Statements") registering an issue of senior discount notes of Holdings (the "Senior Discount Exchange Securities" and, together with the Senior Subordinated Exchange Securities, the "Exchange Securities") which are identical in all material respects to the Senior Discount Notes (except that the Senior Discount Exchange Securities will not contain terms with respect to transfer restrictions) and (ii) under certain circumstances, a shelf registration statement pursuant to Rule 415 under the Securities Act (the "Senior Discount Notes Shelf Registration Statement" and, together with the

Senior Subordinated Notes Shelf Registration Statement, the "Shelf Registration Statements").

The Securities are being offered in connection with the Recapitalization (as defined in the Offering Memorandum) pursuant to which, among other things, an investor group led by affiliates of The Cypress Group L.L.C. will acquire approximately 88.7% of the outstanding common stock of Holdings.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Offering Memorandum.

1. Representations, Warranties and Agreements of the Issuers. Each of the Issuers represents and warrants to, and agrees with, the several Initial Purchasers on and as of the date hereof and the Closing Date (as defined in Section 3) that:

(a) Each of the Preliminary Offering Memorandum and the Offering Memorandum, as of its respective date, did not, and on the Closing Date the Offering Memorandum will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Issuers make no representation or warranty as to information contained in or omitted from the Preliminary Offering Memorandum or the Offering Memorandum in reliance upon and in conformity with written information relating to the Initial Purchasers furnished to the Issuers by or on behalf of any Initial Purchaser specifically for use therein (the "Initial Purchasers' Information").

(b) Each of the Preliminary Offering Memorandum and the Offering Memorandum, as of its respective date, contains all of the information that, if requested by a prospective purchaser of the Securities, would be required to be provided to such prospective purchaser pursuant to Rule 144A(d)(4) under the Securities Act.

(c) Assuming the accuracy of the representations and warranties of the Initial Purchasers contained in Section 2 and their compliance with the agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Securities to the Initial Purchasers and the offer, resale and delivery of the Securities by the Initial Purchasers in the manner contemplated by this Agreement and the Offering Memorandum, to register the Securities under the Securities Act or to qualify the Indentures under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

(d) Each of the Issuers and each "significant subsidiary" (within the meaning of Rule 1-02 of Regulation S-X) of the Issuers has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership or lease of property or the conduct of its business requires such qualification, and has all power and authority necessary to own or hold its properties and to conduct the business in which it is engaged, except where the failure to so qualify, be in good standing or have such power or authority would not, singularly or in the aggregate, have a material adverse effect on the condition (financial or otherwise), results of operations, business or prospects of the Issuers and their respective subsidiaries taken as a whole (a "Material Adverse Effect").

(e) As of the Closing Date, each of the Issuers will have a pro forma capitalization as set forth in the Offering Memorandum under the heading "Capitalization". All of the outstanding shares of capital stock of each "significant subsidiary" (within the meaning of Rule 1-02 of Regulation S-X) of the Issuers (including, without limitation, the Company) have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the applicable Issuer, free and clear of any lien, charge, encumbrance, security interest, restriction upon voting or transfer or any other claim of any third party, other than those incurred in connection with the Credit Agreement. WESCO Distribution-Canada, Inc. is the only "significant subsidiary" (within the meaning of Rule 1-02 of Regulation S-X) of

the Company on the date hereof. The Company is the only direct subsidiary of Holdings on the date hereof.

(f) Each of the Issuers has full right, power and authority to execute and deliver this Agreement, the Senior Subordinated Notes Indenture, the Senior Subordinated Notes Registration Rights Agreement and the Senior Subordinated Notes (in the case of the Company only) (collectively, the "Senior Subordinated Notes Transaction Documents") and to perform its obligations hereunder and thereunder; and all corporate action required to be taken for the due and proper authorization, execution and delivery of each of the Senior Subordinated Notes Transaction Documents and the consummation of the transactions contemplated thereby has been duly and validly taken. Holdings has full right, power and authority to execute and deliver the Senior Discount Notes Indenture, the Senior Discount Notes Registration Rights Agreement and the Senior Discount Notes (collectively, the "Senior Discount Notes Transaction Documents" and, together with (i) the Senior Subordinated Notes Transaction Documents, (ii) the Recapitalization Agreement, (iii) the Credit Agreement and (iv) the U.S. Receivables Sale Agreement, the Canadian Receivables Sales Agreement, the Pooling Agreement, the Series 1998-1 Supplement to the Pooling Agreement and the Servicing Agreement, in each case to be entered into in connection with the Receivables Facility (collectively, the "Receivables Agreements"), the "Transaction Documents") and to perform its obligations thereunder; and all corporate action required to be taken for the due and proper authorization, execution and delivery of each of the Senior Discount Notes Transaction Documents and the consummation of the transactions contemplated thereby has been duly and validly taken.

(g) This Agreement has been duly authorized, executed and delivered by each of the Issuers.

(h) The Senior Subordinated Notes Registration Rights Agreement has been duly authorized by each of the Issuers and, when duly executed and delivered in accordance with its terms by each of the parties thereto, will constitute a valid and legally binding agreement of each of the Issuers enforceable against each of the Issuers in accordance with its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law). The Senior Discount Notes Registration Rights Agreement has been duly authorized by Holdings and, when duly executed and delivered in accordance with its terms by each of the parties thereto, will constitute a valid and legally binding agreement of Holdings enforceable against Holdings in accordance with its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

(i) The Senior Subordinated Notes Indenture has been duly authorized by each of the Issuers and, when duly executed and delivered in accordance with its terms by each of the parties thereto, will constitute a valid and legally binding agreement of each of the Issuers enforceable against each of the Issuers in accordance with its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether

considered in a proceeding in equity or at law). The Senior Discount Notes Indenture has been duly authorized by Holdings and, when duly executed and delivered in accordance with its terms by each of the parties thereto, will constitute a valid and legally binding agreement of Holdings enforceable against Holdings in accordance with its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law). On the Closing Date, each of the Indentures will conform in all material respects to the requirements of the Trust Indenture Act and the rules and regulations of the Commission applicable to an indenture which is qualified thereunder.

(j) The Senior Subordinated Notes have been duly authorized by each of the Issuers and, when duly executed, authenticated, issued and delivered as provided in the Senior Subordinated Notes Indenture and paid for as provided herein, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Company, as issuer, and Holdings, as guarantor, entitled to the benefits of the Senior Subordinated Notes Indenture and enforceable against the Company as issuer, and Holdings, as guarantor, in accordance with their terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law). The Senior Discount Notes have been duly authorized by Holdings and, when duly executed, authenticated, issued and delivered as provided in the Senior Discount Notes Indenture and paid for as provided herein, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of Holdings entitled to the benefits of the Senior Discount Notes Indenture and enforceable against Holdings in accordance with their terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

(k) The Recapitalization Agreement has been duly authorized, executed and delivered by Holdings and constitutes a valid and legally binding agreement of Holdings enforceable against Holdings in accordance with its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

(l) Each Transaction Document conforms in all material respects to the description thereof contained in the Offering Memorandum.

(m) The execution, delivery and performance by each of the Issuers and each of their respective subsidiaries of each of the Transaction Documents to which each is a party, the issuance, authentication, sale and delivery of the Securities and compliance by the applicable Issuer with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents will not conflict with or contravene, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of either of the Issuers or any of their respective subsidiaries pursuant to, (i) the

charter or by-laws of either of the Issuers, (ii) any agreement or other instrument binding upon either of the Issuers or any of their respective subsidiaries or their respective assets or (iii) any provision of applicable law or any judgment, order or decree of any governmental body, agency or court having jurisdiction over either of the Issuers or any of their respective subsidiaries or their respective assets, except, in the case of clause (ii) and (iii), for conflicts, contraventions, liens, charges or encumbrances which would not, singularly or in the aggregate, have a Material Adverse Effect. No consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the execution, delivery and performance by each of the Issuers of each of the Transaction Documents to which each is a party, the issuance, authentication, sale and delivery of the Securities and compliance by the applicable Issuer with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for such consents, approvals, authorizations or qualifications (i) which shall have been obtained or made prior to the Closing Date, (ii) as may be required to be obtained or made under the Securities Act as provided in the Registration Rights Agreements and under applicable state securities laws and (iii) the failure to obtain would not, singularly or in the aggregate, have a Material Adverse Effect.

(n) Coopers & Lybrand L.L.P. are independent certified public accountants with respect to each of the Issuers and their respective subsidiaries within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA") and its interpretations and rulings thereunder. The historical financial statements (including the related notes) contained in the Offering Memorandum have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered thereby and fairly present the financial position of the entities purported to be covered thereby at the respective dates indicated and the results of their operations and their cash flows for the respective periods indicated; and the financial information contained in the Offering Memorandum under the headings "Selected Historical Consolidated Financial Data", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Management--Executive Compensation" are derived from the accounting records of the Issuers and their respective subsidiaries and fairly present the information purported to be shown thereby. The pro forma financial information contained in the Offering Memorandum has been prepared on a basis consistent with the historical financial statements contained in the Offering Memorandum (except as specified therein), includes all material adjustments to the historical financial information required by Rule 11-02 of Regulation S-X under the Securities Act and the Exchange Act to reflect the transactions described in the Offering Memorandum, gives effect to assumptions made on a reasonable basis and fairly presents the historical and proposed transactions contemplated by the Offering Memorandum and the Transaction Documents.

(o) There are no legal or governmental proceedings pending or, to the knowledge of the Issuers, threatened to which either of the Issuers or any of their respective subsidiaries is a party or to which any property or assets of either of the Issuers or any of their respective subsidiaries is subject other than proceedings that could not, singularly or in the aggregate, reasonably be expected to have a Material Adverse Effect or have a material adverse effect on the power or ability of either of the Issuers or any of their respective subsidiaries to perform its obligations under the applicable Transaction Documents or to consummate the transactions contemplated by the applicable Transaction Documents or the Offering Memorandum.

(p) No action has been taken by either of the Issuers or their respective subsidiaries and no statute, rule, regulation or order has been enacted, adopted or issued by any governmental agency or body which prevents the issuance of the Securities or suspends the sale of the Securities in any jurisdiction; no injunction, restraining order or order of any nature by any federal or state court of competent jurisdiction has been issued with respect to either of the Issuers or any of their respective subsidiaries which would prevent or suspend the issuance or sale of the Securities or the use of the Preliminary Offering Memorandum or the Offering Memorandum in any jurisdiction; no action, suit or proceeding is pending against or, to the knowledge of the Issuers, threatened against or affecting either of the Issuers or any of their respective subsidiaries before any court or arbitrator or any governmental agency, body or official, domestic or foreign, which could reasonably be expected to interfere with or adversely affect the issuance of the Securities or in any manner draw into question the validity or enforceability of any of the Transaction Documents or any action taken or to be taken pursuant thereto; and each of the Issuers has complied with any and all requests by any securities authority in any jurisdiction for additional information to be included in the Preliminary Offering Memorandum and the Offering Memorandum.

(q) None of the Issuers or any of their respective "significant subsidiaries" (within the meaning of Rule 1-02 of Regulation S-X) is (i) in violation of its charter or by-laws, (ii) in default in any respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its property or assets is subject or (iii) in violation in any respect of any law, ordinance, governmental rule, regulation or court decree to which it or its property or assets may be subject, except, in the case of clauses (ii) or (iii), as would not have a Material Adverse Effect.

(r) Except as would not, singularly or in the aggregate, have a Material Adverse Effect, each of the Issuers and each of their respective subsidiaries possesses all licenses, certificates, authorizations and permits issued by, and has made all declarations and filings with, the appropriate federal, state or foreign regulatory agencies or bodies which are necessary or desirable for the ownership of its properties or the conduct of its business as described in the Offering Memorandum, and none of the Issuers or any of their respective subsidiaries has received notification of any revocation or modification of any such license, certificate, authorization or permit or has any reason to believe that any such license, certificate, authorization or permit will not be renewed in the ordinary course.

(s) Each of the Issuers and each of their respective subsidiaries has filed all federal, state, local and foreign income and franchise tax returns required to be filed through the date hereof and has paid all taxes due thereon, and no tax deficiency has been determined adversely to either of the Issuers or any of their respective subsidiaries which has had (nor do the Issuers or any of their respective subsidiaries have any knowledge of any tax deficiency which, if determined adversely to either of the Issuers or any of their respective subsidiaries, could reasonably be expected to have) a Material Adverse Effect.

(t) Neither of the Issuers is and, after giving effect to the offering and sale of the applicable Securities and the application of the proceeds thereof as described in the Offering Memorandum, will be an "investment company" or an entity "controlled by" an

investment company within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act"), and the rules and regulations of the Commission thereunder.

(u) Each of the Issuers and each of their respective subsidiaries has insurance covering its properties, operations, personnel and business, which insurance is in amounts and insures against such losses and risks as are adequate to protect each of the Issuers and each of their respective subsidiaries and each of their respective businesses.

(v) Each of the Issuers and each of their respective subsidiaries has good and marketable title in fee simple to, or has valid rights to lease or otherwise use, all items of real and personal property which are material to the business of each of the Issuers and their respective subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except such as (i) do not materially interfere with the use made and proposed to be made of such property by the applicable Issuer and its subsidiaries or (ii) could not reasonably be expected to have a Material Adverse Effect.

(w) No labor disturbance by or dispute with the employees of either of the Issuers or any of their respective subsidiaries exists or, to the best knowledge of the Issuers, is contemplated or threatened, except as would not have a Material Adverse Effect.

(x) No "prohibited transaction" (as defined in Section 406 of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("ERISA"), or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time (the "Code")) or "accumulated funding deficiency" (as defined in Section 302 of ERISA) or any of the events set forth in Section 4043(b) of ERISA (other than events with respect to which the 30-day notice requirement under Section 4043 of ERISA has been waived) has occurred with respect to any employee benefit plan of either of the Issuers or any of their respective subsidiaries which could reasonably be expected to have a Material Adverse Effect; each such employee benefit plan is in compliance in all respects with applicable law, including ERISA and the Code, except as would not have a Material Adverse Effect; each of the Issuers and each of their respective subsidiaries has not incurred and does not expect to incur liability under Title IV of ERISA with respect to the termination of, or withdrawal from, any pension plan for which the applicable Issuer or any of its subsidiaries would have any liability, except as would not have a Material Adverse Effect; and each such pension plan that is intended to be qualified under Section 401(a) of the Code is so qualified in all respects and nothing has occurred, whether by action or by failure to act, which could reasonably be expected to cause the loss of such qualification, except as would not have a Material Adverse Effect.

(y) Except as described in the Offering Memorandum, there are no costs or liabilities of either of the Issuers or any of their respective subsidiaries associated with or arising from the application of any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws") (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with any Environmental Laws or any permits, licenses or other approvals required of either of the

Issuers or any of their respective subsidiaries under applicable Environmental Laws to conduct its business, any related constraints on operating activities and any potential liabilities to third parties, including governmental authorities) which would, singularly or in the aggregate, have a Material Adverse Effect.

(z) On and immediately after the Closing Date, each of the Issuers (after giving effect to the issuance of the applicable Securities and to the other transactions related thereto as described in the Offering Memorandum) will be Solvent. As used in this paragraph, the term "Solvent" means, with respect to a particular date, that on such date (i) the present fair market value (or present fair saleable value) of the assets of each of the Issuers is not less than the total amount required to pay the probable liabilities of each of the Issuers on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured, (ii) each of the Issuers is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business, (iii) assuming the sale of the applicable Securities as contemplated by this Agreement and the Offering Memorandum, each of the Issuers is not incurring debts or liabilities beyond its ability to pay as such debts and liabilities mature; and (iv) each of the Issuers is not engaged in any business or transaction, and is not about to engage in any business or transaction, for which its property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which each of the Issuers is engaged. In computing the amount of such contingent liabilities at any time, it is intended that such liabilities will be computed at the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

(aa) None of the Issuers or any of their respective subsidiaries owns any "margin securities" as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), and none of the proceeds of the sale of the Securities will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the Securities to be considered a "purpose credit" within the meanings of Regulation T, U or X of the Federal Reserve Board.

(bb) The Securities satisfy the eligibility requirements of Rule 144A(d)(3) under the Securities Act.

(cc) None of the Issuers, any of their respective affiliates or any person acting on their behalf (other than the Initial Purchasers) has engaged or will engage in any directed selling efforts (as such term is defined in Regulation S under the Securities Act ("Regulation S")) with respect to the Securities, and all such persons have complied and will comply with the offering restrictions requirement of Regulation S to the extent applicable.

(dd) None of the Issuers or any of their respective affiliates has, directly or through any agent, (i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as such term is defined in the Securities Act), which is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act or (ii) engaged, in

connection with the offering of the Securities, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act.

(ee) Neither of the Issuers has taken or will take, directly or indirectly, any action prohibited by Regulation M under the Exchange Act in connection with the offering of the applicable Securities.

(ff) No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Preliminary Offering Memorandum or the Offering Memorandum has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(gg) Each of the Issuers and each of their respective subsidiaries has complied with all provisions of Section 517.075, Florida Statutes (Chapter 92-198, Laws of Florida) relating to doing business with the Government of Cuba or with any person or affiliate located in Cuba.

(hh) Since the date as of which information is given in the Offering Memorandum, except as otherwise stated therein, there has been no material adverse change or any development involving a prospective material adverse change in the condition, financial or otherwise, or in the earnings, business affairs, management or business prospects of either of the Issuers, whether or not arising in the ordinary course of business.

2. Purchase and Resale of the Securities. (a) On the basis of the representations, warranties and agreements contained herein, and subject to the terms and conditions set forth herein, the Issuers agree to issue and sell to each of the Initial Purchasers, severally and not jointly, and each of the Initial Purchasers, severally and not jointly, agrees to purchase from the Issuers, the principal amount of Securities set forth opposite the name of such Initial Purchaser on Schedule 1 hereto at a purchase price equal to (i) 96.175% of the principal amount thereof for the Senior Subordinated Notes and (ii) 55.990% of the principal amount at maturity thereof for the Senior Discount Notes. The Issuers shall not be obligated to deliver any of the Securities except upon payment for all of the Securities to be purchased as provided herein.

(b) The Initial Purchasers have advised the Issuers that they propose to offer the Securities for resale upon the terms and subject to the conditions set forth herein and in the Offering Memorandum. Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that (i) it is a Qualified Institutional Buyer (as defined below), (ii) it is purchasing the Securities pursuant to a private sale exempt from registration under the Securities Act, (iii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D under the Securities Act ("Regulation D") or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act and (iv) it has solicited and will solicit offers for the Securities only from, and has offered or sold and will offer, sell or deliver the Securities, as part of their initial offering, only (A) within the United States to persons whom it reasonably believes to be qualified institutional buyers ("Qualified Institutional Buyers"), as defined in Rule 144A under the Securities

Act ("Rule 144A"), or if any such person is buying for one or more institutional accounts for which such person is acting as fiduciary or agent, only when such person has represented to it that each such account is a Qualified Institutional Buyer to whom notice has been given that such sale or delivery is being made in reliance on Rule 144A and in each case, in transactions in accordance with Rule 144A and (B) outside the United States to persons other than U.S. persons in reliance on Regulation S under the Securities Act ("Regulation S").

(c) In connection with the offer and sale of Securities in reliance on Regulation S, each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) the Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

(ii) such Initial Purchaser has offered and sold the Securities, and will offer and sell the Securities, (A) as part of its distribution at any time and (B) otherwise until 40 days after the later of the commencement of the offering of the Securities and the Closing Date, only in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act.

(iii) none of such Initial Purchaser or any of its affiliates or any other person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and all such persons have complied and will comply with the offering restriction requirements of Regulation S.

(iv) at or prior to the confirmation of sale of any Securities sold in reliance on Regulation S, it will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration that purchases Securities from it during the restricted period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Securities and the date of original issuance of the Securities, except in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act. Terms used above have the meanings given to them by Regulation S."

(v) it has not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Securities, except with its affiliates or with the prior written consent of the Issuers

Terms used in this Section 2(c) have the meanings given to them by Regulation S.

(d) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that (i) it has not offered or sold and prior to the date six months after the Closing Date will not offer or sell any Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 and the Public Offers of Securities Regulations 1995 with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Securities to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

(e) Each Initial Purchaser, severally and not jointly, agrees that, prior to or simultaneously with the confirmation of sale by such Initial Purchaser to any purchaser of any of the Securities purchased by such Initial Purchaser from the Issuers pursuant hereto, such Initial Purchaser shall furnish to that purchaser a copy of the Offering Memorandum (and any amendment or supplement thereto that the Issuers shall have furnished to such Initial Purchaser prior to the date of such confirmation of sale). In addition to the foregoing, each Initial Purchaser acknowledges and agrees that the Issuers and, for purposes of the opinions to be delivered to the Initial Purchasers pursuant to Sections 5(d) and (e), counsel for the Issuers and for the Initial Purchasers, respectively, may rely upon the accuracy of the representations and warranties of the Initial Purchasers and their compliance with their agreements contained in this Section 2, and each Initial Purchaser hereby consents to such reliance.

(f) Each of the Issuers acknowledges and agrees that the Initial Purchasers may sell Securities to any affiliate of an Initial Purchaser and that any such affiliate may sell Securities purchased by it to an Initial Purchaser.

3. Delivery of and Payment for the Securities. (a) Delivery of and payment for the Securities shall be made at the offices of Simpson Thacher & Bartlett, New York, New York, or at such other place as shall be agreed upon by the Initial Purchasers and the Issuers, at 10:00 A.M., New York City time, on June 5, 1998, or at such other time or date, not later than seven full business days thereafter, as shall be agreed upon by the Initial Purchasers and the Issuers (such date and time of payment and delivery being referred to herein as the "Closing Date").

(b) On the Closing Date, payment of the purchase price for the Securities shall be made to the Issuers by wire or book-entry transfer of same-day funds to such account or accounts as the Issuers shall specify prior to the Closing Date or by such other means as the parties hereto shall agree prior to the Closing Date against delivery to the Initial Purchasers of the certificates evidencing the Securities. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligations of the Initial Purchasers hereunder. Upon delivery, the Securities shall be in global form, registered in such names and in such denominations as CSI on behalf of the Initial Purchasers shall have requested in writing not less than two full business days prior to the Closing Date. The Issuers agree to make

global certificates evidencing the Securities available for inspection by CSI on behalf of the Initial Purchasers in New York, New York at least 24 hours prior to the Closing Date.

4. Further Agreements of the Issuers. Each of the Issuers agrees with each of the several Initial Purchasers:

(a) to advise the Initial Purchasers promptly and, if requested, confirm such advice in writing, of the happening of any event which makes any statement of a material fact made in the Offering Memorandum untrue or which requires the making of any additions to or changes in the Offering Memorandum (as amended or supplemented from time to time) in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; to advise the Initial Purchasers promptly of any order preventing or suspending the use of the Preliminary Offering Memorandum or the Offering Memorandum, of any suspension of the qualification of the Securities for offering or sale in any jurisdiction and of the initiation or threatening of any proceeding for any such purpose; and to use its reasonable best efforts to prevent the issuance of any such order preventing or suspending the use of the Preliminary Offering Memorandum or the Offering Memorandum or suspending any such qualification and, if any such suspension is issued, to obtain the lifting thereof at the earliest possible time;

(b) to furnish promptly to each of the Initial Purchasers and counsel for the Initial Purchasers, without charge, as many copies of the Offering Memorandum (and any amendments or supplements thereto) as may be reasonably requested;

(c) prior to making any amendment or supplement to the Offering Memorandum, to furnish a copy thereof to each of the Initial Purchasers and counsel for the Initial Purchasers and not to effect any such amendment or supplement to which the Initial Purchasers shall reasonably object by notice to the Issuers after a reasonable period to review;

(d) if, at any time prior to completion of the resale of the Securities by the Initial Purchasers, any event shall occur or condition exist as a result of which it is necessary, in the opinion of counsel for the Initial Purchasers or counsel for the Issuers, to amend or supplement the Offering Memorandum in order that the Offering Memorandum will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time it is delivered to a purchaser, not misleading, or if it is necessary to amend or supplement the Offering Memorandum to comply with applicable law, to promptly prepare such amendment or supplement as may be necessary to correct such untrue statement or omission or so that the Offering Memorandum, as so amended or supplemented, will comply with applicable law;

(e) for so long as the Securities are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, to furnish to holders of the Securities and prospective purchasers of the Securities designated by such holders, upon request of such holders or such prospective purchasers, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act, unless the Issuers are then subject to and in compliance with Section 13 or 15(d) of the Exchange Act (the foregoing agreement being for the benefit of the holders from time to time of the Securities and prospective purchasers of the Securities designated by such holders);

(f) to promptly take from time to time such actions as the Initial Purchasers may reasonably request to qualify the Securities for offering and sale under the securities or Blue Sky laws of such jurisdictions as the Initial Purchasers may designate and to continue such qualifications in effect for so long as required for the resale of the Securities; and to arrange for the determination of the eligibility for investment of the Securities under the laws of such jurisdictions as the Initial Purchasers may reasonably request; provided that none of the Issuers or any of their respective subsidiaries shall be obligated to qualify as foreign corporations in any jurisdiction in which they are not so qualified or to file a general consent to service of process in any jurisdiction or to take any action which would subject it to taxation in any jurisdiction where it is not then so subject;

(g) to assist the Initial Purchasers in arranging for the Securities to be designated Private Offerings, Resales and Trading through Automated Linkages ("PORTAL") Market securities in accordance with the rules and regulations adopted by the National Association of Securities Dealers, Inc. ("NASD") relating to trading in the PORTAL Market and for the Securities to be eligible for clearance and settlement through The Depository Trust Company ("DTC");

(h) not to, and to cause its affiliates not to, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as such term is defined in the Securities Act) which could be integrated with the sale of the Securities in a manner which would require registration of the Securities under the Securities Act;

(i) except following the effectiveness of the applicable Exchange Offer Registration Statement or the applicable Shelf Registration Statement, as the case may be, not to, and to cause its affiliates not to, and not to authorize or knowingly permit any person acting on their behalf to, solicit any offer to buy or offer to sell the applicable Securities by means of any form of general solicitation or general advertising within the meaning of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; and not to offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any securities under circumstances where such offer, sale, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act to cease to be applicable to the offering and sale of the Securities as contemplated by this Agreement and the Offering Memorandum;

(j) for a period of 90 days from the date of the Offering Memorandum, not to offer for sale, sell, contract to sell or otherwise dispose of, directly or indirectly, or file a registration statement for, or announce any offer, sale, contract for sale of or other disposition of any debt securities issued or guaranteed by such Issuer or any of its subsidiaries (other than the applicable Securities) without the prior written consent of the Initial Purchasers;

(k) in connection with the offering of the Securities, until CSI on behalf of the Initial Purchasers shall have notified the Issuers of the completion of the resale of the Securities, not to, and to cause their affiliated purchasers (as defined in Regulation M under the Exchange Act) not to, either alone or with one or more other persons, bid for or purchase, for any account in which they or any of their affiliated purchasers has a beneficial interest, any Securities, or attempt to induce any person to purchase any Securities; and not to, and to cause their affiliated purchasers not to, make bids or

purchase for the purpose of creating actual, or apparent, active trading in or of raising the price of the Securities;

(l) to apply the net proceeds from the sale of the applicable Securities as set forth in the Offering Memorandum under the heading "Use of Proceeds".

5. Conditions of Initial Purchasers' Obligations. The respective obligations of the several Initial Purchasers hereunder are subject to the accuracy, on and as of the date hereof and the Closing Date, of the representations and warranties of each of the Issuers contained herein, to the accuracy of the statements of each of the Issuers and their respective officers made in any certificates delivered pursuant hereto, to the performance by each of the Issuers of their respective obligations hereunder, and to each of the following additional terms and conditions:

(a) The Offering Memorandum (and any amendments or supplements thereto) shall have been printed and copies distributed to the Initial Purchasers as promptly as practicable on or following the date of this Agreement or at such other date and time as to which the Initial Purchasers may agree.

(b) None of the Initial Purchasers shall have discovered and disclosed to either Issuer on or prior to the Closing Date that the Offering Memorandum or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of counsel for the Initial Purchasers, is material or omits to state any fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of each of the Transaction Documents and the Offering Memorandum, and all other legal matters relating to the Transaction Documents and the transactions contemplated thereby, shall be satisfactory in all material respects to the Initial Purchasers, and the Issuers shall have furnished to the Initial Purchasers all documents and information that they or their counsel may reasonably request to enable them to pass upon such matters.

(d) Simpson Thacher & Bartlett and Jeffrey B. Kramp shall have furnished to the Initial Purchasers their written opinions, as counsel to the Issuers, addressed to the Initial Purchasers and dated the Closing Date, in form and substance reasonably satisfactory to the Initial Purchasers, substantially to the effect set forth in Annex C-1 and Annex C-2 hereto.

(e) The Initial Purchasers shall have received from Cravath, Swaine & Moore, counsel for the Initial Purchasers, such opinion or opinions, dated the Closing Date, with respect to such matters as the Initial Purchasers may reasonably require, and the Issuers shall have furnished to such counsel such documents and information as they request for the purpose of enabling them to pass upon such matters.

(f) The Issuers shall have furnished to the Initial Purchasers a letter (the "Initial Letter") of Coopers & Lybrand L.L.P., addressed to the Initial Purchasers and dated the date hereof, in form and substance satisfactory to the Initial Purchasers, substantially to the effect set forth in Annex D hereto.

(g) The Issuers shall have furnished to the Initial Purchasers a letter (the "Bring-Down Letter") of Coopers & Lybrand L.L.P., addressed to the Initial Purchasers and dated the Closing Date (i) confirming that they are independent public accountants with respect to each of the Issuers and their respective subsidiaries within the meaning of Rule 101 of the Code of Professional Conduct of the AICPA and its interpretations and rulings thereunder, (ii) stating, as of the date of the Bring-Down Letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Offering Memorandum, as of a date not more than three business days prior to the date of the Bring-Down Letter), that the conclusions and findings of such accountants with respect to the financial information and other matters covered by the Initial Letter are accurate and (iii) confirming in all material respects the conclusions and findings set forth in the Initial Letter.

(h) Each of the Issuers shall have furnished to the Initial Purchasers a certificate, dated the Closing Date, of its chief executive officer and its chief financial officer stating that (A) such officers have carefully examined the Offering Memorandum, (B) in their opinion, the Offering Memorandum, as of its date, did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and since the date of the Offering Memorandum, no event has occurred which should have been set forth in a supplement or amendment to the Offering Memorandum so that the Offering Memorandum (as so amended or supplemented) would not include any untrue statement of a material fact and would not omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, (C) as of the Closing Date, the representations and warranties of each of the Issuers in this Agreement are true and correct in all material respects, each of the Issuers has complied in all material respects with all agreements and satisfied in all material respects all conditions on its part to be performed or satisfied hereunder on or prior to the Closing Date, and (D) subsequent to the date of the most recent financial statements contained in the Offering Memorandum, there has been no material adverse change in the financial position or results of operation of either of the Issuers or any of their respective subsidiaries, or any change, or any development including a prospective change, in or affecting the condition (financial or otherwise), results of operations, business or prospects of the Issuers and their respective subsidiaries taken as a whole.

(i) The Initial Purchasers shall have received a counterpart of each of the Registration Rights Agreements which shall have been executed and delivered by a duly authorized officer of the Issuers, as applicable.

(j) The Senior Subordinated Notes Indenture shall have been duly executed and delivered by the Company, Holdings and the Senior Subordinated Notes Trustee, and the Senior Subordinated Notes shall have been duly executed and delivered by the Company and duly authenticated by the Senior Subordinated Notes Trustee. The Senior Discount Notes Indenture shall have been duly executed and delivered by Holdings and the Senior Discount Notes Trustee, and the Senior Discount Notes shall have been duly executed and delivered by Holdings and duly authenticated by the Senior Discount Notes Trustee.

(k) The Securities shall have been approved by the NASD for trading in the PORTAL Market.

(l) If any event shall have occurred that requires the Issuers under Section 4(d) to prepare an amendment or supplement to the Offering Memorandum, such amendment or supplement shall have been prepared, the Initial Purchasers shall have been given a reasonable opportunity to comment thereon, and copies thereof shall have been delivered to the Initial Purchasers reasonably in advance of the Closing Date.

(m) There shall not have occurred any invalidation of Rule 144A under the Securities Act by any court or any withdrawal or proposed withdrawal of any rule or regulation under the Securities Act or the Exchange Act by the Commission or any amendment or proposed amendment thereof by the Commission which in the judgment of the Initial Purchasers would materially impair the ability of the Initial Purchasers to purchase, hold or effect resales of the Securities as contemplated hereby.

(n) Subsequent to the execution and delivery of this Agreement or, if earlier, the dates as of which information is given in the Offering Memorandum (exclusive of any amendment or supplement thereto), there shall not have been any change in the capital stock or long-term debt or any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), results of operations, business or prospects of the Issuers and their respective subsidiaries taken as a whole, the effect of which, in any such case described above, is, in the judgment of the Initial Purchasers, so material and adverse as to make it impracticable or inadvisable to proceed with the sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement and the Offering Memorandum (exclusive of any amendment or supplement thereto).

(o) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency or body which would, as of the Closing Date, prevent the issuance or sale of the Securities; and no injunction, restraining order or order of any other nature by any federal or state court of competent jurisdiction shall have been issued as of the Closing Date which would prevent the issuance or sale of the Securities.

(p) Subsequent to the execution and delivery of this Agreement (i) no downgrading shall have occurred in the rating accorded the Securities or any of the Issuers' other debt securities or preferred stock by any "nationally recognized statistical rating organization", as such term is defined by the Commission for purposes of Rule 436(g)(2) of the rules and regulations of the Commission under the Securities Act and (ii) no such organization shall have publicly announced that it has under surveillance or review (other than an announcement with positive implications of a possible upgrading), its rating of the Securities or any of the Issuers' other debt securities or preferred stock.

(q) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange, the American Stock Exchange or the over-the-counter market shall have been suspended or limited, or minimum prices shall have been established on any such exchange or market by the Commission, by any such exchange or by any other regulatory body or governmental authority having jurisdiction, or trading in any securities of either of the Issuers on any exchange or in the over-the-counter

market shall have been suspended or (ii) any moratorium on commercial banking activities shall have been declared by federal or New York state authorities or (iii) an outbreak or escalation of hostilities or a declaration by the United States of a national emergency or war or (iv) a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States shall be such) the effect of which, in the case of this clause (iv), is, in the judgment of the Initial Purchasers, so material and adverse as to make it impracticable or inadvisable to proceed with the sale or the delivery of the Securities on the terms and in the manner contemplated by this Agreement and in the Offering Memorandum (exclusive of any amendment or supplement thereto).

(r) All conditions to the consummation of the Recapitalization (including, without limitation, the execution of the Credit Agreement and the Receivables Agreements), other than the offering of the Securities, shall have been satisfied and the Recapitalization shall be consummated substantially concurrently with the sale of the Securities hereunder. The initial funding under the Credit Agreement and the Receivables Agreements shall occur substantially concurrently with the sale of the Securities hereunder and all conditions thereto shall have been satisfied.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchasers.

6. Termination. The obligations of the Initial Purchasers hereunder may be terminated by the Initial Purchasers, in their absolute discretion, by notice given to and received by the Issuers prior to delivery of and payment for the Securities if, prior to that time, any of the events described in Section 5(m), (n), (o), (p) or (q) shall have occurred and be continuing.

7. Defaulting Initial Purchasers. (a) If, on the Closing Date, any Initial Purchaser defaults in the performance of its obligations under this Agreement, the non-defaulting Initial Purchasers may make arrangements for the purchase of the Securities which such defaulting Initial Purchaser agreed but failed to purchase by other persons satisfactory to the Issuers and the non-defaulting Initial Purchasers, but if no such arrangements are made within 36 hours after such default, this Agreement shall terminate without liability on the part of the non-defaulting Initial Purchasers or the Issuers, except that the Issuers will continue to be liable for the payment of expenses to the extent set forth in Section 12 and except that the provisions of Sections 9 and 10 shall not terminate and shall remain in effect. As used in this Agreement, the term "Initial Purchasers" includes, for all purposes of this Agreement unless the context otherwise requires, any party not listed in Schedule 1 hereto that, pursuant to this Section 7, purchases Securities which a defaulting Initial Purchaser agreed but failed to purchase.

(b) Nothing contained herein shall relieve a defaulting Initial Purchaser of any liability it may have to the Issuers or any non-defaulting Initial Purchaser for damages caused by its default. If other persons are obligated or agree to purchase the Securities of a defaulting Initial Purchaser, either the non-defaulting Initial Purchasers or the Issuers may postpone the Closing Date for up to seven full business days in order to effect any changes that in the opinion of counsel for the Issuers or counsel for the Initial Purchasers may be necessary in the Offering Memorandum or in any other document or

arrangement, and the Issuers agree to promptly prepare any amendment or supplement to the Offering Memorandum that effects any such changes.

8. Reimbursement of Initial Purchasers' Expenses. If this Agreement shall have been terminated pursuant to Section 7 or as a result of the occurrence of any event described in Sections 5(m) or 5(q), the Issuers shall not be under any liability to pay the expenses of the Initial Purchasers, except as provided in Sections 9, 10 and 12. If the sale of the Securities is not consummated for any other reason, the Issuers shall jointly and severally reimburse the Initial Purchasers for such out-of-pocket expenses (including reasonable fees and disbursements of counsel) as shall have been reasonably incurred by the Initial Purchasers in connection with this Agreement and the proposed purchase and resale of the Securities. If this Agreement is terminated pursuant to Section 7 by reason of the default of one or more of the Initial Purchasers, the Issuers shall not be obligated to reimburse any Initial Purchaser on account of such expenses.

9. Indemnification. (a) Each of the Issuers shall jointly and severally indemnify and hold harmless each Initial Purchaser, its affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls any Initial Purchaser within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 9(a) and Section 10 as an Initial Purchaser), from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, without limitation, any loss, claim, damage, liability or action relating to purchases and sales of the Securities), to which that Initial Purchaser may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum or the Offering Memorandum or in any amendment or supplement thereto or in any information provided by the Issuers pursuant to Section 4(e) or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and shall reimburse each Initial Purchaser promptly upon demand for any legal or other expenses reasonably incurred by that Initial Purchaser in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that neither of the Issuers shall be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with any Initial Purchasers' Information; and provided, further, that with respect to any such untrue statement in or omission from the Preliminary Offering Memorandum, the indemnity agreement contained in this Section 9(a) shall not inure to the benefit of any such Initial Purchaser to the extent that the sale to the person asserting any such loss, claim, damage, liability or action was an initial resale by such Initial Purchaser and any such loss, claim, damage, liability or action of or with respect to such Initial Purchaser results from the fact that both (A) to the extent required by applicable law, a copy of the Offering Memorandum was not sent or given to such person at or prior to the written confirmation of the sale of such Securities to such person and (B) the untrue statement in or omission from the Preliminary Offering Memorandum was corrected in the Offering

Memorandum unless, in either case, such failure to deliver the Offering Memorandum was a result of non-compliance by either of the Issuers with Section 4(b).

(b) Each Initial Purchaser, severally and not jointly, shall indemnify and hold harmless each of the Issuers, its affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls either of the Issuers within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 9(b) and Section 10 as the Issuers), from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Issuers may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum or the Offering Memorandum or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with any Initial Purchasers' Information, and shall reimburse the Issuers for any legal or other expenses reasonably incurred by the Issuers in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under this Section 9 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party pursuant to Section 9(a) or 9(b), notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 9 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and, provided, further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 9. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 9 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that an indemnified party shall have the right to employ its own counsel in any such action, but the fees, expenses and other charges of such counsel for the indemnified party will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has reasonably concluded (based upon advice of counsel to the indemnified party) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (3) a conflict or potential

conflict exists (based upon advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (4) the indemnifying party has not in fact employed counsel reasonably satisfactory to the indemnified party to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm of attorneys (in addition to any local counsel) at any one time for all such indemnified party or parties. Each indemnified party, as a condition of the indemnity agreements contained in Sections 9(a) and 9(b), shall use all reasonable efforts to cooperate with the indemnifying party in the defense of any such action or claim. No indemnifying party shall be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

The obligations of each of the Issuers and the Initial Purchasers in this Section 9 and in Section 10 are in addition to any other liability that either of the Issuers or the Initial Purchasers, as the case may be, may otherwise have, including in respect of any breaches of representations, warranties and agreements made herein by any such party.

10. Contribution. If the indemnification provided for in Section 9 is unavailable or insufficient to hold harmless an indemnified party under Section 9(a) or 9(b), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Issuers on the one hand and the Initial Purchasers on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuers on the one hand and the Initial Purchasers on the other with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Issuers on the one hand and the Initial Purchasers on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Securities purchased under this Agreement (before deducting expenses) received by or on behalf of the Issuers, on the one hand, and the total discounts and commissions received by the Initial Purchasers with respect to the Securities purchased under this

Agreement, on the other, bear to the total gross proceeds from the sale of the Securities under this Agreement, in each case as set forth in the table on the cover page of the Offering Memorandum. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to the Issuers or information supplied by Issuers on the one hand or to any Initial Purchasers' Information on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. Each of the Issuers and the Initial Purchasers agree that it would not be just and equitable if contributions pursuant to this Section 10 were to be determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 10 shall be deemed to include, for purposes of this Section 10, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending or preparing to defend any such action or claim. Notwithstanding the provisions of this Section 10, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Initial Purchaser with respect to the Securities purchased by it under this Agreement exceeds the amount of any damages which such Initial Purchaser has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute as provided in this Section 10 are several in proportion to their respective purchase obligations and not joint.

11. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the Initial Purchasers, the Issuers and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except as provided in Sections 9 and 10 with respect to affiliates, officers, directors, employees, representatives, agents and controlling persons of the Issuers and the Initial Purchasers and in Section 4(e) with respect to holders and prospective purchasers of the Securities. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 11, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

12. Expenses. The Issuers jointly and severally agree with the Initial Purchasers to pay (a) the costs incident to the authorization, issuance, sale, preparation and delivery of the Securities and any taxes payable in that connection; (b) the costs incident to the preparation, printing and distribution of the Preliminary Offering Memorandum, the Offering Memorandum and any amendments or supplements thereto; (c) the costs of reproducing and distributing each of the Transaction Documents; (d) the costs incident to the preparation, printing and delivery of the certificates evidencing the Securities, including stamp duties and transfer taxes, stock exchange taxes, value added taxes, withholding taxes or similar duties or taxes, if any, payable upon authorization, issuance, sale or delivery of the Securities; (e) the fees and expenses of the Issuers' counsel and independent accountants; (f) the fees and expenses of qualifying the Securities under the securities laws of the several jurisdictions as provided in Section 4(g) and of preparing, printing and distributing Blue Sky Memoranda (including related

fees and expenses of counsel for the Initial Purchasers); (g) any fees charged by rating agencies for rating the Securities; (h) the fees and expenses of the Trustees and any paying agents (including related fees and expenses of any counsel to such parties); (i) all expenses and application fees incurred in connection with the application for the inclusion of the Securities on the PORTAL Market and the approval of the Securities for book-entry transfer through DTC, Euroclear and Cedel and any listing of the Securities on any securities exchange; and (j) all other costs and expenses incident to the performance of the obligations of the Issuers under this Agreement which are not otherwise specifically provided for in this Section 12; provided, however, that except as provided in this Section 12 and Section 8, the Initial Purchasers shall pay their own costs and expenses.

13. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of each of the Issuers and the Initial Purchasers contained in this Agreement or made by or on behalf of each of the Issuers or the Initial Purchasers pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination or cancelation of this Agreement or any investigation made by or on behalf of any of them or any of their respective affiliates, officers, directors, employees, representatives, agents or controlling persons.

14. Notices, etc.. All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Initial Purchasers, shall be delivered or sent by mail or telecopy transmission to Chase Securities Inc., 270 Park Avenue, New York, New York 10017, Attention: Mr. James P. Casey (telecopier no.: (212) 270-0994); or

(b) if to the Issuers, shall be delivered or sent by mail or telecopy transmission to the address of the Issuers set forth in the Offering Memorandum, Attention: Mr. Jeffrey B. Kramp (telecopier no.:412-454-2515);

provided that any notice to an Initial Purchaser pursuant to Section 9(c) shall also be delivered or sent by mail to such Initial Purchaser at its address set forth on the signature page hereof. Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Issuers shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Initial Purchasers by CSI.

15. Definition of Terms. For purposes of this Agreement, (a) the term "business day" means any day on which the New York Stock Exchange, Inc. is open for trading, (b) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act and (c) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act.

16. Initial Purchasers' Information. The parties hereto acknowledge and agree that, for all purposes of this Agreement, the Initial Purchasers' Information consists solely of the following information in the Preliminary Offering Memorandum and the Offering Memorandum: (i) the last paragraph on the front cover page concerning the terms of the offering by the Initial Purchasers; (ii) the legend on page "i" concerning over-allotment and trading activities by the Initial Purchasers; (iii) the statements concerning CSI contained in the paragraph under the heading "Certain Relationships and

Related Transactions--Certain Relationships With Chase"; and (iv) the statements concerning the Initial Purchasers contained in the third, twelfth, thirteenth and fourteenth paragraphs under the heading "Plan of Distribution".

17. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

18. Counterparts. This Agreement may be executed in one or more counterparts (which may include counterparts delivered by telecopier) and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

19. Amendments. No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

20. Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us a counterpart hereof, whereupon this instrument will become a binding agreement among each of the Issuers and the several Initial Purchasers in accordance with its terms.

Very truly yours,

WESCO DISTRIBUTION, INC.

By /s/ [ILLEGIBLE]

Name:
Title:

WESCO INTERNATIONAL, INC.

By /s/ [ILLEGIBLE]

Name:
Title:

Accepted:

CHASE SECURITIES INC.

By

Authorized Signatory

Address for notices pursuant to Section 9(c):
1 Chase Plaza, 25th floor
New York, New York 10081
Attention: Legal Department

LEHMAN BROTHERS INC.

By

Authorized Signatory

Address for notices pursuant to Section 9(c):
Three World Financial Center
New York, New York 10285
Attention:

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us a counterpart hereof, whereupon this instrument will become a binding agreement among each of the Issuers and the several Initial Purchasers in accordance with its terms.

Very truly yours,

WESCO DISTRIBUTION, INC.

By

Name:
Title:

WESCO INTERNATIONAL, INC.

By

Name:
Title:

Accepted:

CHASE SECURITIES INC.

By /s/ [ILLEGIBLE]

Authorized Signatory

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1 Chase Plaza, 25th floor
New York, New York 10081
Attention: Legal Department

LEHMAN BROTHERS INC.

By

Authorized Signatory

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New York, New York 10285
Attention:

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Very truly yours,

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Title:

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By

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1 Chase Plaza, 25th floor
New York, New York 10081
Attention: Legal Department

LEHMAN BROTHERS INC.

By /s/ [ILLEGIBLE]

Authorized Signatory

Address for notices pursuant to Section 9(c):
Three World Financial Center
New York, New York 10285
Attention:

SCHEDULE 1

Initial Purchasers	Principal Amount of Senior Subordinated Notes	Principal Amount at Maturity of Senior Discount Notes
Chase Securities Inc.	$165,000,000	$47,850,000
Lehman Brothers Inc.	$135,000,000	$39,150,000
Total	$300,000,000	$87,000,000

CERTIFICATE OF INCORPORATION

OF

CDW HOLDING CORPORATION

FIRST: The name of the Corporation is CDW HOLDING CORPORATION;

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

THIRD: The nature of the business of the Corporation and its purpose is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is 10,000,000 shares, consisting of 5,000,000 shares of Class A Common Stock, par value $.01 per share (herein called "Class A Common Stock"), 5,000,000 shares of Class B Common Stock, par value $.01 per share (herein called "Class B Common Stock").

(a) Rights and Privileges of the Common Stock

As used herein, the term "Common Stock" shall include the Class A Common Stock and the Class B Common Stock. Except as otherwise provided herein, all shares of Class A Common Stock and Class B Common Stock will be identical and will entitle the holders thereof to the same rights and privileges.

1. VOTING RIGHTS.

Except as otherwise required by law or as otherwise provided herein, on all matters submitted to the Corporation's stockholders, (i) the holders of Class A Common Stock will be entitled to one vote per share and (ii) the holders of Class B Common Stock will have no right to vote.

2. DIVIDENDS.

When and as dividends are declared thereon, whether payable in cash, property or securities of the Corporation, the holders of Class A Common Stock and the holders of Class B Common Stock will be entitled to share equally, share for share, in such dividends, provided that if dividends are declared which are payable in shares of Class A Common Stock or Class B Common Stock, dividends will be declared which are payable at the same rate on each class of stock, and the dividends payable in shares of Class A Common Stock will be payable to holders of Class A Common Stock, and the dividends payable in shares of Class B Common Stock will be payable to holders of Class B Common Stock.

3. CONVERSION AND EXCHANGE.

3A. Conversion of Class B Common Stock. Each record holder of Class B Common Stock is entitled to convert any or all of the shares of such holder's Class B Common Stock into the same number of shares of Class A Common Stock, provided that no holder of Class B Common Stock is entitled to convert any share or shares of Class B Common Stock to the extent that, as a result of such conversion, such holder or its Affiliates would directly or indirectly own, control or have power to vote a greater quantity of securities of any kind issued by the Corporation than such holder and its Affiliates are permitted to own, control or have power to vote under any law, regulation, order, rule or other requirement of any governmental authority at any time applicable to such holder and its Affiliates.

3B. Exchange of Class A Common Stock. Each record holder of Class A Common Stock is entitled to exchange any or all of the shares of such holder's Class A Common Stock for the same number of shares of Class B Common Stock, provided that no holder of Class A Common Stock is entitled to exchange any share or shares of Class A Common Stock unless such holder or its Affiliates would directly or indirectly own, control or have power to vote a greater quantity of securities of any kind issued by the Corporation than such holder and its Affiliates are permitted to own, control or have power to vote under any law, regulation, order, rule or other requirement of any governmental authority at any time applicable to such holder and its Affiliates if such shares were not exchanged.

3C. Certain Conversion and Exchange Procedures. (i) Each conversion of shares of Class B Common Stock into shares of Class A Common Stock and each exchange of shares of Class A Common Stock for shares of Class B Common Stock will be effected by the surrender of the certificate or certificates representing the shares to be converted or exchanged, as the case may be, at the principal office of the Corporation or the transfer agent designated by the Corporation, if any, at any time during normal business hours, together with a written notice by the holder of such shares stating either (A) the number of shares of Class B Common Stock that such holder desires to convert into Class A Common Stock and that upon such conversion such holder, together with its Affiliates, will not directly or indirectly own, control or have the power to vote a greater quantity of securities of any kind issued by the Corporation than such holder and its Affiliates are permitted to own, control or have the power to vote under any applicable law, regulation, order, rule or other governmental requirement (and such statement will obligate the Corporation to issue such Class A Common Stock), or (B) the number of shares of Class A Common Stock that such holder desires to exchange for Class B Common Stock and that such exchange is required in order for such holder and its Affiliates to comply with applicable laws, regulations, orders, rules or other governmental requirements as contemplated by paragraph 3B (and such statement will obligate the Corporation to issue such Class B Common Stock). Such conversion or exchange will be deemed to have been effected as of the close of business on the date on which such certificate or certificates have been surrendered and such notice has been received, and at such time the rights of any such holder with respect to the converted Class B Common Stock or exchanged Class A Common Stock, as the case may be, will cease and the person or persons in whose name or names the certificate or certificates for shares of Class A Common Stock or Class B Common Stock, as the case may be, are to be issued upon such conversion or exchange will be deemed to have become the holder or holders of record of the shares of Class A Common Stock or Class B Common Stock, as the case may be, represented thereby.

(ii) Promptly after such surrender and the receipt of the written notice referred to in subparagraph (i) above, the Corporation will issue and deliver in accordance with the surrendering holder's instructions the certificate or certificates for the Class A Common Stock or Class B Common Stock, as the case may be, issuable upon such conversion or

exchange and a certificate representing any Class A Common Stock or Class B Common Stock, as the case may be, which was represented by the certificate or certificates delivered to the Corporation in connection with such conversion or exchange but which was not converted or exchanged. The Corporation shall be entitled to rely upon any written notice delivered pursuant to subparagraph (i) above and such notice shall, in the absence of fraud, be binding and conclusive upon the Corporation.

4. MISCELLANEOUS PROVISIONS APPLICABLE TO COMMON STOCK.

4A. Transfers. The Corporation will not close its books against the transfer of Class B Common Stock or Class A Common Stock in any manner that would interfere with the timely conversion of Class B Common Stock or exchange of Class A Common Stock.

4B. Subdivisions and Combinations of Shares. If the Corporation in any manner subdivides or combines the outstanding shares of one class of Common Stock, the outstanding shares of the other class of Common Stock will be proportionately subdivided or combined.

4C. Issuance Costs. The issuance of certificates for Class A Common Stock upon conversion of Class B Common Stock or for Class B Common Stock upon exchange for Class A Common Stock will be made without charge to the holder or holders of such shares for any issuance tax (except stock transfer taxes) in respect thereof or other cost incurred by the Corporation in connection with such conversion or exchange and the related issuance of Class A Common Stock or Class B Common Stock, as the case may be.

5. DEFINITIONS.

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person, provided that, for purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise. Notwithstanding any other provision herein, the

Board of Directors shall in its good faith determine whether any party shall be deemed an "Affiliate" of any Person for purposes of this Certificate of Incorporation and such determination shall be binding and conclusive upon the Corporation.

"Person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

FIFTH: The name and mailing address of the incorporator is as follows:

Euphemia B. Warren
c/o Debevoise & Plimpton
875 Third Avenue
New York, New York 10022

SIXTH: The following provisions are inserted for the management of the business and for the conduct of the affairs of the Corporation and for the purpose of creating, defining, limiting and regulating the powers of the Corporation and its directors and stockholders:

(a) The number of directors of the Corporation shall be fixed and may be altered from time to time in the manner provided in the By-Laws, and vacancies in the Board of Directors and newly created directorships resulting from any increase in the authorized number of directors may be filled, and directors may be removed, as provided in the By-Laws.

(b) The election of directors may be conducted in any manner approved by the stockholders at the time when the election is held and need not be by ballot.

(c) All corporate powers and authority of the Corporation (except as at the time otherwise provided by law, by this Certificate of Incorporation or by the By-Laws) shall be vested in and exercised by the Board of Directors.

(d) No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of his or her fiduciary duty as a director, provided that nothing contained in

this Certificate of Incorporation shall eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 of the General Corporation Law of the State of Delaware or (iv) for any transaction from which the director derived an improper personal benefit.

(e) The Board of Directors shall have the power without the assent or vote of the stockholders to adopt, amend, alter or repeal the By-Laws of the Corporation, except to the extent that the By-Laws or this Certificate of Incorporation otherwise provide.

SEVENTH: The Corporation reserves the right to amend or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by the law of the State of Delaware, and all rights herein conferred upon stockholders or directors are granted subject to this reservation.

IN WITNESS WHEREOF, I, the undersigned, being the incorporator hereinabove named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make and file this Certificate of Incorporation, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand this 17th day of September, 1993.

/s/ Euphemia B. Warren

Euphemia B. Warren

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

BE IT REMEMBERED that on the 17th day of September, 1993, personally appeared before me, Peter Demos , a notary public for the State of New York, Eupheinia B. Warren, the party to the foregoing Certificate of Incorporation, known to me personally to be such, and acknowledged said Certificate of Incorporation to be their act and deed and that the facts therein stated are true.

GIVEN under my hand and seal of office the day and year aforesaid.

/s/ Peter Demos

Notary Public

PETER DEMOS
Notary Public. State of New York [SEAL]
No. 4985115
Qualified In Orange County
My Commission Expires June 24, 1995

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

CDW HOLDING CORPORATION

Pursuant to Section 242 of the General
Corporation Law of the State of Delaware

CDW Holding Corporation (the "Corporation"), a corporation organized under the General Corporation Law of the State of Delaware (the "General Corporation Law") hereby certifies as follows:

FIRST: That the Board of Directors of the Corporation, by written consent in lieu of a meeting of its members in accordance with Section 141 (f) of the General Corporation Law, duly adopted a resolution setting forth the following proposed amendment to the Certificate of Incorporation of the Corporation and declaring such amendment to be advisable:

1. Article FIRST of the Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety to read as follows:

"First: The name of the Corporation is WESCO International, Inc."

SECOND: That in lieu of a meeting and vote of the stockholders of the Corporation, the stockholders have by written consent, dated May 28, 1998, approved the adoption of the foregoing amendment in accordance with the provision of Section 228 of the General Corporation Law, and that such consent has been filed with the minutes of the proceedings of the stockholders of the Corporation.

THIRD: That the foregoing amendment of the Certificate of Incorporation was duly adopted pursuant to the applicable provisions of Sections 141, 228 and 242 of the General Corporation Law.

IN WITNESS WHEREOF, the undersigned, being the duly authorized President of the Corporation, for the purpose of amending the Certificate of Incorporation of the Corporation pursuant to Section 242 of the General Corporation Law of the State of Delaware, does make and file this Certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly has hereunto set his hand, this 28th day of May, 1998.

/s/ Roy W. Haley

Roy W. Haley
President

Certificate of Amendment of the
Certificate of Incorporation of CDW Holding Corporation

Under Section 242 of the
Delaware General Corporation Law

CDW HOLDING CORPORATION, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies that:

1. The Certificate of Incorporation of the Corporation was filed with the Secretary of State of Delaware on September 17, 1993.

2. The Certificate of Incorporation of the Corporation is hereby amended, as authorized by Section 242 of the General Corporation Law of the State of Delaware, to reduce the total number of shares of all classes of stock that the Corporation shall have authority to issue.

3. To effect such amendment, Article FOURTH of the Certificate of Incorporation of the Corporation is hereby amended to read as follows:

> "FOURTH: The total number of shares of all classes of stock that the Corporation shall have authority to issue is 4,000,000 shares, consisting of 2,000,000 shares of Class A Common Stock, par value $.0l per share (herein called "Class A Common Stock"), and 2,000,000 shares of Class B Common Stock, par value $.0l per share (herein called "Class B Common Stock")."

4. The foregoing amendment of the Certificate of Incorporation of the Corporation has been duly adopted in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware, by vote of the majority of the Board of Directors and by written consent of the majority stockholder of the Corporation. Written notice of the authorization of the foregoing amendment by the majority stockholder has been given to all stockholders of the Corporation, as provided in Section 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be executed by Roy W. Haley, its President, and attested by Jeffrey B. Kramp, its Corporate Secretary, this 11th day of August, 1995.

/s/ Roy W. Haley

Roy W. Haley, President

Attest:

/s/ Jeffrey B. Kramp
- - - - ---
Jeffrey B. Kramp, Corporate Secretary

CERTIFICATE OF INCORPORATION

OF

CDW ACQUISITION CORPORATION

FIRST: The name of the Corporation is CDW Acquisition Corporation.

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

THIRD: The nature of the business of the Corporation and its purpose is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 1,000 shares of Common Stock, par value $.01 per share.

FIFTH: The name and mailing address of the incorporator is as follows:

Euphemia B. Warren
c/o Debevoise & Plimpton
875 Third Avenue
New York, New York 10022

SIXTH: The following provisions are inserted for the management of the business and for the conduct of the affairs of the Corporation and for the purpose of creating, defining, limiting and regulating the powers of the Corporation and its directors and stockholders:

(a) The number of directors of the Corporation shall be fixed and may be altered from time to time in the manner provided in the By-Laws, and vacancies in the Board of Directors and newly created directorships resulting from any increase in the authorized number of directors may be filled, and directors may be removed, as provided in the By-Laws.

(b) The election of directors may be conducted in any manner approved by the stockholders at the time when the election is held and need not be by ballot.

(c) All corporate powers and authority of the Corporation (except as at the time otherwise provided by law, by this Certificate of Incorporation or by the By-Laws) shall be vested in and exercised by the Board of Directors.

(d) The Board of Directors shall have the power without the assent or vote of the stockholders to adopt, amend, alter or repeal the By-Laws of the Corporation, except to the extent that the By-Laws or this Certificate of Incorporation otherwise provide.

(e) No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of his or her fiduciary duty as a director, provided that nothing contained in this Certificate of Incorporation shall eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 of the General Corporation Law of the State of Delaware or (iv) for any transaction from which the director derived an improper personal benefit.

SEVENTH: The Corporation reserves the right to amend or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights herein conferred upon stockholders or directors are granted subject to this reservation.

IN WITNESS WHEREOF, I, the undersigned, being the incorporator hereinabove named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make and file this Certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand this 16th day of August, 1993.

/s/ Euphemia B. Warren

Euphemia B. Warren

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

BE IT REMEMBERED that on the 16th day of August, 1993 personally appeared before me, JULIE A. FERGANG a notary public for the State of New York, Euphemia B. Warren, the party to the foregoing Certificate of Incorporation, known to me personally to be such, and acknowledged the said Certificate to be her act and deed and that the facts therein stated are true.

GIVEN under my hand and seal of office the day and year aforesaid.

[NOTARY SEAL]

/s/ Julie A. Fergang

Notary Public

Julie A. Fergang
Notary Public, State of New York
No. 31-8002308
Qualified in New York County
Commission Expires Sep. 28, 1994

CERTIFICATE OF AMENDMENT

OF THE

CERTIFICATE OF INCORPORATION

OF

CDW ACQUISITION CORPORATION

Under Section 242 of the
Delaware General Corporation Law

CDW Acquisition Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation") hereby certifies that:

1. The Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on August 17, 1993.

2. The Certificate of Incorporation of the Corporation is hereby amended, as authorized by Section 242 of the Delaware General Corporation Law, to change the name of the Corporation to "WESCO Distribution, Inc."

3. To effect such amendment, Article FIRST of the Certificate of Incorporation of the Corporation is hereby amended to read as follows:

"FIRST: The name of the Corporation is WESCO Distribution, Inc."

4. The foregoing amendment of the Certificate of Incorporation of the Corporation has been duly adopted in accordance with Sections 228 and 242 of the Delaware General Corporation Law, by unanimous written consent of the Board of Directors and of the Sole Stockholder of the Corporation.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be executed by Alexander F. Brigham, its Vice President, and attested by William A. Barbe, its Vice President and Secretary, this 28th day of February, 1994.

/s/ Alexander F. Brigham

Alexander F. Brigham
Vice President

Attest:

/s/ William A. Barbe
- - - - ---
William A. Barbe
Vice President and Secretary

WESCO Distribution, Inc.

By-Laws

As amended and restated on February 28, 1994

WESCO Distribution, Inc.

BY-LAWS

TABLE OF CONTENTS

WESCO Distribution, Inc.

BY-LAWS

As amended and restated on February 28, 1994

ARTICLE I

STOCKHOLDERS

Section 1.01. Annual Meetings. The annual meeting of the stockholders of the Corporation for the election of directors and for the transaction of such other business as properly may come before such meeting shall be held at such place, either within or without the State of Delaware, and at 10:00 a.m. local time on the first Tuesday in May (or, if such day is a holiday, then on the next succeeding business day), or at such other date and hour, as may be fixed from time to time by resolution of the Board of Directors and set forth in the notice or waiver of notice of the meeting. [Sections 211(a), (b).](1)

Section 1.02. Special Meetings. Special meetings of the stockholders may be called at any time by the President (or, in the event of his absence or disability, by any Vice President), or by the Board of Directors. A special meeting shall be called by the President (or, in the event of his absence or disability, by any Vice President), or by the Secretary, immediately upon receipt of a written request therefor by stockholders holding in the aggregate not less than a majority of the outstanding shares of the Corporation at the time entitled to vote at any meeting of the stockholders. If such officers or the Board of Directors shall fail to call such meeting within 20 days after receipt of such request, any stockholder executing such request may call such meeting. Such special meetings of the stockholders shall be held at such places, within or without the State of Delaware, as shall be specified in the respective notices or waivers of notice thereof. [Section 211(d).]

Section 1.03. Notice of Meetings; Waiver. The Secretary or any Assistant Secretary shall cause written notice of the place, date and hour of each meeting of the stockholders, and, in the case of a special meeting, the purpose or purposes for which such meeting is called, to be given personally or by mail, not less than ten nor more than sixty days prior to the meeting, to each stockholder of record entitled to vote at such meeting. If such notice is mailed, it shall be deemed to have been given to a stockholder when deposited in the United States mail, postage prepaid, directed to the stockholder at his address

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(1) Citations are to the General Corporation Law of the State of Delaware as in effect on March 20, 1992 (the "GCL"), and are inserted for reference only and do not constitute a part of the By-Laws.

as it appears on the record of stockholders of the Corporation, or, if he shall have filed with the Secretary of the Corporation a written request that notices to him be mailed to some other address, then directed to him at such other address. Such further notice shall be given as may be required by law.

No notice of any meeting of stockholders need be given to any stockholder who submits a signed waiver of notice, whether before or after the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in a written waiver of notice. The attendance of any stockholder at a meeting of stockholders shall constitute a waiver of notice of such meeting, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. [Sections 222, 229.]

Section 1.04. Quorum. Except as otherwise required by law or by the Certificate of Incorporation, the presence in person or by proxy of the holders of record of a majority of the shares entitled to vote at a meeting of stockholders shall constitute a quorum for the transaction of business at such meeting. [Section 216.]

Section 1.05. Voting. If, pursuant to Section 5.05 of these By-Laws, a record date has been fixed, every holder of record of shares entitled to vote at a meeting of stockholders shall be entitled to one vote for each share outstanding in his name on the books of the Corporation at the close of business on such record date. If no record date has been fixed, then every holder of record of shares entitled to vote at a meeting of stockholders shall be entitled to one vote for each share of stock standing in his name on the books of the Corporation at the close of business on the day next preceding the day on which notice of the meeting is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. Except as otherwise required by law or by the Certificate of Incorporation, the vote of a majority of the shares represented in person or by proxy at any meeting at which a quorum is present shall be sufficient for the transaction of any business at such meeting. [Sections 212(a), 216.]

Section 1.06. Voting by Ballot. No vote of the stockholders need be taken by written ballot or conducted by inspectors of Elections unless otherwise required by law. Any vote which need not be taken by ballot may be conducted in any manner approved by the meeting.

Section 1.07. Adjournment. If a quorum is not present at any meeting of the stockholders, the stockholders present in person or by proxy shall have the power to adjourn any such meeting from time to time until a quorum is present. Notice of any adjourned meeting of the stockholders of the Corporation need not be given if the place, date and hour thereof are announced at the meeting at which the adjournment is taken, provided, however, that if the adjournment is for more than thirty days, or if after the adjournment a new record date for the adjourned meeting is fixed pursuant to Section 5.05 of these By-Laws, a notice of the adjourned meeting, conforming to the requirements of Section 1.03 hereof, shall be given to each stockholder of record entitled to vote at such meeting. At any adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted on the original date of the meeting. [Section 222(c).]

Section 1.08. Proxies. Any stockholder entitled to vote at any meeting of the stockholders or to express consent to or dissent from corporate action without a meeting may authorize another person or persons to vote at any such meeting and express such consent or dissent for him by proxy. A stockholder may authorize a valid proxy by executing a written instrument signed by such stockholder, or by causing his or her signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature, or by transmitting or authorizing the transmission of a telegram, cablegram or other means of electronic-transmission to the person designated as the holder of the proxy, a proxy solicitation firm or a like authorized agent. No such proxy shall be voted or acted upon after the expiration of three years from the date of such proxy, unless such proxy provides for a longer period. Every proxy shall be revocable at the pleasure of the stockholder executing it, except in those cases where applicable law provides that a proxy shall be irrevocable. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by filing another duly executed proxy bearing a later date with the Secretary. Proxies by telegram, cablegram or other electronic transmission must

either set forth or be submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by the stockholder. Any copy, facsimile telecommunication or other reliable reproduction of a writing or transmission created pursuant to this section may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission. [Sections 212(b), (c).]

Section 1.09. Organization; Procedure. At every meeting of stockholders the presiding officer shall be the President or, in the event of his absence or disability, a presiding officer chosen by a majority of the stockholders present in person or by proxy. The Secretary, or in the event of his absence or disability, the Assistant Secretary, if any, or if there be no Assistant Secretary, in the absence of the Secretary, an appointee of the presiding officer, shall act as Secretary of the meeting. The order of business and all other matters of procedure at every meeting of stockholders may be determined by such presiding officer.

Section 1.10. Consent of Stockholders in Lieu of Meeting. To the fullest extent permitted by law, whenever the vote of stockholders at a meeting thereof is required or permitted to be taken for or in connection with any corporate action, such action may be taken without a meeting, without prior notice and without a vote of stockholders, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Every written consent shall bear the date of signature of each stockholder or member who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered in the manner

required by law to the Corporation, written consents signed by a sufficient number of holders or members to take action are delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. [Section 228.]

ARTICLE II

BOARD OF DIRECTORS

Section 2.01. General Powers. Except as may otherwise be provided by law, by the Certificate of Incorporation or by these By-Laws, the property, affairs and business of the Corporation shall be managed by or under the direction of the Board of Directors and the Board of Directors may exercise all the powers of the Corporation. [Section 141(a).]

Section 2.02. Number and Term of Office. The number of Directors constituting the entire Board of Directors shall be three, which number may be modified from time to time by resolution of the Board of Directors, but in no event shall the number of Directors be less than one; provided that the number of Directors shall in any event be automatically increased or decreased in the manner set forth below without any action on the part of the Board of Directors:

(1) If at any time any holder of the Corporation's Common Stock issued and sold under the Stock Subscription, Stock Option and Shareholders Agreement, dated as of February 28, 1994, between CDW Holding Corporation and Westinghouse Electric Corporation ("Westinghouse"), entitled to the benefits of Section 2 of the letter agreement, dated as of February 28, 1994 (the "Governance Sideletter"), among the Corporation, The Clayton & Dubilier Private Equity Fund IV Limited Partnership (the "C&D Fund") and Westinghouse delivers notice to the Corporation that it is exercising the right granted therein to nominate a person as Director of the Corporation, and such holder shall then be entitled to exercise such right, then the number of Directors

constituting the entire Board of Directors shall automatically be increased by one.

(2) If and to the extent permitted by applicable law, immediately upon any termination of the aforesaid right of any holder of the Common Stock of the Corporation referred to in the preceding paragraph to nominate a Director (including any temporary termination attributable to the waiver for a specified or unspecified period by such holder of its rights under such letter agreement), the term of the office of the Director then in office so nominated shall terminate and the number of Directors on the Board of Directors shall be reduced correspondingly.

Each Director (whenever elected) shall hold office until his successor has been duly elected and qualified, or until his earlier death, resignation or removal. [Section 141(b).]

Section 2.03. Election of Directors. Except as otherwise provided in Sections 2.12 and 2.13 of these By-Laws, the Directors shall be elected at each annual meeting of the stockholders. If the annual meeting for the election of Directors is not held on the date designated therefor, the Directors shall cause the meeting to be held as soon thereafter as convenient. At each meeting of the stockholders for the election of Directors, provided a quorum is present, the Directors shall be elected by a plurality of the votes validly cast in such election. [Sections 211(b), (c), 216.]

Section 2.04. Annual and Regular Meetings. The annual meeting of the Board of Directors for the purpose of electing officers and for the transaction of such other business as may come before the meeting shall be held as soon as possible following adjournment of the annual meeting of the stockholders at the place of such annual meeting of the stockholders. Notice of such annual meeting of the Board of Directors need not be given. The Board of Directors from time to time may by resolution provide for the holding of regular meetings and fix the place (which may be within or without the State of Delaware) and the date and hour of such meetings. Notice of regular meetings need not be given, provided, however, that if the Board of Directors shall fix or change the time or place of any regular meeting, notice of such action shall be sent by telegram or facsimile, to each Director who shall not have been present at the meeting at which such action was taken, addressed to him at his usual place of business, or shall be delivered to him personally.

Notice of such action need not be given to any Director who attends the first regular meeting after such action is taken without protesting the lack of notice to him, prior to or at the commencement of such meeting, or to any Director who submits a signed waiver of notice, whether before or after such meeting. [Section 141(g).]

Section 2.05. Special Meetings; Notice. Special meetings of the Board of Directors shall be held whenever called by the President or, in the event of his absence or disability, by any Vice President, at such place (within or without the State of Delaware), date and hour as may be specified in the respective notices or waivers of notice of such meetings. Special meetings of the Board of Directors may be called on 48 hours' notice, if notice is given to each Director personally or by telephone, telegram, or on five days' notice, if notice is mailed by overnight delivery service to each Director, addressed to him at his usual place of business. Notice of any special meeting need not be given to any Director who attends such meeting without protesting the lack of notice to him, prior to or at the commencement of such meeting, or to any Director who submits a signed waiver of notice, whether before or after such meeting, and any business may be transacted thereat. [Sections 141(g), 229.]

Section 2.06. Quorum; Voting. At all meetings of the Board of Directors, the presence of a majority of the total authorized number of Directors shall constitute a quorum for the transaction of business. Except as otherwise required by law, the vote of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. [Section 141(b).]

Section 2.07. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting of the Board of Directors to another time or place. No notice need be given of any adjourned meeting unless the time and place of the adjourned meeting are not announced at the time of adjournment, in which case notice conforming to the requirements of Section 2.05 shall be given to each Director.

Section 2.08. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing, and such writing or writings are filed with the minutes of proceedings of the Board of Directors. [Section 141(f).]

Section 2.09. Regulations; Manner of Acting. To the extent consistent with applicable law, the Certificate of Incorporation and these By-Laws, the Board of Directors may adopt such rules and regulations for the conduct of meetings of the Board of Directors and for the management of the property, affairs and business of the Corporation as the Board of Directors may deem appropriate. The Directors shall act only as a Board, and the individual Directors shall have no power as such.

Section 2.10. Action by Telephonic Communications. Members of the Board of Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. [Section 141(i).]

Section 2.11. Resignations. Any Director may resign at any time by delivering a written notice of resignation, signed by such Director, to the President or the Secretary. Unless otherwise specified therein, such resignation shall take effect upon delivery. [Section 141(b).]

Section 2.12. Removal of Directors. Any Director may be removed at any time, either for or without cause, upon the affirmative vote of the holders of a majority of the outstanding shares of stock of the Corporation entitled to vote for the election of such Director, cast at a special meeting of the stockholders called for the purpose. Any vacancy in the Board of Directors caused by any such removal may be filled at such meeting by the stockholders entitled to vote for the election of the Director so removed. If such stockholders do not fill such vacancy at such meeting (or in the written instrument effecting such removal, if such removal was effected by consent without a meeting), such vacancy may be filled in the manner provided in Section 2.13 of these By-Laws. [Section 141(b).]

Section 2.13. Vacancies and Newly Created Directorships. (a) If any vacancies shall occur in the Board of Directors, by reason of death, resignation, removal or otherwise, or if the authorized number of Directors shall be increased, the Directors then in office shall continue to act, and such vacancies and newly created directorships may be filled by a majority of the Directors then in office,

although less than a quorum. A Director elected to fill a vacancy or a newly created directorship shall hold office until his successor has been elected and qualified or until his earlier death, resignation or removal. Any such vacancy or newly created directorship may also be filled at any time by vote of the stockholders.

(b) Notwithstanding the provisions of paragraph (a) of this section, prior to the termination of the Governance Sideletter, in the event that a vacancy shall be created on the Board of Directors as a result of the death, resignation or removal (with or without cause) of a director nominated by Westinghouse, the Board of Directors shall within five business days of the creation of such vacancy request Westinghouse to nominate a Qualified Nominee (as defined in the Governance Sideletter) to be appointed by the Board of Directors to fill such vacancy.

(c) Notwithstanding the provisions of paragraph (a) of this Section, prior to the termination of the Registration and Participation Agreement, dated as of February 28, 1994 (the "R&P Agreement"), among the Corporation and the stockholders from time to time party thereto, in the event that a vacancy shall be created on the Board of Directors as a result of the death, resignation or removal (with or without cause) of a director nominated by the C&D Fund, the Board of Directors shall within five business days of the creation of such vacancy request the C&D Fund to nominate a candidate to be appointed by the Board of Directors to fill such vacancy. [Section 223.]

Section 2.14. Compensation. The amount, if any, which each Director shall be entitled to receive as compensation for his services as such shall be fixed from time to time by resolution of the Board of Directors. [Section 141(h).]

Section 2.15. Reliance on Accounts and Reports, etc. A Director, or a member of any Committee designated by the Board of Directors shall, in the performance of his duties, be fully protected in relying in good faith upon the records of the Corporation and upon information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or Committees designated by the Board of Directors, or by any other person as to the matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation. [Section 141(e).]

ARTICLE III

EXECUTIVE COMMITTEE AND OTHER COMMITTEES

Section 3.01. How Constituted. The Board of Directors may, by resolution adopted by a majority of the whole Board, designate on or more Committees, including an Executive Committee, each such Committee to consist of such number of Directors as from time to time may be fixed by the board of Directors. The Board of Directors may designate one or more Directors as alternate members of any such Committee, who may replace any absent or disqualified member or members at any meeting of such Committee. Thereafter, members (and alternate members, if any) of each such Committee may be designated at the annual meeting of the Board of Directors. Any such Committee may be abolished or re-designated from time to time by the Board of Directors. Each member (and each alternate member) of any such Committee (whether designated at an annual meeting of the Board of Directors or to fill a vacancy or otherwise) shall hold office until his successor shall have been desingated or until he shall cease to be a Director, or until his earlier death, resignation or removal. [Section 141(c).]

Section 3.02. Powers. During the intervals between the meetings of the Board of Directors, the Executive Committee, except as otherwise provided in this section, shall have and may exercise all the powers and authority of the Board of Directors in the management of the property, affairs and business of the Corporation. Each such other Committee, except as otherwise provided in this section, shall have and may exercise such powers of the Board of Directors as may be provided by resolution or resolutions of

the Board of Directors. Neither the Executive Committee nor any such Committee shall have the power or authority:

(a) to amend the Certificate of Incorporation (except that a Committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board of Directors as provided in Section 151(a) of the General Corporation Law, fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the Corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the Corporation or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series),

(b) to adopt an agreement of merger or consolidation or a certificate of ownership or merger,

(c) to recommend to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets,

(d) to recommend to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or

(e) to declare a dividend;

(f) to authorize the issuance of stock;

(g) to remove the President of the Corporation or a Director;

(h) to authorize the borrowing of funds, other than under existing facilities, that is material to the capital structure of the Corporation;

(i) to authorize any new compensation or benefit program;

(j) to appoint or discharge the Corporation's independent public accountants;

(k) to authorize the annual operating plan, annual capital expenditure plan and strategic plan;

(l) to abolish or usurp the authority of the Board of Directors; or

(m) to amend these By-Laws of the Corporation.

The Executive Committee shall have, and any such other Committee may be granted by the Board of Directors, power to authorize the seal of the Corporation to be affixed to any or all papers which may require it. [Section 141(c).]

Section 3.03 Proceedings. Each such Committee may fix its own rules of procedure and may meet at such place (within or without the State of Delaware), at such time and upon such notice, if any, as it shall determine from time to time. Each such Committee shall keep minutes of its proceedings and shall report such proceedings to the Board of Directors at the meeting to the Board of Directors next following any such proceedings.

Section 3.04. Quorum and Manner of Acting. Except as may be otherwise provided in the resolution creating such Committee, at all meetings of any Committee the presence of members (or alternate members) constituting a majority of the total authorized membership of such Committee shall constitute a quorum for the transaction of business. The act of the majority of the members present at any meeting at which a quorum is present shall be the act of such Committee. Any action required or permitted to be taken at any meeting of any such Committee may be taken without a meeting, if all members of such Committee shall consent to such action in writing and such writing or writings are filed with the minutes of the proceedings of the Committee. The members of any such Committee shall act only as a Committee, and the individual members of such Committee shall have no power as such. [Section 141(c).]

Section 3.05. Action by Telephonic Communications. Members of any Committee designated by the Board of Directors may participate in a meeting of such Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. [Section 141(i).]

Section 3.06. Absent or Disqualified Members. In the absence or disqualification of a member of any Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member or the Board of Directors to act at the meeting in the place of any such absent or disqualified member. [Section 141(c).]

Section 3.07. Resignations. Any member (and any alternate member) of any Committee may resign at any time by delivering a written notice of resignation, signed by such member, to the Chairman or the President. Unless otherwise specified therein, such resignation shall take effect upon delivery.

Section 3.08. Removal. Any member (and any alternate member) of any Committee may be removed at any timer either for or without cause, by resolution adopted by a majority of the whole Board of Directors.

Section 3.09. Vacancies. If any vacancy shall occur in any Committee, by reason of disqualification, death, resignation, removal or otherwise, the remaining members (and any alternate members) shall continue to act, and any such vacancy may be filled by the Board of Directors.

ARTICLE IV

OFFICERS

Section 4.01. Number. The officers of the Corporation shall be chosen by the Board of Directors and shall be a President, one or more Vice Presidents, a Secretary and a Treasurer. The Board of Directors also may elect one or more Assistant Secretaries and Assistant Treasurers in such numbers as the Board of Directors may determine. Any number of offices may be held by the same person. No officer need be a Director of the Corporation. [Section 142(a), (b).]

Section 4.02. Election. Unless otherwise determined by the Board of Directors, the officers of the Corporation shall be elected by the Board of Directors at the annual meeting of the Board of Directors, and shall be elected to hold office until the next succeeding annual meeting of the Board of Directors. In the event of the failure to elect officers at such annual meeting, officers

may be elected at any regular or special meeting of the Board of Directors. Each officer shall hold office until his successor has been elected and qualified, or until his earlier death, resignation or removal [Section 142(b).]

Section 4.03 Salaries. The salaries of all officers and agents of the Corporation shall be fixed by the Board of Directors.

Section 4.04. Removal and Resignation; Vacancies. Any officer may be removed for or without cause at any time by the Board of Directors. Any officer may resign at any time by delivering a written notice of resignation, signed by such officer, to the Board of Directors or the President. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise, shall be filled by the Board of Directors. [Section 142(b), (e).]

Section 4.05. Authority and Duties of Officers. The officers of the Corporation shall have such authority and shall exercise such powers and perform such duties as may be specified in these By-Laws except that in any event each officer shall exercise such powers and perform such duties as may be required by law. [Section 142(a).]

Section 4.06. The President. The President shall preside at all meetings of the stockholders and directors at which he is present, shall by the chief executive officer and the chief operating officer of the Corporation, shall have general control and supervision of the policies and operations of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall manage and administer the Corporation's business and affairs and shall also perform all duties and exercise all powers usually pertaining to the office of a chief executive officer and a chief operating officer of a corporation. He shall have the authority to sign, in the name and on behalf of the Corporation, checks, orders, contracts, leases, notes, drafts and other documents and instruments in connection with the business of the Corporation, and together with the Secretary or an Assistant Secretary, conveyances of real estate and other documents and instruments to which the seal of the Corporation is affixed. He shall have the authority to cause the employment or appointment of such employees and agents of the Corporation as the conduct of the business of the Corporation may

require, to fix their compensation, and to remove or suspend any employee or agent elected or appointed by the President or the Board of Directors. The President shall perform such other duties and have such other powers as the Board of Directors or the Chairman may from time to time prescribe.

Section 4.07. The Vice Presidents. Each Vice President shall perform such duties and exercise such powers as may be assigned to him from time to time by the President. In the absence of the President, the duties of the President shall be performed and his powers may be exercised by such Vice President as shall be designated by the President, or failing such designation, such duties shall be performed and such powers may be exercised by each Vice President in the order of their earliest election to that office; subject in any case to review and superseding action by the President.

Section 4.08. The Secretary. The Secretary shall have the following powers and duties:

(a) He shall keep or cause to be kept a record of all the proceedings of the meetings of the stockholders and of the Board of Directors in books provided for that purpose.

(b) He shall cause all notices to be duly given in accordance with the provisions of these By-Laws and as required by law.

(c) Whenever any Committee shall be appointed pursuant to a resolution of the Board of Directors, he shall furnish a copy of such resolution to the members of such Committee.

(d) He shall be the custodian of the records, and of the seal of the Corporation and cause such seal (or a facsimile thereof) to be affixed to all certificates representing shares of the Corporation prior to the issuance thereof and to all instruments the execution of which on behalf of the Corporation under its seal shall have been duly authorized in accordance with these By-Laws, and when so affixed he may attest the same.

(e) He shall properly maintain and file all books, reports, statements, certificates and all other documents and records required by law, the Certificate of Incorporation or these By-Laws.

(f) He shall have charge of the stock books and ledgers of the Corporation and shall cause the stock and transfer books to be kept in such manner as to show at any time the number of shares of stock of the Corporation of each class issued and outstanding, the names (alphabetically arranged) and the addresses of the holders of record of such shares, the number of shares held by each holder and the date as of which each became such holder of record.

(g) He shall sign (unless the Treasurer, an Assistant Treasurer or Assistant Secretary shall have signed) certificates representing shares of the Corporation the issuance of which shall have been authorized by the Board of Directors.

(h) He shall perform, in general, all duties incident to the office of secretary and such other duties as may be specified in these By-Laws or as may be assigned to him from time to time by the Board of Directors, or the President.

Section 4.09. The Treasurer. The Treasurer shall be the chief financial officer of the Corporation and shall have the following powers and duties:

(a) He shall have charge and supervision over and be responsible for the moneys, securities, receipts and disbursements of the Corporation, and shall keep or cause to be kept full and accurate records of all receipts of the Corporation.

(b) He shall cause the moneys and other valuable effects of the Corporation to be deposited in the name and to the credit of the Corporation in such banks or trust companies or with such bankers or other depositaries as shall be selected in accordance with Section 8.05 of these By-Laws.

(c) He shall cause the moneys of the Corporation to be disbursed by checks or drafts (signed as provided in section 8.06 of these By-Laws) upon the authorized depositaries of the Corporation and cause to be taken and preserved proper vouchers for all moneys disbursed.

(d) He shall render to the Board of Directors or the President, whenever requested, a statement of the financial condition of the Corporation and of all his

transactions as Treasurer, and render a full financial report at the annual meeting of the stockholders, if called upon to do so.

(e) He shall be empowered from time to time to require from all officers or agents of the Corporation reports or statements giving such information as he may desire with respect to any and all financial transactions of the Corporation.

(f) He may sign (unless an Assistant Treasurer or the Secretary or the Assistant Secretary shall have signed) certificates representing stock of the Corporation the issuance of which shall have been authorized by the Board of Directors.

(g) He shall perform, in general, all duties incident to the office of treasurer and such other duties as may be specified in these By-Laws or as may be assigned to him from time to time by the Board of Directors, or the President.

Section 4.10. Additional Officers. The Board of Directors may appoint such other officers and agents as it may deem appropriate, and such other officers and agents shall hold their offices for such terms and shall exercise such powers and perform such duties as may be determined from time to time by the Board of Directors. The Board of Directors from time to time may delegate to any officer or agent the power to appoint subordinate officers or agents and to prescribe their respective rights, terms of office, authorities and duties. Any such officer or agent may remove any such subordinate officer or agent appointed by him, for or without cause. [Section 142(a), (b).]

Section 4.11. Security. The Board of Directors may require any officer, agent or employee of the Corporation to provide security for the faithful performance of his duties, in such amount and of such character as may be determined from time to time by the Board of Directors. [Section 142(c).]

ARTICLE V

CAPITAL STOCK

Section 5.01. Certificates of Stock. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock of the Corporation shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until each certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock in the Corporation represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Corporation, by the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, representing the number of shares registered in certificate form. Such certificate shall be in such form as the Board of Directors may determine, to the extent consistent with applicable law, the Certificate of Incorporation and these By-Laws. [Section 158.]

Section 5.02. Signatures: Facsimile. All of such signatures on the certificate may be a facsimile, engraved or printed, to the extent permitted by law. In case any officer, transfer agent or registrar who has signed, or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. [Section 158.]

Section 5.03. Lost, Stolen or Destroyed Certificates. The Board of Directors may direct that a new certificate be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon delivery to the Board of Directors of an affidavit of the owner or owners of such certificate, setting forth such allegation. The Board of Directors may require the owner of such lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or

destruction of any such certificate or the issuance of any such new certificates. [Section 167.]

Section 5.04. Transfer of Stock. Upon surrender to the Corporation or the transfer agent of the Corporation a certificate for shares, duly endorsed or accompanied by appropriate evidence of succession, assignment for authority to transfer, the Corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Within a reasonable time after the transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) of the General Corporation Law of the State of Delaware. Subject to the provisions of the Certificate of Incorporation and these By-Laws, the Board of Directors may prescribe such additional rules and regulations as it may deem appropriate relating to the issue, transfer and registration of shares of the Corporation. [Section 151.]

Section 5.05. Record Date. In order to determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted by the Board of Directors, and which shall not be more than sixty nor less than ten days before the date of such meeting. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by law, shall be the first date on which a signed written consent

setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights of the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto [Section 213.]

Section 5.06. Registered Stockholders. Prior to due surrender of a certificate for registration of transfer, the Corporation may treat the registered owner as the person exclusively entitled to receive dividends and other distributions, to vote, to receive notice and otherwise to exercise all the rights and powers of the owner of the shares represented by such certificate, and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in such shares on the part of any other person, whether or not the Corporation shall notice of such claims or interests. Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the Corporation for transfer or uncertificated shares are requested to be transferred, both the transferor and transferee request the Corporation to do so. [Section 159.]

Section 5.07. Transfer Agent and Registrar. The Board of Directors may appoint one or more transfer agents and one or more registrars, and may require all certificates representing shares to bear the signature of any such transfer agents or registrars.

ARTICLE VI

INDEMNIFTCATION

Section 6.O1. Nature of Indemnity. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was or has agreed to become a director or officer of the Corporation, or is or was serving or has agreed to serve at the request of the Corporation as a director or officer, of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, and may indemnify any person who was or is a party or is threatened to be made a party to such an action, suit or proceeding by reason of the fact that he is or was or has agreed to become an employee or agent of the Corporation, or is or was serving or has agreed to serve at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding had no reasonable cause to believe his conduct was unlawful; except that in the case of an action or suit by or in the right of the Corporation to procure a judgment in its favor (1) such indemnification shall be limited to expenses (including attorneys' fees) actually and reasonably incurred by such person in the defense or settlement of such action or suit, and (2) no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon

application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

The termination of any action, suit or proceeding by judgment, order settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 6.02. Successful Defense. To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 6.01 hereof or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 6.03. Determination That Indemnification Is Proper. Any indemnification of a director or officer of the Corporation under Section 6.01 hereof (unless ordered by a court) shall be made by the Corporation unless a determination is made that indemnification of the director or officer is not proper in the circumstances because he has not met the applicable standard of conduct set forth in Section 6.01 hereof. Any indemnification of an employee or agent of the Corporation under Section 6.01 hereof (unless ordered by a court) may be made by the Corporation upon a determination that indemnification of the employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 6.01 hereof. Any such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders.

Section 6.04. Advance Payment of Expenses. Expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate. The Board of Directors may authorize the Corporation's counsel to represent such director, officer, employee or agent in any action, suit or proceeding, whether or not the Corporation is a party to such action, suit or proceeding.

Section 6.05. Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the Corporation under Sections 6.01 and 6.02, or advance of costs, charges and expenses to a director or officer under Section 6.04 of this Article, shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the Corporation that the director or officer is entitled to indemnification pursuant to this Article is required, and the Corporation fails to respond within sixty days to a written request for indemnity, the Corporation shall be deemed to have approved such request. If the Corporation denies a written request for indemnity or advancement of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of costs, charges and expenses under Section 6.04 of this Article where the required undertaking, if any, has been received by the Corporation) that the claimant has not met the standard of conduct set forth in Section 6.01 of this Article, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, its independent legal counsel, and its

stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 6.01 of this Article, nor the fact that there has been an actual determination by the Corporation (including its Board of Directors, its independent legal counsel, and its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 6.06. Survival; Preservation of Other Rights. The foregoing indemnification provisions shall be deemed to be a contract between the Corporation and each director, officer, employee and agent who serves in any such capacity at any time while these provisions as well as the relevant provisions of the Delaware Corporation Law are in effect and any repeal or modification thereof shall not affect any right or obligation then existing with respect to any state of facts then or previously existing or any action, suit or proceeding previously or thereafter brought or threatened based in whole or in part upon any such state of facts. Such a "contract right" may not be modified retroactively without the consent of such director, officer, employee or agent.

The indemnification provided by this Article VI shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 6.07. Insurance. The Corporation shall purchase and maintain insurance on behalf of any person who is or was or has agreed to become a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him or on his behalf in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions

of this Article, provided that such insurance is available on acceptable terms, which determination shall be made by a vote of a majority of the entire Board of Directors.

Section 6.08. Severability. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director or officer and may indemnify each employee or agent of the Corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE VII

OFFICES

Section 7.01. Registered Office. The registered office of the Corporation in the State of Delaware shall be located at Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle.

Section 7.02. Other Offices. The Corporation may maintain offices or places of business at such other locations within or without the State of Delaware as the Board of Directors may from time to time determine or as the business of the Corporation may require.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.01. Dividends. Subject to any applicable provisions of law and the Certificate of Incorporation, dividends upon the shares of the Corporation may be declared by the Board of Directors at any regular or special meeting of the Board of Directors and any such dividend may be paid in cash, property, or shares of the Corporation's Capital Stock.

A member of the Board of Directors, or a member of any Committee designated by the Board of Directors shall be fully protected in relying in good faith upon the records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or Committees of the Board of Directors, or by any other person as to matters the Director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation, as to the value and amount of the assets, liabilities and/or net profits of the Corporation, or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid. [Sections 172, 173.]

Section 8.02. Reserves. There may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, thinks proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation or for such other purpose as the Board of Directors shall think conducive to the interest of the Corporation, and the Board of Directors may similarly modify or abolish any such reserve. [Section 171.]

Section 8.03. Execution of Instruments. The President, any Vice President, the Secretary or the Treasurer may enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. The Board of Directors or the President may authorize any other officer or agent to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. Any such authorization may be general or limited to specific contracts or instruments.

Section 8.04. Corporate Indebtedness. No loan shall be contracted on behalf of the Corporation, and no evidence of indebtedness shall be issued in its name, unless authorized by the Board of Directors or the President. Such authorization may be general or confined to specific instances. Loans so authorized may be effected at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual. All bonds, debentures, notes and other obligations or evidences of indebtedness of the Corporation issued for such loans shall be made, executed and delivered as the Board of

Directors or the President shall authorize. When so authorized by the Board of Directors or the President, any part of or all the properties, including contract rights, assets, business or good will of the Corporation, whether then owned or thereafter acquired, may be mortgaged, pledged, hypothecated or conveyed or assigned in trust as security for the payment of such bonds, debentures, notes and other obligations or evidences of indebtedness of the Corporation, and of the interest thereon, by instruments executed and delivered in the name of the Corporation.

Section 8.05. Deposits. Any funds of the Corporation may be deposited from time to time in such banks, trust companies or other depositaries as may be determined by the Board of Directors or the President, or by such officers or agents as may be authorized by the Board of Directors or the President to make such determination.

Section 8.06. Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such agent or agents of the Corporation, and in such manner, as the Board of Directors or the President from time to time may determine.

Section 8.07. Sale, Transfer, etc. of Securities. To the extent authorized by the Board of Directors or by the President, any Vice President, the Secretary or the Treasurer or any other officers designated by the Board of Directors or the President may sell, transfer, endorse, and assign any shares of stock, bonds or other securities owned by or held in the name of the Corporation, and may make, execute and deliver in the name of the Corporation, under its corporate seal, any instruments that may be appropriate to effect any such sale, transfer, endorsement or assignment.

Section 8.08. Voting as Stockholder. Unless otherwise determined by resolution of the Board of Directors, the President or any Vice President shall have full power and authority on behalf of the Corporation to attend any meeting of stockholders of any corporation in which the Corporation may hold stock, and to act, vote (or execute proxies to vote and exercise in person or by proxy all other rights, powers and privileges incident to the ownership of such stock. Such officers acting on behalf of the Corporation shall have full power and authority to execute any instrument expressing consent to or dissent from any action of any such corporation without a meeting. The Board of Directors may by resolution

from time to time confer such power and authority upon any other person or persons.

Section 8.09. Fiscal Year. The fiscal year of the Corporation shall commence on the first day of January of each year (except for the Corporation's first fiscal year which shall commence on the date of incorporation) and shall terminate in each case on the last day of December.

Section 8.10. Seal. The seal of the Corporation shall be circular in form and shall contain the name of the Corporation, the year of its incorporation and the words "Corporate Seal" and "Delaware". The form of such seal shall be subject to alteration by the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or reproduced, or may be used in any other lawful manner.

Section 8.11. Books and Records; Inspection. Except to the extent otherwise required by law, the books and records of the Corporation shall be kept at such place or places within or without the State of Delaware as may be determined from time to time by the Board of Directors.

ARTICLE IV

AMENDMENT OF BY-LAWS

Section 9.01. Amendment. These By-Laws may be amended, altered or repealed.

(a) by resolution adopted by majority of the Board of Directors at any special or regular meeting of the Board if, in the case of such special meeting only, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting; or

(b) at any regular or special meeting of the stockholders if, in the case of such special meeting only, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting. [Section 109(a).]

ARTICLE X

CONSTRUCTION

Section 10.01. Construction. In the event of any conflict between the provisions of these By-Laws as in effect from time to time and the provisions of the certificate of incorporation of the Corporation as in effect from time to time, the provisions of such certificate of incorporation shall be controlling.

EXHIBIT 4.1

WESCO DISTRIBUTION, INC.

91/8% Senior Subordinated Notes due 2008

INDENTURE

Dated as of June 5, 1998

BANK ONE, N.A.,

Senior Subordinated Notes Trustee

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INDENTURE dated as of June 5, 1998 , among WESCO DISTRIBUTION, INC., a Delaware corporation (the "Company"), WESCO INTERNATIONAL, INC., a Delaware corporation, as guarantor ("Holdings"), and BANK ONE, N.A., a national banking association, as trustee (the "Senior Subordinated Notes Trustee").

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of (i) the Company's 91/8% Senior Subordinated Notes due 2008 issued on the date hereof (the "Original Senior Subordinated Notes"), (ii) any Additional Senior Subordinated Notes (as defined herein) that may be issued on any Senior Subordinated Notes Issue Date (all such Senior Subordinated Notes in clauses (i) and (ii) being referred to collectively as the "Initial Senior Subordinated Notes"), (iii) if and when issued as provided in a Senior Subordinated Notes Registration Agreement (as defined in Appendix A hereto (the "Appendix")), the Company's 91/8% Senior Subordinated Notes due 2008 issued in a Senior Subordinated Notes Registered Exchange Offer (as defined in the Appendix) in exchange for any Initial Senior Subordinated Notes (the "Senior Subordinated Exchange Notes") and (iv) if and when issued as provided in a Senior Subordinated Notes Registration Agreement, the Private Senior Subordinated Exchange Notes (as defined in the Appendix) issued in a Senior Subordinated Notes Private Exchange (as defined in the Appendix, and together with the Initial Senior Subordinated Notes and any Senior Subordinated Exchange Notes issued hereunder, the "Senior Subordinated Notes"). Except as otherwise provided herein, the Senior Subordinated Notes will be limited to $500 million in aggregate principal amount outstanding, of which $300 million in aggregate principal amount will be initially issued on the date hereof. Subject to the conditions and in compliance with the covenants set forth herein, the Company may issue up to $200 million aggregate principal amount of Additional Senior Subordinated Notes.

ARTICLE 1

Definitions and Incorporation by Reference

SECTION 1.01. Definitions.

"Additional Assets" means (i) any property or assets (other than Indebtedness and Capital Stock) to be used by the Company or a Restricted Subsidiary in a Related Business; (ii) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary; or (iii) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary; provided, however, that any such Restricted Subsidiary described in clause (ii) or (iii) above is primarily engaged in a Related Business.

"Additional Senior Subordinated Notes" means up to $200 million aggregate principal amount of 91/8% Senior Subordinated Notes due 2008 issued under the terms of this Indenture subsequent to the Closing Date.

"Adjusted Consolidated Assets" means at any time the total amount of assets of the Company and its Restricted Subsidiaries (less applicable depreciation, amortization and other valuation reserves), after deducting therefrom all current liabilities of the Company and its Restricted Subsidiaries (excluding intercompany items), all as set forth on the Consolidated balance sheet of the Company and its Restricted Subsidiaries as of the end of the most recent fiscal quarter for which financial statements are available prior to the date of determination.

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

"Applicable Premium" means, with respect to a Senior Subordinated Note at any redemption date, the greater of (i) 1.0% of the principal amount of such Senior Subordinated Note and (ii) the excess of (A) the present value at such time of (1) the redemption price of such Senior Subordinated Note at June 1, 2003 (such redemption price being set forth in the table in paragraph 5 of the Senior Subordinated Notes) plus (2) all required interest payments due on such Senior Subordinated Note through June 1, 2003 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the then-outstanding principal amount of such Senior Subordinated Note.

"Asset Disposition" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by the Company or any Restricted Subsidiary, including any disposition by means of a merger, consolidation, or similar transaction (each referred to for the purposes of this definition as a "disposition"), of (i) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary), (ii) all or substantially all the assets of any division or line of business of the Company or any Restricted Subsidiary or (iii) any other assets of the Company or any Restricted Subsidiary outside the ordinary course of business of the Company or such Restricted Subsidiary (other than, in the case of (i), (ii) and (iii) above, (A) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Wholly Owned Subsidiary, (B) for purposes of the provisions described in Section 4.06 only, a disposition subject to Section 4.04, (C) a disposition of assets with a fair market value of less than $1,000,000, (D) a sale of accounts receivable and related assets of the type specified in the definition of "Qualified Receivables Transaction" to a Receivables Entity in a Qualified Receivables Transaction, (E) a transfer of accounts receivables and related assets of the type specified in the definition of "Qualified Receivables Transaction" (or a fractional undivided interest therein) by a Receivables Entity in a Qualified Receivables Transaction, (F) the disposition of all or substantially all of the assets of the Company in a manner permitted pursuant to the provisions of Section 5.01 or any disposition that constitutes a Change of Control, (G) any exchange of like property pursuant to Section 1031 of the Code for use in a Related Business, and (H) any sale of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary).

"Attributable Debt" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the Senior Subordinated Notes, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended).

"Average Life" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (i) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (ii) the sum of all such payments.

"Bank Indebtedness" means any and all amounts payable under or in respect of the Credit Agreement and any Refinancing Indebtedness with respect thereto, as amended from time to time, including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees, indemnities and all other amounts payable thereunder or in respect thereof.

"Board of Directors" means the Board of Directors of the Company or any committee thereof duly authorized to act on behalf of such Board.

"Business Day" means each day which is not a Legal Holiday.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Capitalized Lease Obligations" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Change of Control" means the occurrence of any of the following events:

(i) prior to the earlier to occur of (A) the first public offering of common stock of Holdings or (B) the first public offering of common stock of the Company, the Permitted Holders cease to be the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of a majority in the aggregate of the total voting power of the Voting Stock of the Company or Holdings, whether as a result of issuance of securities of Holdings or the Company, any merger, consolidation, liquidation or dissolution of Holdings or the Company, any direct or indirect transfer of securities by any Permitted Holder or otherwise (for purposes of this clause (i) and clause (ii) below, the

Permitted Holders shall be deemed to beneficially own any Voting Stock of an entity (the "specified entity") held by any other entity (the "parent entity") so long as the Permitted Holders beneficially own (as so defined), directly or indirectly, in the aggregate a majority of the voting power of the Voting Stock of the parent entity);

(ii) on or after any such public offering referred to in clause (i), (A) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the beneficial owner (as defined in clause (i) above, except that for purposes of this clause (ii) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting power of the Voting Stock of the Company or Holdings and (B) the Permitted Holders "beneficially own" (as defined in clause (i) above), directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of the Company or Holdings than such other person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of the Company or Holdings, as the case may be (for the purposes of this clause (ii), such other person shall be deemed to beneficially own any Voting Stock of a specified corporation held by a parent corporation, if such other person is the beneficial owner (as defined in this clause (ii)), directly or indirectly, of more than 35% of the voting power of the Voting Stock of such parent corporation and the Permitted Holders "beneficially own" (as defined in clause (i) above), directly or indirectly, in the aggregate a lesser percentage of the voting power of the Voting Stock of such parent corporation and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of such parent corporation);

(iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the board of directors of the Company or Holdings, as the case may be (together with any new directors whose election by such board of directors of the Company or Holdings, as the case may be, or whose nomination for election by the shareholders of the Company or Holdings, as the case may be, was approved by a vote of 66 2/3% of the directors of the Company or Holdings, as the case may be, then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of the Company or Holdings, as the case may be, then in office; or

(iv) the merger or consolidation of the Company or Holdings with or into another Person or the merger of another Person with or into the Company or Holdings, or the sale of all or substantially all the assets of the Company or Holdings to another Person (other than a Person that is controlled by the Permitted Holders), and, in the case of any such merger or consolidation, the securities of the Company or Holdings that are outstanding immediately prior to such transaction and which represent 100% of the aggregate voting power of the Voting Stock of the Company or Holdings are changed into or exchanged for cash, securities or property, unless pursuant to such transaction such securities are

changed into or exchanged for, in addition to any other consideration, securities of the surviving Person that represent immediately after such transaction, at least a majority of the aggregate voting power of the Voting Stock of the surviving Person; provided, however, that any sale of accounts receivable in connection with a Qualified Receivables Transaction shall not constitute a Change of Control.

"Closing Date" means the date of this Indenture.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained herein and required by the TIA, each other obligor on the indenture securities.

"Consolidated Coverage Ratio" as of any date of determination means the ratio of (i) the aggregate amount of EBITDA for the period of the most recent four consecutive fiscal quarters for which internal financial statements are available prior to the date of such determination to (ii) Consolidated Interest Expense for such four fiscal quarters; provided, however, that (A) if the Company or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period and the discharge of any other Indebtedness repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation shall be computed based on (1) the average daily balance of such Indebtedness (and any Indebtedness under a revolving credit facility replaced by such Indebtedness) during such four fiscal quarters or such shorter period when such facility and any replaced facility was outstanding or (2) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness (and any Indebtedness under a revolving credit facility replaced by such Indebtedness) during the period from the date of creation of such facility to the date of the calculation), (B) if the Company or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, EBITDA and Consolidated Interest Expense for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if the Company or such Restricted Subsidiary has not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness, (C) if since the beginning of such period the Company or any Restricted Subsidiary shall have made any Asset Disposition, the EBITDA for such period shall be reduced by an amount equal to the EBITDA (if positive) directly attributable to the assets that are the subject of such Asset Disposition

for such period or increased by an amount equal to the EBITDA (if negative) directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of the Company or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Company and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Company and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale), (D) if since the beginning of such period the Company or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period and (E) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (C) or (D) above if made by the Company or a Restricted Subsidiary during such period, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Disposition, Investment or acquisition of assets occurred on the first day of such period. For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting Officer of the Company, and such pro forma calculations shall include (A)(x) the savings in cost of goods sold that would have resulted from using the Company's actual costs for comparable goods and services during the comparable period and (y) other savings in cost of goods sold or eliminations of selling, general and administrative expenses as determined by a responsible financial or accounting Officer of the Company in good faith in connection with the Company's consideration of such acquisition and consistent with the Company's experience in acquisitions of similar assets, less (B) the incremental expenses that would be included in cost of goods sold and selling, general and administrative expenses that would have been incurred by the Company in the operation of such acquired assets during such period. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term as at the date of determination in excess of 12 months).

"Consolidated Interest Expense" means, for any period, the total interest expense (net of interest income) of the Company and its Consolidated Restricted Subsidiaries, plus, to the extent Incurred by the Company and its Restricted Subsidiaries in such period but not included in such interest expense, (i) interest expense attributable to Capitalized Lease Obligations and the interest expense attributable to leases

constituting part of a Sale/Leaseback Transaction, (ii) amortization of debt discount, (iii) capitalized interest, (iv) non-cash interest expense, (v) commissions, discounts and other fees and charges attributable to letters of credit and bankers' acceptance financing, (vi) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is Guaranteed by the Company or any Restricted Subsidiary, (vii) net costs associated with Hedging Obligations (including amortization of fees), (viii) dividends in respect of all Preferred Stock of the Company and any of the Restricted Subsidiaries of the Company (other than pay in kind dividends and accretions to liquidation value) to the extent held by Persons other than the Company or a Wholly Owned Subsidiary, (ix) interest Incurred in connection with investments in discontinued operations and (x) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Company) in connection with Indebtedness Incurred by such plan or trust, less, to the extent included in such total interest expense, the amortization during such period of capitalized financing costs. Notwithstanding anything to the contrary contained herein, interest expense, commissions, discounts, yield and other fees and charges Incurred in connection with any Qualified Receivables Transaction pursuant to which the Company or any Subsidiary may sell, convey or otherwise transfer or grant a security interest in any accounts receivable or related assets of the type specified in the definition of "Qualified Receivables Transaction" shall not be included in Consolidated Interest Expense; provided that any interest expense, commissions, discounts, yield and other fees and charges Incurred in connection with any receivables financing or securitization that does not constitute a Qualified Receivables Transaction shall be included in Consolidated Interest Expense.

"Consolidated Net Income" means, for any period, the net income of the Company and its Consolidated Subsidiaries for such period; provided, however, that there shall not be included in such Consolidated Net Income:

(i) any net income of any Person (other than the Company) if such Person is not a Restricted Subsidiary, except that (A) subject to the limitations contained in clause (iv) below, the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to a Restricted Subsidiary, to the limitations contained in clause (iii) below) and (B) the Company's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income;

(ii) any net income (or loss) of any Person acquired by the Company or a Subsidiary in a pooling of interests transaction for any period prior to the date of such acquisition;

(iii) any net income (or loss) of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company, except that (A) subject to the limitations contained in clause (iv) below, the Company's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash which could

have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to another Restricted Subsidiary, to the limitation contained in this clause) and (B) the Company's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(iv) any gain (or loss) realized upon the sale or other disposition of any asset of the Company or its Consolidated Subsidiaries (including pursuant to any Sale/Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the sale or other disposition of any Capital Stock of any Person;

(v) any extraordinary gain or loss;

(vi) the cumulative effect of a change in accounting principles; and

(vii) any expenses or charges paid to third parties related to any Equity Offering, Permitted Investment, acquisition, recapitalization or Indebtedness permitted to be Incurred by this Indenture (whether or not successful) (including such fees, expenses, or charges related to the Recapitalization).

Notwithstanding the foregoing, for the purposes of Section 4.04 only, there shall be excluded from Consolidated Net Income any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries to the Company or a Restricted Subsidiary to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such Section pursuant to clause (a)(3)(D) thereof.

"Consolidated Net Worth" means the total of the amounts shown on the balance sheet of the Company and its Restricted Subsidiaries, determined on a Consolidated basis, as of the end of the most recent fiscal quarter of the Company for which internal financial statements are available, as (i) the par or stated value of all outstanding Capital Stock of the Company plus (ii) paid-in capital or capital surplus relating to such Capital Stock plus (iii) any retained earnings or earned surplus less (A) any accumulated deficit and (B) any amounts attributable to Disqualified Stock.

"Consolidation" means the consolidation of the amounts of each of the Restricted Subsidiaries with those of the Company in accordance with GAAP consistently applied; provided, however, that "Consolidation" shall not include consolidation of the accounts of any Unrestricted Subsidiary, but the interest of the Company or any Restricted Subsidiary in an Unrestricted Subsidiary shall be accounted for as an investment. The term "Consolidated" has a correlative meaning.

"Credit Agreement" means the credit agreement to be dated as of the Closing Date, as amended, waived or otherwise modified from time to time, among Holdings, the Company, WESCO Distribution -- Canada, Inc., certain financial institutions to be party thereto, The Chase Manhattan Bank, as U.S. administrative agent, syndication agent and U.S. collateral agent, The Chase Manhattan Bank of Canada, as Canadian administrative agent and Canadian collateral agent, and Lehman Commercial Paper Inc., as documentation agent.

"Credit Facilities" means, with respect to the Company, one or more debt facilities, or commercial paper facilities with banks or other institutional lenders or indentures providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against receivables), letters of credit or other long-term Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"Currency Agreement" means with respect to any Person any foreign exchange contract, currency swap agreement or other similar agreement or arrangement to which such Person is a party or of which it is a beneficiary.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Designated Noncash Consideration" means the fair market value of noncash consideration received by the Company or any of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Noncash Consideration pursuant to an Officers' Certificate, setting forth the basis of such valuation, less the amount of cash or cash equivalents received in connection with a subsequent sale of such Designated Noncash Consideration.

"Designated Senior Indebtedness" of the Company means (i) the Bank Indebtedness and (ii) any other Senior Indebtedness of the Company that, at the date of determination, has an aggregate principal amount outstanding of, or under which, at the date of determination, the holders thereof are committed to lend up to at least $25.0 million and is specifically designated by the Company in the instrument evidencing or governing such Senior Indebtedness as "Designated Senior Indebtedness" for purposes of this Indenture. "Designated Senior Indebtedness" of Holdings has a correlative meaning.

"Disqualified Stock" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event (i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) is convertible or exchangeable for Indebtedness or Disqualified Stock or (iii) is redeemable at the option of the holder thereof, in whole or in part, in each case on or prior to the 91st day following the Stated Maturity of the Senior Subordinated Notes; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the first anniversary of the Stated Maturity of the Securities shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the provisions of Sections 4.06 and 4.08.

"EBITDA" for any period means the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income: (i) income tax expense of the Company and its Consolidated Restricted Subsidiaries, (ii) Consolidated Interest Expense, (iii) depreciation expense of the Company and its Consolidated Restricted Subsidiaries, (iv) amortization expense of the

Company and its Consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid cash item that was paid in a prior period), (v) all other non-cash charges of the Company and its Consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash expenditures in any future period) in each case for such period and (vi) income attributable to discontinued operations. Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary of the Company shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its stockholders.

"Equity Offering" means a private sale or public offering of Capital Stock (other than Disqualified Stock) of the Company or Holdings.

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

"Excluded Contribution" means the Net Cash Proceeds received by the Company from (a) contributions to its common equity capital and (b) the sale (other than to a Subsidiary or to any Company or Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock) of the Company, in each case designated as Excluded Contributions pursuant to an Officers' Certificate executed by the principal executive officer and the principal financial officer of the Company on the date such capital contributions are made or the date such Capital Stock is sold.

"GAAP" means generally accepted accounting principles in the United States of America as in effect as of the Closing Date, including those set forth in (i) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, (ii) statements and pronouncements of the Financial Accounting Standards Board, (iii) such other statements by such other entity as approved by a significant segment of the accounting profession and (iv) the rules and regulations of the SEC governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC. All ratios and computations based on GAAP contained in this Indenture shall be computed in conformity with GAAP.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the

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

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

"Holdings Guarantee" means the Guarantee of the obligations with respect to the Senior Subordinated Notes issued by Holdings pursuant to the terms of this Indenture.

"Incur" means issue, assume, Guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. The accretion of principal of a non-interest bearing or other discount security shall not be deemed the Incurrence of Indebtedness.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication),

(i) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;

(ii) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(iii) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto) (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (i), (ii), (iv) and (v) hereof) to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the 30th day following payment on the letter of credit so long as such letter of credit is entered into in the ordinary course of business);

(iv) all obligations of such Person to pay the deferred and unpaid purchase price of property or services (except Trade Payables), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services;

(v) all Capitalized Lease Obligations and all Attributable Debt of such Person;

(vi) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends);

(vii) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of Indebtedness of such Person shall be the lesser of (A) the fair market value of such asset at such date of determination and (B) the amount of such Indebtedness of such other Persons;

(viii) to the extent not otherwise included in this definition, Hedging Obligations of such Person; and

(ix) all obligations of the type referred to in clauses (i) through (viii) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date; provided, however, that the amount outstanding at any time of any Indebtedness Incurred with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP. Any "Qualified Receivables Transaction", whether or not such transfer constitutes a sale for the purposes of GAAP, shall not constitute Indebtedness hereunder; provided that any receivables financing or securitization that does not constitute a Qualified Receivables Transaction and does not qualify as a sale under GAAP shall constitute Indebtedness hereunder.

"Indenture" means this Indenture as amended or supplemented from time to time.

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith determination of the Company, qualified to perform the task for which it has been engaged.

"Interest Rate Agreement" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extension of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. For purposes of the definition of "Unrestricted Subsidiary" and Section 4.04, (i) "Investment" shall include the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of any Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a

redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (x) the Company's "Investment" in such Subsidiary at the time of such redesignation less (y) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and (ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Net Available Cash" from an Asset Disposition means cash payments received (including (a) any cash payments received upon the sale or other disposition of any Designated Noncash Consideration received in any Asset Disposition, (b) any cash proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and (c) any cash proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of (i) all legal, title and recording tax expenses, commissions and other fees and expenses incurred (including, without limitation, all broker's and finder's fees and expenses, all investment banking fees and expenses, employee severance and termination costs, and trade payable and similar liabilities solely related to the assets sold or otherwise disposed of and required to be paid by the seller as a result thereof), and all Federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under GAAP, as a consequence of such Asset Disposition, (ii) all relocation expenses incurred as a result thereof, (iii) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition, (iv) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition and (v) appropriate amounts to be provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the property or other assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"Net Cash Proceeds", with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Officer" means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company.

"Officers' Certificate" means a certificate signed by two Officers.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Senior Subordinated Notes Trustee. The counsel may be an employee of or counsel to the Company or the Senior Subordinated Notes Trustee.

"Permitted Holders" means (i) The Cypress Group L.L.C., Cypress Merchant Banking Partners L.P., Cypress Offshore Partners L.P., Chase Equity Associates, L.P., Co-Investment Partners, L.P. and any Person who on the Senior Subordinated Notes Issue Date is an Affiliate of any of the foregoing; (ii) any Person who is a member of the senior management of the Company or Holdings and a stockholder of Holdings on the Senior Subordinated Notes Issue Date; and (iii) any Person acting in the capacity of an underwriter in connection with a public or private offering of the Company's or Holdings' Capital Stock.

"Permitted Investment" means an Investment by the Company or any Restricted Subsidiary in (i) the Company, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary; (ii) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary; (iii) Temporary Cash Investments; (iv) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as the Company or any such Restricted Subsidiary deems reasonable under the circumstances; (v) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business; (vi) loans or advances to employees made in the ordinary course of business consistent with past practices of the Company or such Restricted Subsidiary and not exceeding $5.0 million in the aggregate outstanding at any one time; (vii) stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary or in satisfaction of judgments; (viii) any Person to the extent such Investment represents the non-cash portion of the consideration received for an Asset Disposition that was made pursuant to and in compliance with Section 4.06; (ix) Investments made in connection with any Asset Disposition or other sale, lease, transfer or other disposition permitted under this Indenture; (x) a Receivables Entity or any Investment by a Receivables Entity in any other Person in connection with a Qualified Receivables Transaction, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Transaction or any related Indebtedness; provided that any Investment in a Receivables Entity is in the form of a Purchase Money Note, contribution of additional receivables or an equity interest; (xi) Investments in a Related Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (xi) that are at that time outstanding (and not including any Investments outstanding on the Closing Date), not to exceed 5% of Adjusted Consolidated Assets at the time of such Investments (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); and (xii) additional Investments in an aggregate amount which, together with all other Investments made pursuant to this clause that are then outstanding, does not exceed $10.0 million.

"Permitted Liens" means (a) Liens of the Company and its Restricted Subsidiaries securing Indebtedness of the Company or any of its Restricted Subsidiaries Incurred under the Credit Agreement or other Credit Facilities to the extent permitted to be Incurred under Section 4.03(b)(i) and (xiii); (b) Liens in favor of the Company or its Wholly Owned Restricted Subsidiaries; (c) Liens on property of a Person existing at the time such Person becomes a Restricted Subsidiary of the Company or is merged into or consolidated with the Company or any Restricted Subsidiary of the Company; provided that such Liens were not Incurred in connection with, or in contemplation of, such merger or consolidation and such Liens do not extend to or cover any property other than such property, improvements thereon and any proceeds therefrom; (d) Liens of the Company securing Indebtedness of the Company Incurred under Section 4.03(b)(v); (e) Liens of the Company and its Restricted Subsidiaries securing Indebtedness of the Company or any of its Restricted Subsidiaries (including under a Sale/Leaseback Transaction) permitted to be Incurred under Section 4.03(b)(vi), (vii) and (viii) so long as the Capital Stock, property (real or personal) or equipment to which such Lien attaches solely consists of the Capital Stock, property or equipment which is the subject of such acquisition, purchase, lease, improvement, Sale/Leaseback Transaction and additions and improvements thereto (and the proceeds therefrom); (f) Liens on property existing at the time of acquisition thereof by the Company or any Restricted Subsidiary of the Company; provided that such Liens were not Incurred in connection with, or in contemplation of, such acquisition and such Liens do not extend to or cover any property other than such property, additions and improvements thereon and any proceeds therefrom; (g) Liens Incurred or deposits made to secure the performance of tenders, bids, leases, statutory obligations, surety or appeal bonds, government contracts, performance and return of money bonds or other obligations of a like nature Incurred in the ordinary course of business; (h) Liens existing on the Senior Subordinated Notes Issue Date and any additional Liens created under the terms of the agreements relating to such Liens existing on the Senior Subordinated Notes Issue Date; (i) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings; provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor; (j) Liens Incurred in the ordinary course of business of the Company or any Restricted Subsidiary with respect to obligations that do not exceed $20.0 million in the aggregate at any one time outstanding and that (1) are not Incurred in connection with or in contemplation of the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business) and (2) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation of the business by the Company or such Restricted Subsidiary; (k) statutory Liens of landlords and warehousemen's, carrier's, mechanics', suppliers', materialmen's, repairmen's or other like Liens (including contractual landlords' liens) arising in the ordinary course of business of the Company and its Restricted Subsidiaries; (l) Liens Incurred or deposits made in the ordinary course of business of the Company and its Restricted Subsidiaries in connection with workers' compensation, unemployment insurance and other types of social security; (m) easements, rights of way, restrictions, minor defects or irregularities in title and other similar charges or encumbrances not interfering in any material respect with the business of the Company or any of its Restricted Subsidiaries; (n) Liens securing reimbursement obligations with respect to letters of credit permitted under Section 4.03 which encumber only cash and marketable securities and documents and other property relating to such letters of credit and the products and proceeds thereof; (o) judgment and attachment Liens not giving rise to an Event of Default; (p) any interest or title of a lessor in the property subject to any

Capitalized Lease Obligation permitted under Section 4.03; (q) Liens on accounts receivable and related assets of the type specified in the definition of "Qualified Receivables Transaction" Incurred in connection with a Qualified Receivables Transaction; (r) Liens securing Refinancing Indebtedness to the extent such Liens do not extend to or cover any property of the Company not previously subjected to Liens relating to the Indebtedness being refinanced; or (s) Liens on pledges of the capital stock of any Unrestricted Subsidiary securing any Indebtedness of such Unrestricted Subsidiary.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) that is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"principal" of a Senior Subordinated Note means the principal of the Senior Subordinated Note plus the premium, if any, payable on the Senior Subordinated Note that is due or overdue or is to become due at the relevant time.

"Purchase Money Note" means a promissory note of a Receivables Entity evidencing a line of credit, which may be irrevocable, from the Company or any Subsidiary of the Company in connection with a Qualified Receivables Transaction to a Receivables Entity, which note (a) shall be repaid from cash available to the Receivables Entity, other than (i) amounts required to be established as reserves pursuant to agreements, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and amounts owing to such investors, (iv) amounts required to pay expenses in connection with such Qualified Receivables Transaction and (v) amounts paid in connection with the purchase of newly generated receivables and (b) may be subordinated to the payments described in (a).

"Qualified Receivables Transaction" means any financing by the Company or any of its Subsidiaries of accounts receivable in any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which (a) the Company or any of its Subsidiaries sells, conveys or otherwise transfers to a Receivables Entity and (b) a Receivables Entity sells, conveys or otherwise transfers to any other Person or grants a security interest to any Person in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all Guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable; provided that (i) the Board of Directors shall have determined in good faith that such Qualified Receivables Transaction is economically fair and reasonable to the Company and the Receivables Entity and (ii) all sales of accounts receivable and related assets to the Receivables Entity are made at fair market value (as determined in good

faith by the Company). The grant of a security interest in any accounts receivable of the Company or any of its Restricted Subsidiaries to secure Bank Indebtedness shall not be deemed a Qualified Receivables Transaction.

"Receivables Entity" means any Wholly Owned Subsidiary of the Company (or another Person in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and related assets) (i) which engages in no activities other than in connection with the financing of accounts receivable, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, (ii) which is designated by the Board of Directors (as provided below) as a Receivables Entity and (iii) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (A) is Guaranteed by the Company or any other Subsidiary of the Company (excluding Guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (B) is recourse to or obligates the Company or any other Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings or (C) subjects any property or asset of the Company or any other Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings. Any such designation by the Board of Directors shall be evidenced to the Senior Subordinated Notes Trustee by filing with the Senior Subordinated Notes Trustee a certified copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions.

"Refinance" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means Indebtedness that is Incurred to refund, refinance, replace, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness of the Company or any Restricted Subsidiary existing on the date of this Indenture or Incurred in compliance with this Indenture (including Indebtedness of the Company that Refinances Refinancing Indebtedness); provided, however, that (i) the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced, (ii) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being refinanced and (iii) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being Refinanced (plus any accrued interest and premium thereon and reasonable expenses Incurred in connection therewith); provided further, however, that Refinancing Indebtedness shall not include (x) Indebtedness of a Restricted Subsidiary that Refinances Indebtedness of the Company or (y) Indebtedness of the Company or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"Related Business" means any businesses of the Company and the Restricted Subsidiaries on the Closing Date and any business related, ancillary or complementary thereto.

"Representative" means the trustee, agent or representative (if any) for an issue of Senior Indebtedness of the Company.

"Restricted Subsidiary" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"Sale/Leaseback Transaction" means an arrangement relating to property now owned or hereafter acquired by the Company or a Restricted Subsidiary whereby the Company or a Restricted Subsidiary transfers such property to a Person and the Company or such Restricted Subsidiary leases it from such Person, other than leases between the Company and a Wholly Owned Subsidiary or between Wholly Owned Subsidiaries.

"SEC" means the Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness of the Company secured by a Lien. "Secured Indebtedness" of Holdings has a correlative meaning.

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

"Senior Discount Notes" means the 111/8% senior discount notes due 2008 issued by Holdings under the indenture dated as of the Closing Date between Holdings and Bank One, N.A., as trustee.

"Senior Indebtedness" of the Company means the principal of, premium (if any) and accrued and unpaid interest on (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization of the Company, regardless of whether or not a claim for post-filing interest is allowed in such proceedings), and fees and all other amounts owing in respect of, Bank Indebtedness and all other Indebtedness of the Company, whether outstanding on the Closing Date or thereafter Incurred, unless in the instrument creating or evidencing the same or pursuant to which the same is outstanding it is provided that such obligations are not superior in right of payment to the Senior Subordinated Notes; provided, however, that Senior Indebtedness shall not include (i) any obligation of the Company to any Subsidiary, (ii) any liability for Federal, state, local or other taxes owed or owing by the Company, (iii) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including Guarantees thereof or instruments evidencing such liabilities), (iv) any Indebtedness or obligation of the Company (and any accrued and unpaid interest in respect thereof) that by its terms is subordinate or junior in any respect to any other Indebtedness or obligation of the Company, including any Senior Subordinated Indebtedness of the Company and any Subordinated Obligations of the Company, (v) any payment obligations with respect to any Capital Stock or (vi) any Indebtedness Incurred in violation of this Indenture. "Senior Indebtedness" of Holdings has a correlative meaning.

"Senior Subordinated Indebtedness" of the Company means the Senior Subordinated Notes and any other Indebtedness of the Company that specifically provides that such Indebtedness is to rank pari passu with the Senior Subordinated Notes in right of payment and is not subordinated by its terms in right of payment to any

Indebtedness or other obligation of the Company which is not Senior Indebtedness. "Senior Subordinated Indebtedness" of Holdings has a correlative meaning.

"Senior Subordinated Noteholder" or "Holder" means the Person in whose name a Senior Subordinated Note is registered on the Registrar's books.

"Senior Subordinated Notes" means the Senior Subordinated Notes issued under this Indenture.

"Senior Subordinated Notes Issue Date", with respect to any Initial Senior Subordinated Notes, means the date on which the Initial Senior Subordinated Notes are originally issued.

"Senior Subordinated Notes Trustee" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, but shall in no event include a Receivables Entity.

"Standard Securitization Undertakings" means representations, warranties, covenants and indemnities entered into by the Company or any Subsidiary of the Company which the Company has determined in good faith to be customary in an accounts receivable transaction including, without limitation, those relating to the servicing of the assets of a Receivables Entity.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"Subordinated Obligation" means any Indebtedness of the Company (whether outstanding on the Closing Date or thereafter Incurred) that is subordinate or junior in right of payment to the Senior Subordinated Notes pursuant to a written agreement. "Subordinated Obligation" of Holdings has a correlative meaning.

"Subsidiary" of any Person means any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person, (ii) such Person and one or more Subsidiaries of such Person or (iii) one or more Subsidiaries of such Person.

"Temporary Cash Investments" means any of the following: (i) any investment in direct obligations of the United States of America or any agency thereof or obligations Guaranteed by the United States of America or any agency thereof, (ii) investments in time deposit accounts, certificates of deposit and money market

deposits maturing within one year of the date of acquisition thereof issued by a bank or trust company that is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America having capital, surplus and undivided profits aggregating in excess of $100,000,000 (or the foreign currency equivalent thereof) and whose long-term debt is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker-dealer or mutual fund distributor, (iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (i) above entered into with a financial institution meeting the qualifications described in clause (ii) above, (iv) investments in commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's Investors Service, Inc. or "A-1" (or higher) according to Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc. ("S&P"), and (v) investments in securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or "A" by Moody's Investors Service, Inc.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. ss.ss. 77aaa-77bbbb), as amended, as in effect on the date of this Indenture.

"Trade Payables" means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

"Treasury Rate" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled by, and published in, the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days prior to the date fixed for redemption of the Senior Subordinated Notes following a Change of Control (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to June 1, 2003; provided, however, that if the period from the redemption date to June 1, 2003 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to June 1, 2003 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Trust Officer" means the Chairman of the Board, the President or any other officer or assistant officer of the Senior Subordinated Notes Trustee assigned by the Senior Subordinated Notes Trustee to administer its corporate trust matters.

"Uniform Commercial Code" means the New York Uniform Commercial Code as in effect from time to time.

"Unrestricted Subsidiary" means (i) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below and (ii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary of the Company) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or owns or holds any Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated; provided, however, that either (A) the Subsidiary to be so designated has total Consolidated assets of $1,000 or less or (B) if such Subsidiary has Consolidated assets greater than $1,000, then such designation would be permitted under Section 4.04. The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation (x) the Company could Incur $1.00 of additional Indebtedness under Section 4.03(a) and (y) no Default shall have occurred and be continuing. Any such designation of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary by the Board of Directors shall be evidenced to the Senior Subordinated Notes Trustee by promptly filing with the Senior Subordinated Notes Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

"Voting Stock" of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"Wholly Owned Subsidiary" means a Restricted Subsidiary of the Company all the Capital Stock of which (other than directors' qualifying shares) is owned by the Company or another Wholly Owned Subsidiary.

SECTION 1.02. Other Definitions.

Term	Defined in Section
"Affiliate Transaction"	4.07
"Bankruptcy Law"	6.01
"Blockage Notice"	10.03
"Change of Control Offer"	4.08(b)
"covenant defeasance option"	8.01(b)
"Custodian"	6.01
"Event of Default"	6.01
"Guaranteed Obligations"	11.01
"legal defeasance option"	8.01(b)
"Legal Holiday"	13.08

SECTION 1.03. Incorporation by Reference of Trust Indenture Act. This Indenture is subject to the mandatory provisions of the TIA, which are incorporated by reference in and made a part of this Indenture. The following TIA terms have the following meanings:

"Commission" means the SEC.

"indenture securities" means the Senior Subordinated Notes and the Holdings Guarantee.

"indenture security holder" means a Senior Subordinated Noteholder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Senior Subordinated Notes Trustee.

"obligor" on the indenture securities means the Company, Holdings and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.04. Rules of Construction. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) "including" means including without limitation;

(5) words in the singular include the plural and words in the plural include the singular;

(6) unsecured Indebtedness shall not be deemed to be subordinate or junior to Secured Indebtedness merely by virtue of its nature as unsecured Indebtedness;

(7) the principal amount of any noninterest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP; and

(8) the principal amount of any Preferred Stock shall be (i) the maximum liquidation value of such Preferred Stock or (ii) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock, whichever is greater.

ARTICLE 2

The Senior Subordinated Notes

SECTION 2.01. Amount of Senior Subordinated Notes; Issuable in Series. The aggregate principal amount of Senior Subordinated Notes which may be authenticated and delivered under this Indenture is $500 million. The Senior Subordinated Notes may be issued in one or more series. All Senior Subordinated Notes of any one series shall be substantially identical except as to denomination.

With respect to any Additional Senior Subordinated Notes issued after the Closing Date (except for Senior Subordinated Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Senior Subordinated Notes pursuant to Section 2.07, 2.08, 2.09, 2.10 or 3.06 or the Appendix), there shall be (i) established in or pursuant to a resolution of the Board of Directors and (ii) (A) set forth or determined in the manner provided in an Officers' Certificate or (B) established in one or more indentures supplemental hereto, prior to the issuance of such Additional Senior Subordinated Notes:

(1) whether such Additional Senior Subordinated Notes shall be issued as part of a new or existing series of Senior Subordinated Notes and the title of such Additional Senior Subordinated Notes (which shall distinguish the Additional Senior Subordinated Notes of the series from Senior Subordinated Notes of any other series);

(2) the aggregate principal amount of such Additional Senior Subordinated Notes which may be authenticated and delivered under this Indenture, which shall be in an aggregate principal amount not to exceed $200 million (except for Senior Subordinated Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Senior Subordinated Notes of the same series pursuant to Section 2.07, 2.08, 2.09, 2.10 or 3.06 or the Appendix and except for Senior Subordinated Notes which,

pursuant to Section 2.03, are deemed never to have been authenticated and delivered hereunder);

(3) the issue price and issuance date of such Additional Senior Subordinated Notes, including the date from which interest on such Additional Senior Subordinated Notes shall accrue; provided; however, that no Additional Senior Subordinated Notes may be issued at a price that would cause such Additional Senior Subordinated Notes to have "original issue discount" within the meaning of Section 1273 of the Code;

(4) if applicable, that such Additional Senior Subordinated Notes shall be issuable in whole or in part in the form of one or more Global Senior Subordinated Notes (as defined in the Appendix) and, in such case, the respective depositaries for such Global Senior Subordinated Notes, the form of any legend or legends which shall be borne by such Global Senior Subordinated Notes in addition to or in lieu of those set forth in Exhibit A hereto and any circumstances in addition to or in lieu of those set forth in Section 2.3 of the Appendix in which any such Global Senior Subordinated Note may be exchanged in whole or in part for Additional Senior Subordinated Notes registered, or any transfer of such Global Senior Subordinated Note in whole or in part may be registered, in the name or names of Persons other than the depositary for such Global Senior Subordinated Note or a nominee thereof; and

(5) if applicable, that such Additional Senior Subordinated Notes shall not be issued in the form of Initial Senior Subordinated Notes as set forth in Exhibit A, but shall be issued in the form of Senior Subordinated Exchange Notes as set forth in Exhibit B.

If any of the terms of any Additional Senior Subordinated Notes are established by action taken pursuant to a resolution of the Board of Directors, a copy of an appropriate record of such action shall be certified by the Secretary or any Assistant Secretary of the Company and delivered to the Senior Subordinated Notes Trustee at or prior to the delivery of the Officers' Certificate or the indenture supplemental hereto setting forth the terms of the Additional Senior Subordinated Notes.

SECTION 2.02. Form and Dating. Provisions relating to the Original Senior Subordinated Notes, the Additional Senior Subordinated Notes, the Private Senior Subordinated Exchange Notes and the Senior Subordinated Exchange Notes are set forth in the Appendix, which is hereby incorporated in and expressly made a part of this Indenture. The (i) Original Senior Subordinated Notes and the Senior Subordinated Notes Trustee's certificate of authentication, (ii) Private Senior Subordinated Exchange Notes and the Senior Subordinated Notes Trustee's certificate of authentication and (iii) any Additional Senior Subordinated Notes (if issued as Transfer Restricted Senior Subordinated Notes (as defined in the Appendix)) and the Senior Subordinated Notes Trustee's certificate of authentication shall each be substantially in the form of Exhibit A hereto, which is hereby incorporated in and expressly made a part of this Indenture. The Senior Subordinated Exchange Notes and any Additional Senior Subordinated Notes issued other than as Transfer Restricted Senior Subordinated Notes and the Senior Subordinated Notes Trustee's certificate of authentication shall each be substantially in the form of Exhibit B hereto, which is hereby incorporated in and expressly made a part of this Indenture. The Senior Subordinated Notes may have notations, legends or

endorsements required by law, stock exchange rule, agreements to which the Company or Holdings is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company). Each Senior Subordinated Note shall be dated the date of its authentication. The Senior Subordinated Notes shall be issued only in registered form without coupons and only in denominations of $1,000 and integral multiples thereof.

SECTION 2.03. Execution and Authentication. One or more Officers shall sign the Senior Subordinated Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Senior Subordinated Note no longer holds that office at the time the Senior Subordinated Notes Trustee authenticates the Senior Subordinated Note, the Senior Subordinated Note shall be valid nevertheless.

A Senior Subordinated Note shall not be valid until an authorized signatory of the Senior Subordinated Notes Trustee manually signs the certificate of authentication on the Senior Subordinated Note. The signature shall be conclusive evidence that the Senior Subordinated Note has been authenticated under this Indenture.

The Senior Subordinated Notes Trustee shall authenticate and make available for delivery Senior Subordinated Notes as set forth in the Appendix.

The Senior Subordinated Notes Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate the Senior Subordinated Notes. Any such appointment shall be evidenced by an instrument signed by a Trust Officer, a copy of which shall be furnished to the Company. Unless limited by the terms of such appointment, an authenticating agent may authenticate Senior Subordinated Notes whenever the Senior Subordinated Notes Trustee may do so. Each reference in this Indenture to authentication by the Senior Subordinated Notes Trustee includes authentication by such agent. An authenticating agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

SECTION 2.04. Registrar and Paying Agent. The Company shall maintain an office or agency where Senior Subordinated Notes may be presented for registration of transfer or for exchange (the "Registrar") and an office or agency where Senior Subordinated Notes may be presented for payment (the "Paying Agent"). The Registrar shall keep a register of the Senior Subordinated Notes and of their transfer and exchange. The Company may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent, and the term "Registrar" includes any co-registrars. The Company initially appoints the Senior Subordinated Notes Trustee as (i) Registrar and Paying Agent in connection with the Senior Subordinated Notes and (ii) the Senior Subordinated Notes Custodian (as defined in the Appendix) with respect to the Global Senior Subordinated Notes.

The Company shall enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to this Indenture, which shall incorporate the terms of the TIA. The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Senior Subordinated Notes Trustee of the name and address of any such agent. If the Company fails to maintain a Registrar or Paying Agent, the Senior Subordinated Notes Trustee shall act as such and shall be

entitled to appropriate compensation therefor pursuant to Section 7.07. The Company or any of its domestically organized Wholly Owned Subsidiaries may act as Paying Agent or Registrar.

The Company may remove any Registrar or Paying Agent upon written notice to such Registrar or Paying Agent and to the Senior Subordinated Notes Trustee; provided, however, that no such removal shall become effective until (1) acceptance of an appointment by a successor as evidenced by an appropriate agreement entered into by the Company and such successor Registrar or Paying Agent, as the case may be, and delivered to the Senior Subordinated Notes Trustee or (2) notification to the Senior Subordinated Notes Trustee that the Senior Subordinated Notes Trustee shall serve as Registrar or Paying Agent until the appointment of a successor in accordance with clause (1) above. The Registrar or Paying Agent may resign at any time upon written notice; provided, however, that the Senior Subordinated Notes Trustee may resign as Paying Agent or Registrar only if the Senior Subordinated Notes Trustee also resigns as Senior Subordinated Notes Trustee in accordance with Section 7.08.

SECTION 2.05. Paying Agent To Hold Money in Trust. Prior to each due date of the principal and interest on any Senior Subordinated Note, the Company shall deposit with the Paying Agent (or if the Company or a Subsidiary is acting as Paying Agent, segregate and hold in trust for the benefit of the Persons entitled thereto) a sum sufficient to pay such principal and interest when so becoming due. The Company shall require each Paying Agent (other than the Senior Subordinated Notes Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Senior Subordinated Noteholders or the Senior Subordinated Notes Trustee all money held by the Paying Agent for the payment of principal of or interest on the Senior Subordinated Notes and shall notify the Senior Subordinated Notes Trustee of any default by the Company in making any such payment. If the Company or a Subsidiary of the Company acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent to pay all money held by it to the Senior Subordinated Notes Trustee and to account for any funds disbursed by the Paying Agent. Upon complying with this Section, the Paying Agent shall have no further liability for the money delivered to the Senior Subordinated Notes Trustee.

SECTION 2.06. Senior Subordinated Noteholder Lists. The Senior Subordinated Notes Trustee shall preserve in as current a form as is reasonably prac ticable the most recent list available to it of the names and addresses of Senior Subordinated Noteholders. If the Senior Subordinated Notes Trustee is not the Registrar, the Company shall furnish, or cause the Registrar to furnish, to the Senior Subordinated Notes Trustee, in writing at least five Business Days before each interest payment date and at such other times as the Senior Subordinated Notes Trustee may request in writing, a list in such form and as of such date as the Senior Subordinated Notes Trustee may reasonably require of the names and addresses of Senior Subordinated Noteholders.

SECTION 2.07. Transfer and Exchange. The Senior Subordinated Notes shall be issued in registered form and shall be transferable only upon the surrender of a Senior Subordinated Note for registration of transfer and in compliance with the Appendix. When a Senior Subordinated Note is presented to the Registrar with a request to register a transfer, the Registrar shall register the transfer as requested if the requirements of Section 8-401(a)(l) of the Uniform Commercial Code are met. When

Senior Subordinated Notes are presented to the Registrar with a request to exchange them for an equal principal amount of Senior Subordinated Notes of other denominations, the Registrar shall make the exchange as requested if the same requirements are met. To permit registration of transfers and exchanges, the Company shall execute and the Senior Subordinated Notes Trustee shall authenticate Senior Subordinated Notes at the Registrar's request. The Company may require payment of a sum sufficient to pay all taxes, assessments or other governmental charges in connection with any transfer or exchange pursuant to this Section. The Company shall not be required to make and the Registrar need not register transfers or exchanges of Senior Subordinated Notes selected for redemption (except, in the case of Senior Subordinated Notes to be redeemed in part, the portion thereof not to be redeemed) or any Senior Subordinated Notes for a period of 15 days before a selection of Senior Subordinated Notes to be redeemed.

Prior to the due presentation for registration of transfer of any Senior Subordinated Note, the Company, Holdings, the Senior Subordinated Notes Trustee, the Paying Agent, and the Registrar may deem and treat the Person in whose name a Senior Subordinated Note is registered as the absolute owner of such Senior Subordinated Note for the purpose of receiving payment of principal of and interest, if any, on such Senior Subordinated Note and for all other purposes whatsoever, whether or not such Senior Subordinated Note is overdue, and none of the Company, Holdings, the Senior Subordinated Notes Trustee, the Paying Agent, or the Registrar shall be affected by notice to the contrary.

Any Holder of a Global Senior Subordinated Note shall, by acceptance of such Global Senior Subordinated Note, agree that transfers of beneficial interest in such Global Senior Subordinated Note may be effected only through a book-entry system maintained by (i) the Senior Subordinated Noteholder of such Global Senior Subordinated Note (or its agent) or (ii) any Senior Subordinated Noteholder of a beneficial interest in such Global Senior Subordinated Note, and that ownership of a beneficial interest in such Global Senior Subordinated Note shall be required to be reflected in a book entry.

All Senior Subordinated Notes issued upon any transfer or exchange pursuant to the terms of this Indenture will evidence the same debt and will be entitled to the same benefits under this Indenture as the Senior Subordinated Notes surrendered upon such transfer or exchange.

SECTION 2.08. Replacement Senior Subordinated Notes. If a mutilated Senior Subordinated Note is surrendered to the Registrar or if the Senior Subordinated Noteholder of a Senior Subordinated Note claims that the Senior Subordinated Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Senior Subordinated Notes Trustee shall authenticate a replacement Senior Subordinated Note if the requirements of Section 8-405 of the Uniform Commercial Code are met, such that the Senior Subordinated Noteholder (i) satisfies the Company or the Senior Subordinated Notes Trustee within a reasonable time after he has notice of such loss, destruction or wrongful taking and the Registrar does not register a transfer prior to receiving such notification, (ii) makes such request to the Company or the Senior Subordinated Notes Trustee prior to the Senior Subordinated Note being acquired by a protected purchaser as defined in Section 8-303 of the Uniform Commercial Code (a "protected purchaser") and (iii) satisfies any other reasonable requirements of the Senior Subordinated Notes Trustee. If required by the Senior Subordinated Notes Trustee or the Company, such

Senior Subordinated Noteholder shall furnish an indemnity bond sufficient in the judgment of the Senior Subordinated Notes Trustee to protect the Company, the Senior Subordinated Notes Trustee, the Paying Agent and the Registrar from any loss that any of them may suffer if a Senior Subordinated Note is replaced. The Company and the Senior Subordinated Notes Trustee may charge the Senior Subordinated Noteholder for their expenses in replacing a Senior Subordinated Note. In the event any such mutilated, lost, destroyed or wrongfully taken Senior Subordinated Note has become or is about to become due and payable, the Company in its discretion may pay such Senior Subordinated Note instead of issuing a new Senior Subordinated Note in replacement thereof.

Every replacement Senior Subordinated Note is an additional obligation of the Company.

The provisions of this Section 2.08 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, lost, destroyed or wrongfully taken Senior Subordinated Notes.

SECTION 2.09. Outstanding Senior Subordinated Notes. Senior Subordinated Notes outstanding at any time are all Senior Subordinated Notes authenticated by the Senior Subordinated Notes Trustee except for those canceled by it, those delivered to it for cancelation and those described in this Section as not outstanding. A Senior Subordinated Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Senior Subordinated Note.

If a Senior Subordinated Note is replaced pursuant to Section 2.08, it ceases to be outstanding unless the Senior Subordinated Notes Trustee and the Company receive proof satisfactory to them that the replaced Senior Subordinated Note is held by a protected purchaser.

If the Paying Agent segregates and holds in trust, in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all principal and interest payable on that date with respect to the Senior Subordinated Notes (or portions thereof) to be redeemed or maturing, as the case may be, and the Paying Agent is not prohibited from paying such money to the Senior Subordinated Noteholders on that date pursuant to the terms of this Indenture, then on and after that date such Senior Subordinated Notes (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

SECTION 2.10. Temporary Senior Subordinated Notes. In the event that Definitive Senior Subordinated Notes (as defined in the Appendix) are to be issued under the terms of this Indenture, until such Definitive Senior Subordinated Notes are ready for delivery, the Company may prepare and the Senior Subordinated Notes Trustee shall authenticate temporary Senior Subordinated Notes. Temporary Senior Subordinated Notes shall be substantially in the form of Definitive Senior Subordinated Notes but may have variations that the Company considers appropriate for temporary Senior Subordinated Notes. Without unreasonable delay, the Company shall prepare and the Senior Subordinated Notes Trustee shall authenticate Definitive Senior Subordinated Notes and deliver them in exchange for temporary Senior Subordinated Notes upon surrender of such temporary Senior Subordinated Notes at the office or agency of the Company, without charge to the Senior Subordinated Noteholder.

SECTION 2.11. Cancelation. The Company at any time may deliver Senior Subordinated Notes to the Senior Subordinated Notes Trustee for cancelation. The Registrar and the Paying Agent shall forward to the Senior Subordinated Notes Trustee any Senior Subordinated Notes surrendered to them for registration of transfer, exchange or payment. The Senior Subordinated Notes Trustee and no one else shall can cel all Senior Subordinated Notes surrendered for registration of transfer, exchange, payment or cancelation and deliver canceled Senior Subordinated Notes to the Company pursuant to written direction by an Officer. The Company may not issue new Senior Subordinated Notes to replace Senior Subordinated Notes it has redeemed, paid or delivered to the Senior Subordinated Notes Trustee for cancelation. The Senior Subordinated Notes Trustee shall not authenticate Senior Subordinated Notes in place of canceled Senior Subordinated Notes other than pursuant to the terms of this Indenture.

SECTION 2.12. Defaulted Interest. If the Company defaults in a payment of interest on the Senior Subordinated Notes, the Company shall pay the defaulted interest (plus interest on such defaulted interest at the rate of 91/8% per annum to the extent lawful) in any lawful manner. The Company may pay the defaulted interest to the Persons who are Senior Subordinated Noteholders on a subsequent special record date. The Company shall fix or cause to be fixed any such special record date and payment date to the reasonable satisfaction of the Senior Subordinated Notes Trustee and shall promptly mail or cause to be mailed to each Senior Subordinated Noteholder a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

SECTION 2.13. CUSIP Numbers. The Company in issuing the Senior Subordinated Notes may use "CUSIP" numbers (if then generally in use) and, if so, the Senior Subordinated Notes Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Senior Subordinated Noteholders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Senior Subordinated Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Senior Subordinated Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

ARTICLE 3

Redemption

SECTION 3.01. Notices to Senior Subordinated Notes Trustee. If the Company elects to redeem Senior Subordinated Notes pursuant to paragraph 5 of the Senior Subordinated Notes, it shall notify the Senior Subordinated Notes Trustee in writing of the redemption date and the principal amount of Senior Subordinated Notes to be redeemed.

The Company shall give each notice to the Senior Subordinated Notes Trustee provided for in this Section at least 60 days before the redemption date unless the Senior Subordinated Notes Trustee consents to a shorter period. Such notice shall be accompanied by an Officers' Certificate and an Opinion of Counsel from the Company to the effect that such redemption will comply with the conditions herein. If fewer than all the Senior Subordinated Notes are to be redeemed, the record date relating to such

redemption shall be selected by the Company and given to the Senior Subordinated Notes Trustee, which record date shall be not fewer than 15 days after the date of notice to the Senior Subordinated Notes Trustee. Any such notice may be canceled at any time prior to notice of such redemption being mailed to any Senior Subordinated Noteholder and shall thereby be void and of no effect.

SECTION 3.02. Selection of Senior Subordinated Notes To Be Redeemed. If fewer than all the Senior Subordinated Notes are to be redeemed, the Senior Subordinated Notes Trustee shall select the Senior Subordinated Notes to be redeemed pro rata or by lot. The Senior Subordinated Notes Trustee shall make the selection from outstanding Senior Subordinated Notes not previously called for redemption. The Senior Subordinated Notes Trustee may select for redemption portions of the principal of Senior Subordinated Notes that have denominations larger than $1,000. Senior Subordinated Notes and portions of them the Senior Subordinated Notes Trustee selects shall be in amounts of $1,000 or a whole multiple of $1,000. Provisions of this Indenture that apply to Senior Subordinated Notes called for redemption also apply to portions of Senior Subordinated Notes called for redemption. The Senior Subordinated Notes Trustee shall notify the Company promptly of the Senior Subordinated Notes or portions of Senior Subordinated Notes to be redeemed.

SECTION 3.03. Notice of Redemption. At least 30 days but not more than 60 days before a date for redemption of Senior Subordinated Notes, the Company shall mail a notice of redemption by first-class mail to each Senior Subordinated Noteholder of Senior Subordinated Notes to be redeemed at such Senior Subordinated Noteholder's registered address.

The notice shall identify the Senior Subordinated Notes to be redeemed and shall state:

(1) the redemption date;

(2) the redemption price and the amount of accrued interest to the redemption date;

(3) the name and address of the Paying Agent;

(4) that Senior Subordinated Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(5) if fewer than all the outstanding Senior Subordinated Notes are to be redeemed, the certificate numbers and principal amounts of the particular Senior Subordinated Notes to be redeemed;

(6) that, unless the Company defaults in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on Senior Subordinated Notes (or portion thereof) called for redemption ceases to accrue on and after the redemption date;

(7) the CUSIP number, if any, printed on the Senior Subordinated Notes being redeemed;

(8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Senior Subordinated Notes; and

(9) if applicable, that a Change of Control has occurred and the circumstances and relevant facts regarding such Change of Control.

At the Company's request, the Senior Subordinated Notes Trustee shall give the notice of redemption in the Company's name and at the Company's expense. In such event, the Company shall provide the Senior Subordinated Notes Trustee with the information required by this Section.

SECTION 3.04. Effect of Notice of Redemption. Once notice of redemption is mailed, Senior Subordinated Notes called for redemption become due and payable on the redemption date and at the redemption price stated in the notice. Upon surrender to the Paying Agent, such Senior Subordinated Notes shall be paid at the redemption price stated in the notice, plus accrued interest, if any, to the redemption date; provided, however, that if the redemption date is after a regular record date and on or prior to the interest payment date, the accrued interest shall be payable to the Senior Subordinated Noteholder of the redeemed Senior Subordinated Notes registered on the relevant record date. Failure to give notice or any defect in the notice to any Senior Subordinated Noteholder shall not affect the validity of the notice to any other Senior Subordinated Noteholder.

SECTION 3.05. Deposit of Redemption Price. Prior to 10:00 a.m. on the redemption date, the Company shall deposit with the Paying Agent (or, if the Company or a Subsidiary is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the redemption price of and accrued interest on all Senior Subordinated Notes to be redeemed on that date other than Senior Subordinated Notes or portions of Senior Subordinated Notes called for redemption that have been delivered by the Company to the Senior Subordinated Notes Trustee for cancelation.

SECTION 3.06. Senior Subordinated Notes Redeemed in Part. Upon surrender of a Senior Subordinated Note that is redeemed in part, the Company shall execute and the Senior Subordinated Notes Trustee shall authenticate for the Senior Subordinated Noteholder (at the Company's expense) a new Senior Subordinated Note equal in principal amount to the unredeemed portion of the Senior Subordinated Note surrendered.

ARTICLE 4

Covenants

SECTION 4.01. Payment of Senior Subordinated Notes. The Company shall promptly pay the principal of and interest on the Senior Subordinated Notes on the dates and in the manner provided in the Senior Subordinated Notes and in this Indenture. Principal and interest shall be considered paid on the date due if on such date the Senior Subordinated Notes Trustee or the Paying Agent holds in accordance with this Indenture money sufficient to pay all principal and interest then due and the Senior Subordinated Notes Trustee or the Paying Agent, as the case may be, is not prohibited from paying

such money to the Senior Subordinated Noteholders on that date pursuant to the terms of this Indenture.

The Company shall pay interest on overdue principal at the rate specified therefor in the Senior Subordinated Notes, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

SECTION 4.02. SEC Reports. Notwithstanding that the Company may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company shall file with the SEC and provide the Senior Subordinated Notes Trustee and any Senior Subordinated Noteholder or prospective Senior Subordinated Noteholder (upon the request of such Senior Subordinated Noteholder or prospective Senior Subordinated Noteholder) with such annual reports and such information, documents and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. corporation subject to such Sections, such information, documents and other reports to be so filed and provided at the times specified for the filing of such information, documents and reports under such Sections.

SECTION 4.03. Limitation on Indebtedness. (a) The Company shall not, and shall not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that the Company may Incur Indebtedness if on the date of such Incurrence and after giving effect thereto the Consolidated Coverage Ratio would be greater than 2.00:1.00.

(b) Notwithstanding Section 4.03(a), the Company and its Restricted Subsidiaries may Incur the following Indebtedness:

(i) Indebtedness Incurred pursuant to the Credit Agreement or any other Credit Facility in an aggregate principal amount at any time outstanding not to exceed $400 million;

(ii) Indebtedness of the Company owed to and held by any Wholly Owned Subsidiary or Indebtedness of a Restricted Subsidiary owed to and held by the Company or any Wholly Owned Subsidiary; provided, however, that (A) any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Wholly Owned Subsidiary ceasing to be a Wholly Owned Subsidiary or any subsequent transfer of any such Indebtedness (except to the Company or a Wholly Owned Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the issuer thereof and (B) if the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Senior Subordinated Notes;

(iii) Indebtedness (A) represented by the Senior Subordinated Notes (not including any Additional Senior Subordinated Notes), (B) outstanding on the Closing Date (other than the Indebtedness described in clauses (i) and (ii) above), (C) consisting of Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (iii) (including Indebtedness Refinancing Refinancing Indebtedness) or Section 4.03(a) and (D) consisting of Guarantees of any Indebtedness permitted under clauses (i) and (ii) of this paragraph (b);

(iv) (A) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by the Company (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Subsidiary of or was otherwise acquired by the Company); provided, however, if the aggregate amount of all such Indebtedness of all such Restricted Subsidiaries would exceed $20 million, that on the date that such Restricted Subsidiary is acquired by the Company, the Company would have been able to Incur $1.00 of additional Indebtedness pursuant to Section 4.03(a) after giving effect to the Incurrence of such Indebtedness pursuant to this clause (iv) and (B) Refinancing Indebtedness Incurred by a Restricted Subsidiary in respect of Indebtedness Incurred by such Restricted Subsidiary pursuant to this clause (iv);

(v) Indebtedness (A) in respect of performance bonds, bankers' acceptances, letters of credit and surety or appeal bonds provided by the Company and the Restricted Subsidiaries in the ordinary course of their business, and (B) under Hedging Obligations consisting of Interest Rate Agreements directly related (as determined in good faith by the Company) to Indebtedness permitted to be Incurred by the Company and its Restricted Subsidiaries pursuant to this Indenture and Currency Agreements Incurred in the ordinary course of business;

(vi) Indebtedness Incurred by the Company or any Restricted Subsidiary (including Capitalized Lease Obligations) financing the purchase, lease or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of the Person owning such assets), in each case Incurred no more than 180 days after such purchase, lease or improvement of such property and any Refinancing Indebtedness in respect of such Indebtedness; provided, however, that at the time of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount of all Indebtedness incurred pursuant to this clause (vi) and then outstanding shall not exceed the greater of $25.0 million and 5% of Adjusted Consolidated Assets;

(vii) Indebtedness Incurred by the Company in connection with the acquisition of a Related Business and any Refinancing Indebtedness in respect of such Indebtedness; provided, however, that the aggregate amount of Indebtedness Incurred and outstanding pursuant to this clause (vii) shall not exceed $50.0 million at any one time;

(viii) Attributable Debt Incurred by the Company in respect of Sale/Leaseback Transactions; provided, however, that the aggregate amount of Attributable Debt Incurred and outstanding pursuant to this clause (viii) shall not exceed $75.0 million at any one time;

(ix) Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, purchase price adjustment or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or a

Subsidiary for the purpose of financing such acquisition; provided, however, that the maximum assumable liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(x) any Guarantee by the Company of Indebtedness or other obligations of any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness Incurred by such Restricted Subsidiary is permitted under the terms of this Indenture;

(xi) Indebtedness arising from Guarantees to suppliers, lessors, licensees, contractors, franchisees or customers Incurred in the ordinary course of business;

(xii) Indebtedness Incurred by a Receivables Entity in a Qualified Receivables Transaction that is not recourse to the Company or any other Restricted Subsidiary of the Company (except for Standard Securitization Undertakings); and

(xiii) Indebtedness (other than Indebtedness permitted to be Incurred pursuant to Section 4.03(a) or any other clause of this Section 4.03(b)) in an aggregate principal amount on the date of Incurrence that, when added to all other Indebtedness Incurred pursuant to this clause (xiii) and then outstanding, shall not exceed $50.0 million.

(c) The Company shall not Incur any Indebtedness if such Indebtedness is subordinate or junior in ranking in any respect to any Senior Indebtedness of the Company unless such Indebtedness is Senior Subordinated Indebtedness of the Company or is expressly subordinated in right of payment to Senior Subordinated Indebtedness of the Company.

(d) Notwithstanding any other provision of this Section 4.03, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may Incur pursuant to this Section shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. For purposes of determining the outstanding principal amount of any particular Indebtedness Incurred pursuant to this Section 4.03, (i) Indebtedness permitted by this Section 4.03 need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this Section permitting such Indebtedness and (ii) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in this Section, the Company, in its sole discretion, shall classify or reclassify such Indebtedness and only be required to include the amount of such Indebtedness in one of such clauses.

SECTION 4.04. Limitation on Restricted Payments. (a) The Company shall not, and shall not permit any Restricted Subsidiary, directly or indirectly, to (i) declare or pay any dividend or make any distribution on or in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving the Company) or similar payment to the direct or indirect holders of its Capital Stock except dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) and except dividends or distributions payable to the Company or another Restricted Subsidiary (and, if such Restricted Subsidiary has equity holders other

than the Company or other Restricted Subsidiaries, to its other equity holders on a pro rata basis), (ii) purchase, redeem, retire or otherwise acquire for value any Capital Stock of Holdings, the Company or any Restricted Subsidiary held by Persons other than the Company or another Restricted Subsidiary, (iii) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment any Subordinated Obligations of the Company (other than the purchase, repurchase or other acquisition of Subordinated Obligations of the Company purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of acquisition) or (iv) make any Investment (other than a Permitted Investment) in any Person (any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Investment being herein referred to as a "Restricted Payment") if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(1) a Default shall have occurred and be continuing (or would result therefrom);

(2) the Company could not Incur at least $1.00 of additional Indebtedness under Section 4.03(a); or

(3) the aggregate amount of such Restricted Payment and all other Restricted Payments (the amount so expended, if other than in cash, to be determined in good faith by the Board of Directors, whose determination shall be conclusive and evidenced by a resolution of the Board of Directors) declared or made subsequent to the Closing Date would exceed the sum of:

(A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from the beginning of the fiscal quarter immediately following the fiscal quarter during which the Closing Date occurs to the end of the most recent fiscal quarter for which internal financial statements are available prior to the date of such Restricted Payment (or, in case such Consolidated Net Income will be a deficit, minus 100% of such deficit);

(B) the aggregate Net Cash Proceeds or fair market value of assets or property received by the Company as a contribution to its equity capital or from the issue or sale of its Capital Stock (in each case other than Disqualified Stock and Excluded Contributions) subsequent to the Closing Date (other than an issuance or sale to (x) a Subsidiary of the Company or (y) an employee stock ownership plan or other trust established by the Company or any of its Subsidiaries);

(C) the amount by which Indebtedness or Disqualified Stock of the Company or its Restricted Subsidiaries is reduced on the Company's balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to the Closing Date of any Indebtedness or Disqualified Stock of the Company or its Restricted Subsidiaries issued after the Closing Date for Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash or the fair market value of other property distributed by the Company or any Restricted Subsidiary upon such conversion or exchange); and

(D) the amount equal to the net reduction in Investments in any Person (other than a Restricted Subsidiary) resulting from (i) payments of dividends, repayments of the principal of loans or advances or other transfers of assets to the Company or any Restricted Subsidiary from such Person, (ii) the sale or liquidation for cash of such Investment or (iii) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount was included in the calculation of the amount of Restricted Payments.

(b) The provisions of Section 4.04(a) shall not prohibit:

(i) any Restricted Payment made by exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Company or an employee stock ownership plan or other trust established by the Company or any of its Subsidiaries); provided, however, that (A) such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale applied in the manner set forth in this clause (i) shall be excluded from the calculation of amounts under Section 4.04(a)(3)(B);

(ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of the Company made by exchange for, or out of the proceeds of the substantially concurrent sale of, Indebtedness of the Company that is permitted to be Incurred pursuant to Section 4.03(b); provided, however, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(iii) any purchase or redemption of Subordinated Obligations of the Company from Net Available Cash to the extent permitted by Section 4.06; provided, however, that such purchase or redemption shall be excluded in the cal culation of the amount of Restricted Payments;

(iv) dividends paid within 60 days after the date of declaration thereof if at such date of declaration such dividend would have complied with Section 4.04(a); provided, however, that such dividend shall be included in the calculation of the amount of Restricted Payments;

(v) any Restricted Payment made for the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of Holdings, the Company or any of their respective Subsidiaries held by any employee, former employee, director or former director of Holdings, the Company or any of their respective Subsidiaries (and any permitted transferees thereof) pursuant to any equity subscription agreement, stock option agreement or plan or other similar agreement; provided, however, that the aggregate amount of such Restricted Payments shall not exceed $5.0 million in any calendar year and $20.0 million in

the aggregate; provided further, however, that such Restricted Payments shall be included in the calculation of the amount of Restricted Payments;

(vi) payment of dividends, other distributions or other amounts by the Company for the purposes set forth in clauses (A) through (E) below; provided, however, that such dividend, distribution or amount shall be excluded in the calculation of the amount of Restricted Payments:

(A) to Holdings in amounts equal to the amounts required for Holdings to pay franchise taxes and other fees required to maintain its corporate existence and provide for other operating costs of up to $2.0 million per calendar year;

(B) to Holdings in amounts equal to amounts required for Holdings to pay Federal, state and local income taxes that are then actually due and owing by Holdings to the extent such items relate to the Company and its Subsidiaries;

(C) to Holdings to permit Holdings to pay financial advisory, financing, underwriting or placement fees to Cypress and its Affiliates;

(D) to Holdings to permit Holdings to pay any employment, noncompetition, compensation or confidentiality arrangements entered into with its employees in the ordinary course of business to the extent such employees are primarily engaged in activities which relate to the Company and its Subsidiaries; and

(E) to Holdings to permit Holdings to pay customary fees and indemnities to directors and officers of Holdings to the extent such directors and officers are primarily engaged in activities which relate to the Company and its Subsidiaries;

(vii) following the initial Equity Offering by the Company or Holdings, any payment of dividends or common stock buybacks by the Company in an aggregate amount in any year not to exceed 6% of the aggregate Net Cash Proceeds actually received by the Company in connection with such initial Equity Offering and any subsequent Equity Offering by the Company or Holdings; provided, however, that no Default or Event of Default shall have occurred and be continuing immediately before or after any such payment; provided further, however, that such dividends or common stock buybacks shall be included in the calculation of the amount of Restricted Payments;

(viii) any repurchase of Capital Stock deemed to occur upon exercise of stock options if such Capital Stock represents a portion of the exercise price of such option; provided, however, that such repurchase shall be included in the calculation of the amount of Restricted Payments;

(ix) the payment of any dividend or the making of any distribution to Holdings in amounts sufficient to permit Holdings (A) to pay interest when due on the Senior Discount Notes and (B) to make any mandatory redemptions, repurchases or principal or accreted value payments in respect of the Senior

Discount Notes; provided, however, that such payments, dividends and distributions shall be excluded in the calculation of the amount of Restricted Payments;

(x) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Company issued in accordance with Section 4.03(b) to the extent such dividends are included in the definition of Consolidated Interest Expense; provided, however, that such dividends shall be included in the calculation of the amount of Restricted Payments;

(xi) Investments made with Excluded Contributions; provided, however, that such Investments shall be excluded in the calculation of the amount of Restricted Payments;

(xii) any Restricted Payment made to fund the Recapitalization (including fees and expenses); provided, however, that such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments; or

(xiii) other Restricted Payments in an aggregate amount not to exceed $10.0 million; provided, however, that such payments shall be included in the calculation of the amount of Restricted Payments.

SECTION 4.05. Limitation on Restrictions on Distributions from Restricted Subsidiaries. The Company shall not, and shall not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to the Company, (ii) make any loans or advances to the Company or (iii) transfer any of its property or assets to the Company, except:

(1) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Closing Date;

(2) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Indebtedness Incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by the Company (other than Indebtedness Incurred as consideration in, in contemplation of, or to provide all or any portion of the funds or credit support utilized to consummate the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was otherwise acquired by the Company) and outstanding on such date;

(3) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (1) or (2) of this Section 4.05 or this clause (3) or contained in any amendment to an agreement referred to in clause (1) or (2) of this Section 4.05 or this clause (3); provided, however, that the encumbrances and restrictions contained in any such Refinancing agreement or amendment are no less favorable to the Senior Subordinated Noteholders than the encumbrances and restrictions contained in such predecessor agreements;

(4) in the case of clause (iii), any encumbrance or restriction (A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, (B) contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements or mortgages or (C) in connection with purchase money obligations for property acquired in the ordinary course of business;

(5) with respect to a Restricted Subsidiary, any restriction imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;

(6) any encumbrance or restriction of a Receivables Entity effected in connection with a Qualified Receivables Transaction; provided, however, that such restrictions apply only to such Receivables Entity; and

(7) any encumbrance or restriction existing pursuant to other Indebtedness permitted to be Incurred subsequent to the Senior Subordinated Notes Issue Date pursuant to Section 4.03; provided, however, that any such encumbrance or restrictions are ordinary and customary with respect to the type of Indebtedness being Incurred (under the relevant circumstances).

SECTION 4.06. Limitation on Sales of Assets and Subsidiary Stock. (a) The Company shall not, and shall not permit any Restricted Subsidiary to, make any Asset Disposition unless (i) the Company or such Restricted Subsidiary receives consideration (including by way of relief from, or by any other Person assuming sole responsibility for, any liabilities, contingent or otherwise) at the time of such Asset Disposition at least equal to the fair market value (as determined in good faith by the Company) of the shares and assets subject to such Asset Disposition, (ii) at least 75% of the consideration thereof received by the Company or such Restricted Subsidiary is in the form of cash or cash equivalents (provided that the amount of (w) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet or in the notes thereto) of the Company or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Senior Subordinated Notes) that are assumed by the transferee of any such assets without recourse to the Company or any of the Restricted Subsidiaries, (x) any notes or other obligations received by the Company or such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of such Asset Disposition, (y) any Designated Noncash Consideration received by the Company or any of its Restricted Subsidiaries in such Asset Disposition having an aggregate fair market value, taken together with all other Designated Noncash Consideration received pursuant to this clause (y) that is at that time outstanding, not to exceed 5% of Adjusted Consolidated Assets at the time of the receipt of such Designated Noncash Consideration (with the fair market value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value) and (z) any assets received in exchange for assets related to a Related Business of comparable market value in the good faith determination of the Board of Directors shall be deemed to be cash for purposes of this provision) and (iii) an amount equal to 100% of the Net Available Cash from such Asset

Disposition is applied by the Company (or such Restricted Subsidiary, as the case may be) (A) first, to the extent the Company elects (or is required by the terms of any Indebtedness), to prepay, repay, redeem or purchase Senior Indebtedness of the Company or Indebtedness (other than any Disqualified Stock and other than any Preferred Stock) of a Wholly Owned Subsidiary (in each case other than Indebtedness owed to the Company or an Affiliate of the Company) within 365 days after the later of the date of such Asset Disposition or the receipt of such Net Available Cash; (B) second, to the extent of the balance of Net Available Cash after application in accordance with clause (A), to the extent the Company or such Restricted Subsidiary elects, to reinvest in Additional Assets (including by means of an Investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) within 365 days from the later of such Asset Disposition or the receipt of such Net Available Cash; and (C) third, to the extent of the balance of such Net Available Cash after application in accordance with clauses (A) and (B), to make an Offer (as defined below) to purchase Senior Subordinated Notes pursuant to and subject to the conditions of Section 4.06(b); provided, however, that if the Company elects (or is required by the terms of any other Senior Subordinated Indebtedness of the Company), such Offer may be made ratably to purchase the Senior Subordinated Notes and other Senior Subordinated Indebtedness of the Company; provided, however, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (A) or (C) above, the Company or such Restricted Subsidiary shall retire such Indebtedness and shall cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased. Notwithstanding the foregoing provisions of this Section 4.06, the Company and the Restricted Subsidiaries shall not be required to apply any Net Available Cash in accordance with this Section 4.06(a) except to the extent that the aggregate Net Available Cash from all Asset Dispositions that is not applied in accordance with this Section 4.06 (a) exceeds $20.0 million.

(b) In the event of an Asset Disposition that requires the purchase of Senior Subordinated Notes (and other Senior Subordinated Indebtedness of the Company) pursuant to Section 4.06(a)(iii)(C), the Company shall be required to purchase Senior Subordinated Notes (and other Senior Subordinated Indebtedness of the Company) tendered pursuant to an offer by the Company for the Senior Subordinated Notes (and other Senior Subordinated Indebtedness of the Company) (the "Offer") at a purchase price of 100% of their principal amount plus accrued and unpaid interest and liquidated damages, if any, to the date of purchase in accordance with the procedures (including prorating in the event of oversubscription), set forth in Section 4.06(c). If the aggregate purchase price of Senior Subordinated Notes (and other Senior Subordinated Indebtedness of the Company) tendered pursuant to the Offer is less than the Net Available Cash allotted to the purchase of the Senior Subordinated Notes (and other Senior Subordinated Indebtedness of the Company), the Company may apply the remaining Net Available Cash for any purpose permitted by the terms of this Indenture. The Company shall not be required to make an Offer for Senior Subordinated Notes (and other Senior Subordinated Indebtedness of the Company) pursuant to this Section 4.06 if the Net Available Cash available therefor (after application of the proceeds as provided in clauses (A) and (B) of Section 4.06(a)(iii)) is less than $10.0 million for any particular Asset Disposition (which lesser amount shall be carried forward for purposes of determining whether an Offer is required with respect to the Net Available Cash from any subsequent Asset Disposition).

(c) (1) Promptly, and in any event within 30 days after the Company becomes obligated to make an Offer, the Company shall be obligated to deliver to the Senior Subordinated Notes Trustee and send, by first-class mail to each Senior Subordinated Noteholder, a written notice stating that the Senior Subordinated Noteholder may elect to have his Senior Subordinated Notes purchased by the Company either in whole or in part (subject to prorating as hereinafter described in the event the Offer is oversubscribed) in integral multiples of $1,000 of principal amount, at the applicable purchase price. The notice shall specify a purchase date not less than 30 days nor more than 60 days after the date of such notice (the "Purchase Date") and shall contain or incorporate by reference such information concerning the business of the Company which the Company in good faith believes will enable such Senior Subordinated Noteholders to make an informed decision and all instructions and materials necessary to tender Senior Subordinated Notes pursuant to the Offer, together with the address referred to in clause (3).

(2) Not later than the date upon which written notice of an Offer is delivered to the Senior Subordinated Notes Trustee as provided above, the Company shall deliver to the Senior Subordinated Notes Trustee an Officers' Certificate as to (i) the amount of the Offer (the "Offer Amount"), (ii) the allocation of the Net Available Cash from the Asset Dispositions pursuant to which such Offer is being made and (iii) the compliance of such allocation with the provisions of Section 4.06(a). On such date, the Company shall also irrevocably deposit with the Senior Subordinated Notes Trustee or with a paying agent (or, if the Company is acting as its own paying agent, segregate and hold in trust) an amount equal to the Offer Amount to be invested in Temporary Cash Investments and to be held for payment in accordance with the provisions of this Section. Upon the expiration of the period for which the Offer remains open (the "Offer Period"), the Company shall deliver to the Senior Subordinated Notes Trustee for cancelation the Senior Subordinated Notes or portions thereof that have been properly tendered to and are to be accepted by the Company. The Senior Subordinated Notes Trustee (or the Paying Agent, if not the Senior Subordinated Notes Trustee) shall, on the date of purchase, mail or deliver payment to each tendering Senior Subordinated Noteholder in the amount of the purchase price. In the event that the aggregate purchase price of the Senior Subordinated Notes (and other Senior Subordinated Indebtedness of the Company) delivered by the Company to the Senior Subordinated Notes Trustee is less than the Offer Amount applicable to the Senior Subordinated Notes (and other Senior Subordinated Indebtedness of the Company), the Senior Subordinated Notes Trustee shall deliver the excess to the Company immediately after the expiration of the Offer Period for application in accordance with this Section 4.06.

(3) Senior Subordinated Noteholders electing to have a Senior Subordinated Note purchased shall be required to surrender the Senior Subordinated Note, with an appropriate form duly completed, to the Company at the address specified in the notice at least three Business Days prior to the Purchase Date. Senior Subordinated Noteholders shall be entitled to withdraw their election if the Senior Subordinated Notes Trustee or the Company receives not later than one Business Day prior to the Purchase Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Senior Subordinated Noteholder, the principal amount of the Senior Subordinated Note which was delivered by the Senior Subordinated Noteholder for purchase and a statement that such Senior Subordinated Noteholder is withdrawing his election to have such Senior Subordinated Note purchased. If at the expiration of the Offer Period the aggregate principal amount of Senior Subordinated Notes and any other

Senior Subordinated Indebtedness of the Company included in the Offer surrendered by holders thereof exceeds the Offer Amount, the Company shall select the Senior Subordinated Notes and other Senior Subordinated Indebtedness of the Company to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Company so that only Senior Subordinated Notes and other Senior Subordinated Indebtedness of the Company in denominations of $1,000, or integral multiples thereof, shall be purchased). Senior Subordinated Noteholders whose Senior Subordinated Notes are purchased only in part will be issued new Senior Subordinated Notes equal in princi pal amount to the unpurchased portion of the Senior Subordinated Notes surrendered.

(4) At the time the Company delivers Senior Subordinated Notes to the Senior Subordinated Notes Trustee which are to be accepted for purchase, the Company shall also deliver an Officers' Certificate stating that such Senior Subordinated Notes are to be accepted by the Company pursuant to and in accordance with the terms of this Sec tion. A Senior Subordinated Note shall be deemed to have been accepted for purchase at the time the Senior Subordinated Notes Trustee, directly or through an agent, mails or delivers payment therefor to the surrendering Senior Subordinated Noteholder.

(d) The Company shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Subordinated Notes pursuant to this Section. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section by virtue thereof.

SECTION 4.07. Limitation on Transactions with Affiliates. (a) The Company shall not, and shall not cause or permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate (each of the foregoing, an "Affiliate Transaction") involving aggregate consideration in excess of $5.0 million, unless (i) such Affiliate Transaction is on terms that are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person and (ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10.0 million, the Company delivers to the Senior Subordinated Notes Trustee a resolution adopted by the majority of the Board of Directors, approving such Affiliate Transaction and set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above.

(b) The provisions of Section 4.07(a) shall not prohibit (i) any Restricted Payment permitted to be paid pursuant to Section 4.04, (ii) any issuance of securities, or other payments, Guarantees, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors, (iii) the grant of stock options or similar rights to employees and directors of the Company pursuant to plans approved by the Board of Directors, (iv) loans or advances to employees in the ordinary course of business in accordance with past practices of the Company, but in any event not to exceed $5.0 million in the aggregate outstanding at any one time, (v) the payment of reasonable fees

to directors of the Company and its Restricted Subsidiaries who are not employees of the Company or its Subsidiaries, (vi) any transaction between the Company and a Restricted Subsidiary or between Restricted Subsidiaries, (vii) any transaction effected as part of a Qualified Receivables Transaction, (viii) any payment by the Company to Holdings to permit Holdings to pay any Federal, state, local or other taxes that are then actually due and owing by Holdings, (ix) indemnification agreements with, and the payment of fees and indemnities to, directors, officers and employees of the Company and its Restricted Subsidiaries, in each case, in the ordinary course of business, (x) any employment, compensation, noncompetition or confidentiality agreement entered into by the Company and its Restricted Subsidiaries with its employees in the ordinary course of business, (xi) the payment by the Company of fees, expenses and other amounts to Cypress and its Affiliates in connection with the Recapitalization, (xii) payments by the Company or any of its Restricted Subsidiaries to Cypress and its Affiliates made pursuant to any financial advisory, financing, underwriting or placement agreement, or in respect of other investment banking activities, in each case, as determined by the Board of Directors in good faith, (xiii) any issuance of Capital Stock of the Company (other than Disqualified Stock), (xiv) any agreement as in effect as of the date of this Indenture or any amendment or replacement hereto so long as any such amendment or replacement agreement is not more disadvantageous to the Senior Subordinated Noteholders of the Senior Subordinated Notes in any material respect than the original agreement as in effect on the Closing Date and (xv) transactions in which the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Senior Subordinated Notes Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or meets the requirements of Section 4.07(a).

SECTION 4.08. Change of Control. (a) Upon the occurrence of a Change of Control, unless all Senior Subordinated Notes have been called for redemption pursuant to paragraph 5 of the Senior Subordinated Notes, each Senior Subordinated Noteholder shall have the right to require the Company to repurchase all or any part of such Senior Subordinated Noteholder's Senior Subordinated Notes at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Senior Subordinated Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date), in accordance with Section 4.08(b). Prior to the mailing of the notice referred to below, but in any event within 30 days following the date on which the Company becomes aware that a Change of Control has occurred, if the purchase of the Senior Subordinated Notes would violate or constitute a default under any other Indebtedness of the Company, then the Company shall, to the extent needed to permit such purchase of Senior Subordinated Notes, either (i) repay all such Indebtedness and terminate all commitments outstanding thereunder or (ii) request the holders of such Indebtedness to give the requisite consents to permit the purchase of the Senior Subordinated Notes as provided below. Until such time as the Company is able to repay all such Indebtedness and terminate all commitments outstanding thereunder or such time as such requisite consents are obtained, the Company shall not be required to make the Change of Control Offer or purchase the Senior Subordinated Notes pursuant to the provisions described below.

(b) Within 30 days following any Change of Control, unless all Senior Subordinated Notes have been called for redemption pursuant to paragraph 5 of the Senior Subordinated Notes, the Company shall mail a notice to each Senior Subordinated

Noteholder with a copy to the Senior Subordinated Notes Trustee (the "Change of Control Offer") stating:

(1) that a Change of Control has occurred and that such Senior Subordinated Noteholder has the right to require the Company to purchase such Senior Subordinated Noteholder's Senior Subordinated Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Senior Subordinated Noteholders of record on the relevant record date to receive interest on the relevant interest payment date);

(2) the circumstances and relevant facts regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(4) the instructions determined by the Company, consistent with this Section, that a Senior Subordinated Noteholder must follow in order to have its Senior Subordinated Notes repurchased.

(c) Senior Subordinated Noteholders electing to have a Senior Subordinated Note repurchased shall be required to surrender the Senior Subordinated Note, with an appropriate form duly completed, to the Company at the address specified in the notice at least three Business Days prior to the repurchase date. Senior Subordinated Noteholders shall be entitled to withdraw their election if the Senior Subordinated Notes Trustee or the Company receives not later than one Business Day prior to the repurchase date a telegram, telex, facsimile transmission or letter setting forth the name of the Senior Subordinated Noteholder, the principal amount of the Senior Subordinated Note which was delivered for repurchase by the Senior Subordinated Noteholder and a statement that such Senior Subordinated Noteholder is withdrawing his election to have such Senior Subordinated Note repurchased.

(d) On the repurchase date, all Senior Subordinated Notes repurchased by the Company under this Section shall be delivered to the Senior Subordinated Notes Trustee for cancelation, and the Company shall pay the purchase price plus accrued and unpaid interest and liquidated damages, if any, to the Senior Subordinated Noteholders entitled thereto.

(e) Notwithstanding the foregoing provisions of this Section, the Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in Section 4.08(b) applicable to a Change of Control Offer made by the Company and purchases all Senior Subordinated Notes validly tendered and not withdrawn under such Change of Control Offer.

(f) The Company shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Subordinated Notes pursuant to this Section. To the extent that the provisions of any securities laws or regulations

conflict with provisions of this Section, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section by virtue thereof.

SECTION 4.09. Compliance Certificate. The Company shall deliver to the Senior Subordinated Notes Trustee within 120 days after the end of each fiscal year of the Company an Officers' Certificate stating that a review of the Company's activities during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture and further stating, as to each such Officer signing such certificate, whether to the best of such Officer's knowledge the Company during such preceding fiscal year has kept, observed, performed and fulfilled each and every such covenant contained in this Indenture and that in the course of the performance by the signers of their duties as Officers of the Company they would normally have knowledge of any Default and whether or not the signers know of any Default that occurred during such period. If they do know of any Default, the certificate shall describe the Default, its status and what action the Company is taking or proposes to take with respect thereto. The Company also shall comply with Section 314(a)(4) of the TIA.

SECTION 4.10. Further Instruments and Acts. Upon request of the Senior Subordinated Notes Trustee, the Company shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 4.11. Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries. The Company shall not sell or otherwise dispose of any shares of Capital Stock of a Restricted Subsidiary, and shall not permit any Restricted Subsidiary, directly or indirectly, to issue or sell or otherwise dispose of any shares of its Capital Stock except: (i) to the Company or a Wholly Owned Subsidiary or to any director of a Restricted Subsidiary to the extent required as director's qualifying shares; (ii) if, immediately after giving effect to such issuance, sale or other disposition, neither the Company nor any of its Subsidiaries own any Capital Stock of such Restricted Subsidiary or (iii) if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect thereto would have been permitted to be made under Section 4.04 if made on the date of such issuance, sale or other disposition. The provisions of this Section 4.11 shall not prohibit any transaction effected as part of a Qualified Receivables Transaction. The proceeds of any sale of such Capital Stock permitted hereby shall be treated as Net Available Cash from an Asset Disposition and shall be applied in accordance with Section 4.06.

SECTION 4.12. Limitation on Liens. The Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, Incur or permit to exist any Lien of any nature whatsoever that secures Senior Subordinated Indebtedness of the Company or Subordinated Obligations of the Company on any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned at the Closing Date or thereafter acquired, other than Permitted Liens, without effectively providing that the Senior Subordinated Notes shall be secured equally and ratably with (or on a senior basis to in the case of Subordinated Obligations of the Company) the obligations so secured for so long as such obligations are so secured.

ARTICLE 5

Successor Company

SECTION 5.01. When Company May Merge or Transfer Assets. The Company shall not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(i) the resulting, surviving or transferee Person (the "Successor Company") shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not the Company) shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Senior Subordinated Notes Trustee, in form satisfactory to the Senior Subordinated Notes Trustee, all the obligations of the Company under the Senior Subordinated Notes and this Indenture;

(ii) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Restricted Subsidiary as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transac tion), no Default shall have occurred and be continuing;

(iii) immediately after giving effect to such transaction, (A) the Successor Company would be able to Incur an additional $1.00 of Indebtedness pursuant to Section 4.03(a) or (B) the Consolidated Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be greater than such ratio for the Company and its Restricted Subsidiaries immediately prior to such transaction;

(iv) immediately after giving effect to such transaction, the Successor Company shall have Consolidated Net Worth in an amount which is not less than the Consolidated Net Worth of the Company immediately prior to such transaction; and

(v) the Company shall have delivered to the Senior Subordinated Notes Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this Indenture.

The Successor Company shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture, but the predecessor Company in the case of a conveyance, transfer or lease of all or substantially all its assets shall not be released from the obligation to pay the principal of and interest on the Senior Subordinated Notes.

Notwithstanding clause (iii) above, a Wholly Owned Subsidiary may be consolidated with or merged into the Company and the Company may consolidate with or merge with or into (A) another Person, if such Person is a single purpose corporation that has not conducted any business or Incurred any Indebtedness or other liabilities and such transaction is being consummated solely to change the state of incorporation of the

Company and (B) Holdings; provided, however, that, in the case of clause (B), (x) Holdings shall not have owned any assets other than the Capital Stock of the Company (and other immaterial assets incidental to its ownership of such Capital Stock) or conducted any business other than owning the Capital Stock of the Company, (y) Holdings shall not have any Indebtedness or other liabilities (other than ordinary course liabilities incidental to its ownership of the Capital Stock of the Company) and (z) immediately after giving effect to such consolidation or merger, the Successor Company shall have a pro forma Consolidated Coverage Ratio that is not less than the Consolidated Coverage Ratio of the Company immediately prior to such consolidation or merger.

ARTICLE 6

Defaults and Remedies

SECTION 6.01. Events of Default. An "Event of Default" occurs if:

(1) the Company defaults in any payment of interest on any Senior Subordinated Note when the same becomes due and payable, whether or not such payment shall be prohibited by Article 10, and such default continues for a period of 30 days;

(2) the Company (i) defaults in the payment of the principal of any Senior Subordinated Note when the same becomes due and payable at its Stated Maturity, upon redemption, upon declaration or otherwise, whether or not such payment shall be prohibited by Article 10 or (ii) fails to redeem or purchase Senior Subordinated Notes when required pursuant to this Indenture or the Senior Subordinated Notes, whether or not such redemption or purchase shall be prohibited by Article 10;

(3) the Company fails to comply with Section 5.01;

(4) the Company fails to comply with Section 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.11 or 4.12 (other than a failure to purchase Senior Subordinated Notes when required under Section 4.06 or 4.08) and such failure continues for 30 days after the notice specified below;

(5) the Company fails to comply with any of its agreements in the Senior Subordinated Notes or this Indenture (other than those referred to in (1), (2), (3) or (4) above) and such failure continues for 60 days after the notice specified below;

(6) Indebtedness of the Company or any Significant Subsidiary is not paid within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default and the total amount of such Indebtedness unpaid or accelerated exceeds $25 million or its foreign currency equivalent at the time and such failure continues for 10 days after the notice specified below;

(7) the Company or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case;

(B) consents to the entry of an order for relief against it in an involuntary case;

(C) consents to the appointment of a Custodian of it or for any substantial part of its property; or

(D) makes a general assignment for the benefit of its creditors;

or takes any comparable action under any foreign laws relating to insolvency;

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any Significant Subsidiary in an involuntary case;

(B) appoints a Custodian of the Company or any Significant Subsidiary or for any substantial part of its property; or

(C) orders the winding up or liquidation of the Company or any Significant Subsidiary;

or any similar relief is granted under any foreign laws and the order or decree remains unstayed and in effect for 60 days; or

(9) any judgment or decree for the payment of money in excess of $25 million or its foreign currency equivalent at the time is entered against the Company or any Significant Subsidiary and is not discharged, waived or stayed and either (A) an enforcement proceeding has been commenced by any creditor upon such judgment or decree or (B) there is a period of 60 days following the entry of such judgment or decree during which such judgment or decree is not discharged, waived or the execution thereof stayed and such judgment or decree is not discharged, waived or the execution thereof stayed within 10 days after the notice specified below.

The foregoing shall constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

The term "Bankruptcy Law" means Title 11, United States Code, or any similar Federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A Default under clause (4), (5), (6) or (9) above is not an Event of Default until the Senior Subordinated Notes Trustee or the Senior Subordinated Noteholders of at least 25% in principal amount of the outstanding Senior Subordinated Notes notify the Company of the Default and the Company does not cure such Default within the time specified after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default".

The Company shall deliver to the Senior Subordinated Notes Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any event which with the giving of notice or the lapse of time would become an Event of Default under clause (4), (5) or (9), its status and what action the Company is taking or proposes to take with respect thereto.

SECTION 6.02. Acceleration. If an Event of Default (other than an Event of Default specified in Section 6.01(7) or (8) with respect to the Company) occurs and is continuing, the Senior Subordinated Notes Trustee by notice to the Company, or the Senior Subordinated Noteholders of at least 25% in principal amount of the outstanding Senior Subordinated Notes by notice to the Company, may declare the principal of and accrued but unpaid interest on all the Senior Subordinated Notes to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. If an Event of Default specified in Section 6.01(7) or (8) with respect to the Company occurs, the principal of and interest on all the Senior Subordinated Notes shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Senior Subordinated Notes Trustee or any Senior Subordinated Noteholders. The Senior Subordinated Noteholders of a majority in principal amount of the Senior Subordinated Notes by notice to the Senior Subordinated Notes Trustee may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of acceleration. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

SECTION 6.03. Other Remedies. If an Event of Default occurs and is continuing, the Senior Subordinated Notes Trustee may pursue any available remedy to collect the payment of principal of or interest on the Senior Subordinated Notes or to enforce the performance of any provision of the Senior Subordinated Notes or this Indenture.

The Senior Subordinated Notes Trustee may maintain a proceeding even if it does not possess any of the Senior Subordinated Notes or does not produce any of them in the proceeding. A delay or omission by the Senior Subordinated Notes Trustee or any Senior Subordinated Noteholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 6.04. Waiver of Past Defaults. The Holders of a majority in principal amount of the Senior Subordinated Notes by notice to the Senior Subordinated Notes Trustee may waive an existing Default and its consequences except (i) a Default in the payment of the principal of or interest on a Senior Subordinated Note, (ii) a Default arising from the failure to redeem or purchase any Senior Subordinated Note when

required pursuant to the terms of this Indenture or (iii) a Default in respect of a provision that under Section 9.02 cannot be amended without the consent of each Senior Subordinated Noteholder affected. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 6.05. Control by Majority. The Senior Subordinated Noteholders of a majority in principal amount of the Senior Subordinated Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Senior Subordinated Notes Trustee or of exercising any trust or power conferred on the Senior Subordinated Notes Trustee. However, the Senior Subordinated Notes Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 7.01, that the Senior Subordinated Notes Trustee determines is unduly prejudicial to the rights of other Senior Subordinated Noteholders or would involve the Senior Subordinated Notes Trustee in personal liability; provided, however, that the Senior Subordinated Notes Trustee may take any other action deemed proper by the Senior Subordinated Notes Trustee that is not inconsistent with such direction. Prior to taking any action hereunder, the Senior Subordinated Notes Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

SECTION 6.06. Limitation on Suits. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Senior Subordinated Noteholder may pursue any remedy with respect to this Indenture or the Senior Subordinated Notes unless:

(1) the Senior Subordinated Noteholder gives to the Senior Subordinated Notes Trustee written notice stating that an Event of Default is continuing;

(2) the Senior Subordinated Noteholders of at least 25% in principal amount of the Senior Subordinated Notes make a written request to the Senior Subordinated Notes Trustee to pursue the remedy;

(3) such Senior Subordinated Noteholder or Senior Subordinated Noteholders offer to the Senior Subordinated Notes Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Senior Subordinated Notes Trustee does not comply with the request within 60 days after receipt of the request and the offer of security or indemnity; and

(5) the Senior Subordinated Noteholders of a majority in principal amount of the Senior Subordinated Notes do not give the Senior Subordinated Notes Trustee a direction inconsistent with the request during such 60-day period.

A Senior Subordinated Noteholder may not use this Indenture to prejudice the rights of another Senior Subordinated Noteholder or to obtain a preference or priority over another Senior Subordinated Noteholder.

SECTION 6.07. Rights of Senior Subordinated Noteholders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Senior

Subordinated Noteholder to receive payment of principal of and liquidated damages and interest on the Senior Subordinated Notes held by such Senior Subordinated Noteholder, on or after the respective due dates expressed in the Senior Subordinated Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Senior Subordinated Noteholder.

SECTION 6.08. Collection Suit by Senior Subordinated Notes Trustee. If an Event of Default specified in Section 6.01(1) or (2) occurs and is continuing, the Senior Subordinated Notes Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 7.07.

SECTION 6.09. Senior Subordinated Notes Trustee May File Proofs of Claim. The Senior Subordinated Notes Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Senior Subordinated Notes Trustee and the Senior Subordinated Noteholders allowed in any judicial proceedings relative to the Company, Holdings, their creditors or their property and, unless prohibited by law or applicable regulations, may vote on behalf of the Senior Subordinated Noteholders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Senior Subordinated Noteholder to make payments to the Senior Subordinated Notes Trustee and, in the event that the Senior Subordinated Notes Trustee shall consent to the making of such payments directly to the Senior Subordinated Noteholders, to pay to the Senior Subordinated Notes Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Senior Subordinated Notes Trustee, its agents and its counsel, and any other amounts due the Senior Subordinated Notes Trustee under Section 7.07.

SECTION 6.10. Priorities. If the Senior Subordinated Notes Trustee col lects any money or property pursuant to this Article 6, it shall pay out the money or property in the following order:

FIRST: to the Senior Subordinated Notes Trustee for amounts due under Section 7.07;

SECOND: to holders of Senior Indebtedness of the Company to the extent required by Article 10;

THIRD: to Senior Subordinated Noteholders for amounts due and unpaid on the Senior Subordinated Notes for principal and interest, ratably, and any liquidated damages without preference or priority of any kind, according to the amounts due and payable on the Senior Subordinated Notes for principal, any liquidated damages and interest, respectively; and

FOURTH: to the Company.

The Senior Subordinated Notes Trustee may fix a record date and payment date for any payment to Senior Subordinated Noteholders pursuant to this Section. At least 15 days before such record date, the Senior Subordinated Notes Trustee

shall mail to each Senior Subordinated Noteholder and the Company a notice that states the record date, the payment date and amount to be paid.

SECTION 6.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Senior Subordinated Notes Trustee for any action taken or omitted by it as Senior Subordinated Notes Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Senior Subordinated Notes Trustee, a suit by a Senior Subordinated Noteholder pursuant to Section 6.07 or a suit by Senior Subordinated Noteholders of more than 10% in principal amount of the Senior Subordinated Notes.

SECTION 6.12. Waiver of Stay or Extension Laws. Neither the Company nor Holdings (to the extent it may lawfully do so) shall at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company and Holdings (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Senior Subordinated Notes Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 7

Senior Subordinated Notes Trustee

SECTION 7.01. Duties of Senior Subordinated Notes Trustee. (a) If an Event of Default has occurred and is continuing, the Senior Subordinated Notes Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Senior Subordinated Notes Trustee need only perform such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Senior Subordinated Notes Trustee; and

(2) in the absence of bad faith on its part, the Senior Subordinated Notes Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Senior Subordinated Notes Trustee and conforming to the requirements of this Indenture. However, the Senior Subordinated Notes Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Senior Subordinated Notes Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own wilful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section;

(2) the Senior Subordinated Notes Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Senior Subordinated Notes Trustee was negligent in ascertaining the pertinent facts; and

(3) the Senior Subordinated Notes Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Every provision of this Indenture that in any way relates to the Senior Subordinated Notes Trustee is subject to paragraphs (a), (b) and (c) of this Section.

(e) The Senior Subordinated Notes Trustee shall not be liable for interest on any money received by it except as the Senior Subordinated Notes Trustee may agree in writing with the Company.

(f) Money held in trust by the Senior Subordinated Notes Trustee need not be segregated from other funds except to the extent required by law.

(g) No provision of this Indenture shall require the Senior Subordinated Notes Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Senior Subordinated Notes Trustee shall be subject to the provisions of this Section and to the provisions of the TIA.

SECTION 7.02. Rights of Senior Subordinated Notes Trustee. (a) The Senior Subordinated Notes Trustee may rely on any document believed by it to be genu ine and to have been signed or presented by the proper person. The Senior Subordinated Notes Trustee need not investigate any fact or matter stated in the document.

(b) Before the Senior Subordinated Notes Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel. The Senior Subordinated Notes Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(c) The Senior Subordinated Notes Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Senior Subordinated Notes Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers.

(e) The Senior Subordinated Notes Trustee may consult with counsel, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Senior Subordinated Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it here under in good faith and in accordance with the advice or opinion of such counsel.

(f) The Senior Subordinated Notes Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other paper or document, but the Senior Subordinated Notes Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(g) The Senior Subordinated Notes Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Senior Subordinated Noteholders pursuant to the provisions of this Indenture, unless such Senior Subordinated Noteholders shall have offered to the Senior Subordinated Notes Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

SECTION 7.03. Individual Rights of Senior Subordinated Notes Trustee. The Senior Subordinated Notes Trustee in its individual or any other capacity may become the owner or pledgee of Senior Subordinated Notes and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Senior Subordinated Notes Trustee. Any Paying Agent, Registrar or co-paying agent may do the same with like rights. However, the Senior Subordinated Notes Trustee must comply with Sections 7.10 and 7.11.

SECTION 7.04. Senior Subordinated Notes Trustee's Disclaimer. The Senior Subordinated Notes Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Senior Subordinated Notes, it shall not be accountable for the Company's use of the proceeds from the Senior Subordinated Notes, and it shall not be responsible for any statement of the Company in this Indenture or in any document issued in connection with the sale of the Senior Subordinated Notes or in the Senior Subordinated Notes other than the Senior Subordinated Notes Trustee's certificate of authentication.

SECTION 7.05. Notice of Defaults. (a) The Senior Subordinated Notes Trustee shall not be deemed to have notice of any Default, other than a payment default, unless a Trust Officer shall have been advised in writing that a Default has occurred. No duty imposed upon the Senior Subordinated Notes Trustee in this Indenture shall be applicable with respect to any Default of which the Trustee is not deemed to have notice.

(b) If a Default occurs and is continuing and if it is known to the Senior Subordinated Notes Trustee, the Senior Subordinated Notes Trustee shall mail to each Senior Subordinated Noteholder notice of the Default within the earlier of 90 days after it occurs or 30 days after it is known to a Trust Officer or written notice of it is received by the Senior Subordinated Notes Trustee. Except in the case of a Default in payment of

principal, premium (if any) or interest on any Senior Subordinated Note (including payments pursuant to the redemption provisions of such Senior Subordinated Note), the Senior Subordinated Notes Trustee may withhold notice if and so long as a committee of its Trust Officers in good faith determines that withholding notice is in the interests of the Senior Subordinated Noteholders.

SECTION 7.06. Reports by Senior Subordinated Notes Trustee to Senior Subordinated Noteholders. As promptly as practicable after each June 30 beginning with the June 30 following the first anniversary of the date of this Indenture, and in any event prior to August 31 in each subsequent year, the Senior Subordinated Notes Trustee shall, to the extent that any of the events described in TIA ss. 313(a) occurred within the previous twelve months, but not otherwise, mail to each Senior Subordinated Noteholder a brief report dated as of June 30 that complies with Section 313(a) of the TIA. The Senior Subordinated Notes Trustee shall also comply with Section 313(b) of the TIA.

A copy of each report at the time of its mailing to Senior Subordinated Noteholders shall be filed with the SEC and each stock exchange (if any) on which the Senior Subordinated Notes are listed. The Company agrees to notify promptly the Senior Subordinated Notes Trustee whenever the Senior Subordinated Notes become listed on any stock exchange and of any delisting thereof.

SECTION 7.07. Compensation and Indemnity. The Company shall pay to the Senior Subordinated Notes Trustee from time to time such compensation as the Company and the Senior Subordinated Notes Trustee shall from time to time agree in writing. The Senior Subordinated Notes Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Senior Subordinated Notes Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Senior Subordinated Notes Trustee's agents, counsel, accountants and experts. The Company and Holdings, jointly and severally shall indemnify the Senior Subordinated Notes Trustee, and hold it harmless, against any and all loss, liability or expense (including reasonable attorneys' fees) incurred by or in connection with the offer and sale of the Senior Subordinated Notes or the administration of this trust and the performance of its duties hereunder. The Senior Subordinated Notes Trustee shall notify the Company of any claim for which it may seek indemnity promptly upon obtaining actual knowledge thereof; provided, however, that any failure so to notify the Company shall not relieve the Company or Holdings of its indemnity obligations hereunder. The Company shall defend the claim and the indemnified party shall provide reasonable cooperation at the Company's expense in the defense. Such indemnified parties may have separate counsel and the Company and Holdings, as applicable, shall pay the fees and expenses of such counsel; provided, however, that the Company shall not be required to pay such fees and expenses if it assumes such indemnified parties' defense and, in such indemnified parties' reasonable judgment, there is no conflict of interest between the Company and Holdings, as applicable, and such parties in connection with such defense. The Company need not reimburse any expense or indemnify against any loss, liability or expense incurred by an indemnified party through such party's own wilful misconduct and negligence.

To secure the Company's payment obligations in this Section, the Senior Subordinated Notes Trustee shall have a lien prior to the Senior Subordinated Notes on

all money or property held or collected by the Senior Subordinated Notes Trustee other than money or property held in trust to pay principal of and interest and any liquidated damages on particular Senior Subordinated Notes.

The Company's payment obligations pursuant to this Section shall survive the satisfaction or discharge of this Indenture, any rejection or termination of this Indenture under any bankruptcy law or the resignation or removal of the Senior Subordinated Notes Trustee. When the Senior Subordinated Notes Trustee incurs expenses after the occurrence of a Default specified in Section 6.01(7) or (8) with respect to the Company, the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

SECTION 7.08. Replacement of Senior Subordinated Notes Trustee. The Senior Subordinated Notes Trustee may resign at any time by so notifying the Company. The Holders of a majority in principal amount of the Senior Subordinated Notes may remove the Senior Subordinated Notes Trustee by so notifying the Senior Subordinated Notes Trustee and may appoint a successor Senior Subordinated Notes Trustee. The Company shall remove the Senior Subordinated Notes Trustee if:

(1) the Senior Subordinated Notes Trustee fails to comply with Section 7.10;

(2) the Senior Subordinated Notes Trustee is adjudged bankrupt or insol vent;

(3) a receiver or other public officer takes charge of the Senior Subordinated Notes Trustee or its property; or

(4) the Senior Subordinated Notes Trustee otherwise becomes incapable of acting.

If the Senior Subordinated Notes Trustee resigns, is removed by the Company or by the Holders of a majority in principal amount of the Senior Subordinated Notes and such Senior Subordinated Noteholders do not reasonably promptly appoint a successor Senior Subordinated Notes Trustee, or if a vacancy exists in the office of Senior Subordinated Notes Trustee for any reason (the Senior Subordinated Notes Trustee in such event being referred to herein as the retiring Senior Subordinated Notes Trustee), the Company shall promptly appoint a successor Senior Subordinated Notes Trustee.

A successor Senior Subordinated Notes Trustee shall deliver a written acceptance of its appointment to the retiring Senior Subordinated Notes Trustee and to the Company. Thereupon the resignation or removal of the retiring Senior Subordinated Notes Trustee shall become effective, and the successor Senior Subordinated Notes Trustee shall have all the rights, powers and duties of the Senior Subordinated Notes Trustee under this Indenture. The successor Senior Subordinated Notes Trustee shall mail a notice of its succession to Senior Subordinated Noteholders. The retiring Senior Subordinated Notes Trustee shall promptly transfer all property held by it as Senior Subordinated Notes Trustee to the successor Senior Subordinated Notes Trustee, subject to the lien provided for in Section 7.07.

If a successor Senior Subordinated Notes Trustee does not take office within 60 days after the retiring Senior Subordinated Notes Trustee resigns or is removed, the retiring Senior Subordinated Notes Trustee or the Holders of 10% in principal amount of the Senior Subordinated Notes may petition any court of competent jurisdiction for the appointment of a successor Senior Subordinated Notes Trustee.

If the Senior Subordinated Notes Trustee fails to comply with Section 7.10, any Senior Subordinated Noteholder may petition any court of competent jurisdiction for the removal of the Senior Subordinated Notes Trustee and the appoint ment of a successor Senior Subordinated Notes Trustee.

Notwithstanding the replacement of the Senior Subordinated Notes Trustee pursuant to this Section, the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Senior Subordinated Notes Trustee.

SECTION 7.09. Successor Senior Subordinated Notes Trustee by Merger. If the Senior Subordinated Notes Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Senior Subordinated Notes Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Senior Subordinated Notes Trustee shall succeed to the trusts created by this Indenture any of the Senior Subordinated Notes shall have been authenticated but not delivered, any such successor to the Senior Subordinated Notes Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Senior Subordinated Notes so authenticated; and in case at that time any of the Senior Subordinated Notes shall not have been authenticated, any successor to the Senior Subordinated Notes Trustee may authenticate such Senior Subordinated Notes either in the name of any predecessor hereunder or in the name of the successor to the Senior Subordinated Notes Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Senior Subordinated Notes or in this Indenture provided that the certificate of the Senior Subordinated Notes Trustee shall have.

SECTION 7.10. Eligibility; Disqualification. The Senior Subordinated Notes Trustee shall at all times satisfy the requirements of TIA ss. 310(a). The Senior Subordinated Notes Trustee shall have a combined capital and surplus of at least $100,000,000 as set forth in its most recent published annual report of condition. The Senior Subordinated Notes Trustee shall comply with TIA ss. 310(b); provided, however, that there shall be excluded from the operation of TIA ss. 310(b)(1) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Company are outstanding if the requirements for such exclusion set forth in TIA ss. 310(b)(1) are met.

SECTION 7.11. Preferential Collection of Claims Against Company. The Senior Subordinated Notes Trustee shall comply with TIA ss. 311(a), excluding any creditor relationship listed in TIA ss. 311(b). A Senior Subordinated Notes Trustee who has resigned or been removed shall be subject to TIA ss. 311(a) to the extent indicated.

ARTICLE 8

Discharge of Indenture; Defeasance

SECTION 8.01. Discharge of Liability on Senior Subordinated Notes; Defeasance. (a) When (i) the Company delivers to the Senior Subordinated Notes Trustee all outstanding Senior Subordinated Notes (other than Senior Subordinated Notes replaced pursuant to Section 2.08) for cancelation or (ii) all outstanding Senior Subordinated Notes have become due and payable, whether at maturity or as a result of the mailing of a notice of redemption pursuant to Article 3 hereof, and the Company irrevocably deposits with the Senior Subordinated Notes Trustee funds or U.S. Government Obligations on which payment of principal and interest when due will be sufficient to pay at maturity or upon redemption all outstanding Senior Subordinated Notes, including interest thereon to maturity or such redemption date (other than Senior Subordinated Notes replaced pursuant to Section 2.08), and if in either case the Company pays all other sums payable hereunder by the Company, then this Indenture shall, subject to Section 8.01(c), cease to be of further effect. The Senior Subordinated Notes Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel and at the cost and expense of the Company.

(b) Subject to Sections 8.01(c) and 8.02, the Company at any time may terminate (i) all of its obligations under the Senior Subordinated Notes and this Indenture ("legal defeasance option") or (ii) its obligations under Sections 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, 4.10, 4.11 and 4.12 and the operation of Section 5.01(iii), 5.01(iv), 6.01(4), 6.01(6), 6.01(7) (with respect to Significant Subsidiaries of the Company only), 6.01(8) (with respect to Significant Subsidiaries of the Company only) and 6.01(9) ("covenant defeasance option"). The Company may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. In the event that the Company terminates all of its obligations under the Senior Subordinated Notes and this Indenture by exercising its legal defeasance option, the obligations under the Holdings Guarantee shall be terminated simultaneously with the termination of such obligations.

If the Company exercises its legal defeasance option, payment of the Senior Subordinated Notes may not be accelerated because of an Event of Default. If the Company exercises its covenant defeasance option, payment of the Senior Subordinated Notes may not be accelerated because of an Event of Default specified in Section 6.01(4), 6.01(6), 6.01(7) (with respect to Significant Subsidiaries of the Company only) or 6.01(8) (with respect to Significant Subsidiaries of the Company only) or because of the failure of the Company to comply with clauses (iii) and (iv) of Section 5.01.

Upon satisfaction of the conditions set forth herein and upon request of the Company, the Senior Subordinated Notes Trustee shall acknowledge in writing the discharge of those obligations that the Company terminates.

(c) Notwithstanding clauses (a) and (b) above, the Company's obligations in Sections 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 7.07, 7.08 and in this Article 8 shall survive until the Senior Subordinated Notes have been paid in full. Thereafter, the Company's obligations in Sections 7.07, 8.04 and 8.05 shall survive.

SECTION 8.02. Conditions to Defeasance. The Company may exercise its legal defeasance option or its covenant defeasance option only if:

(1) the Company irrevocably deposits in trust with the Senior Subordinated Notes Trustee money or U.S. Government Obligations for the payment of principal, premium (if any) and interest on the Senior Subordinated Notes to maturity or redemption, as the case may be;

(2) the Company delivers to the Senior Subordinated Notes Trustee a cer tificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due on all the Senior Subordinated Notes to maturity or redemption, as the case may be;

(3) 123 days pass after the deposit is made and during the 123-day period no Default specified in Section 6.01(7) or (8) with respect to the Company occurs which is continuing at the end of the period;

(4) the deposit does not constitute a default under any other agreement binding on the Company and is not prohibited by Article 10;

(5) the Company delivers to the Senior Subordinated Notes Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940;

(6) in the case of the legal defeasance option, the Company shall have delivered to the Senior Subordinated Notes Trustee an Opinion of Counsel stating that (i) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (ii) since the date of this Indenture there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Senior Subordinated Noteholders will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(7) in the case of the covenant defeasance option, the Company shall have delivered to the Senior Subordinated Notes Trustee an Opinion of Counsel to the effect that the Senior Subordinated Noteholders will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred; and

(8) the Company delivers to the Senior Subordinated Notes Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions

precedent to the defeasance and discharge of the Senior Subordinated Notes as contemplated by this Article 8 have been complied with.

Before or after a deposit, the Company may make arrangements satisfactory to the Senior Subordinated Notes Trustee for the redemption of Senior Subordinated Notes at a future date in accordance with Article 3.

SECTION 8.03. Application of Trust Money. The Senior Subordinated Notes Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to this Article 8. It shall apply the deposited money and the money from U.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Senior Subordinated Notes. Money and securities so held in trust are not subject to Article 10.

SECTION 8.04. Repayment to Company. The Senior Subordinated Notes Trustee and the Paying Agent shall promptly turn over to the Company upon request any excess money or securities held by them at any time.

Subject to any applicable abandoned property law, the Senior Subordinated Notes Trustee and the Paying Agent shall pay to the Company upon written request any money held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, Senior Subordinated Noteholders entitled to the money must look to the Company for payment as general creditors.

SECTION 8.05. Indemnity for Government Obligations. The Company shall pay and shall indemnify the Senior Subordinated Notes Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

SECTION 8.06. Reinstatement. If the Senior Subordinated Notes Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Article 8 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Senior Subordinated Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article 8 until such time as the Senior Subordinated Notes Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article 8; provided, however, that, if the Company has made any payment of interest on or principal of any Senior Subordinated Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Senior Subordinated Noteholders of such Senior Subordinated Notes to receive such payment from the money or U.S. Government Obligations held by the Senior Subordinated Notes Trustee or Paying Agent.

ARTICLE 9

Amendments

SECTION 9.01. Without Consent of Senior Subordinated Noteholders. The Company, Holdings and the Senior Subordinated Notes Trustee may amend this

Indenture or the Senior Subordinated Notes without notice to or consent of any Senior Subordinated Noteholder:

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to comply with Article 5;

(3) to provide for uncertificated Senior Subordinated Notes in addition to or in place of certificated Senior Subordinated Notes; provided, however, that the uncertificated Senior Subordinated Notes are issued in registered form for purposes of Section 163(f) of the Code or in a manner such that the uncertificated Senior Subordinated Notes are described in Section 163(f)(2)(B) of the Code;

(4) to make any change in Article 10 or Article 12 that would limit or terminate the benefits available to any holder of Senior Indebtedness (or Representatives therefor) under Article 10 or Article 12;

(5) to add additional Guarantees with respect to the Senior Subordinated Notes or to secure the Senior Subordinated Notes;

(6) to add to the covenants of the Company for the benefit of the Senior Subordinated Noteholders or to surrender any right or power herein conferred upon the Company;

(7) to comply with any requirements of the SEC in connection with qualifying, or maintaining the qualification of, this Indenture under the TIA;

(8) to make any change that does not adversely affect the rights of any Senior Subordinated Noteholder; or

(9) to provide for the issuance of the Senior Subordinated Exchange Notes, Private Senior Subordinated Exchange Notes or Additional Senior Subordinated Notes, which shall have terms substantially identical in all material respects to the Original Senior Subordinated Notes (except that the transfer restrictions contained in the Original Senior Subordinated Notes shall be modified or eliminated, as appropriate), and which shall be treated, together with any outstanding Original Senior Subordinated Notes, as a single issue of securities.

An amendment under this Section may not make any change that adversely affects the rights under Article 10 or Article 12 of any holder of Senior Indebtedness then outstanding unless the holders of such Senior Indebtedness (or any group or representative thereof authorized to give a consent) consent to such change.

After an amendment under this Section becomes effective, the Company shall mail to Senior Subordinated Noteholders a notice briefly describing such amendment. The failure to give such notice to all Senior Subordinated Noteholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

SECTION 9.02. With Consent of Senior Subordinated Noteholders. The Company, Holdings and the Senior Subordinated Notes Trustee may amend this

Indenture or the Senior Subordinated Notes with the written consent of the Holders of at least a majority in principal amount of the Senior Subordinated Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for the Senior Subordinated Notes), without notice to any other Senior Subordinated Noteholder. However, without the consent of each Holder of an outstanding Senior Subordinated Note affected, an amendment may not:

(1) reduce the principal amount of Senior Subordinated Notes whose Senior Subordinated Noteholders must consent to an amendment;

(2) reduce the rate of or extend the time for payment of interest or any liquidated damages on any Senior Subordinated Note;

(3) reduce the principal of or extend the Stated Maturity of any Senior Subordinated Note;

(4) reduce the premium payable upon the redemption of any Senior Subordinated Note or change the time at which any Senior Subordinated Note may be redeemed in accordance with Article 3;

(5) make any Senior Subordinated Note payable in money other than that stated in the Senior Subordinated Note;

(6) make any change in Article 10 or Article 12 that adversely affects the rights of any Senior Subordinated Noteholder under Article 10 or Article 12; or

(7) make any change in Section 6.04 or 6.07 or the second sentence of this Section 9.02.

It shall not be necessary for the consent of the Senior Subordinated Noteholders under this Section to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

An amendment under this Section 9.02 may not make any change that adversely affects the rights under Article 10 of any holder of Senior Indebtedness of the Company then outstanding unless the holders of such Senior Indebtedness (or any group or representative thereof authorized to give a consent) consent to such change.

After an amendment under this Section becomes effective, the Company shall mail to Senior Subordinated Noteholders a notice briefly describing such amendment. The failure to give such notice to all Senior Subordinated Noteholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

SECTION 9.03. Compliance with Trust Indenture Act. Every amendment to this Indenture or the Senior Subordinated Notes shall comply with the TIA as then in effect.

SECTION 9.04. Revocation and Effect of Consents and Waivers. A consent to an amendment or a waiver by a Senior Subordinated Noteholder of a Senior Subordinated Note shall bind the Senior Subordinated Noteholder and every subsequent

Senior Subordinated Noteholder of that Senior Subordinated Note or portion of the Senior Subordinated Note that evidences the same debt as the consenting Senior Subordinated Noteholder's Senior Subordinated Note, even if notation of the consent or waiver is not made on the Senior Subordinated Note. However, any such Senior Subordinated Noteholder or subsequent Senior Subordinated Noteholder may revoke the consent or waiver as to such Senior Subordinated Noteholder's Senior Subordinated Note or portion of the Senior Subordinated Note if the Senior Subordinated Notes Trustee receives the notice of revocation before the date the amendment or waiver becomes effective. After an amendment or waiver becomes effective, it shall bind every Senior Subordinated Noteholder. An amendment or waiver becomes effective once both (i) the requisite number of consents have been received by the Company or the Senior Subordinated Notes Trustee and (ii) such amendment or waiver has been executed by the Company and the Senior Subordinated Notes Trustee.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Senior Subordinated Noteholders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Senior Subordinated Noteholders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Senior Subordinated Noteholders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

SECTION 9.05. Notation on or Exchange of Senior Subordinated Notes. If an amendment changes the terms of a Senior Subordinated Note, the Senior Subordinated Notes Trustee may require the Senior Subordinated Noteholder of the Senior Subordinated Note to deliver it to the Senior Subordinated Notes Trustee. The Senior Subordinated Notes Trustee may place an appropriate notation on the Senior Subordinated Note regarding the changed terms and return it to the Senior Subordinated Noteholder. Alternatively, if the Company or the Senior Subordinated Notes Trustee so determines, the Company in exchange for the Senior Subordinated Note shall issue and the Senior Subordinated Notes Trustee shall authenticate a new Senior Subordinated Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Senior Subordinated Note shall not affect the validity of such amendment.

SECTION 9.06. Senior Subordinated Notes Trustee To Sign Amendments. The Senior Subordinated Notes Trustee shall sign any amendment authorized pursuant to this Article 9 if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Senior Subordinated Notes Trustee. If it does, the Senior Subordinated Notes Trustee may but need not sign it. In signing such amendment the Senior Subordinated Notes Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.01) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture and that such amendment is the legal, valid and binding obligation of the Company and Holdings enforceable against them in accordance with its terms, subject to customary exceptions, and complies with the provisions hereof (including Section 9.03).

ARTICLE 10

Subordination

SECTION 10.01. Agreement To Subordinate. The Company agrees, and each Senior Subordinated Noteholder by accepting a Senior Subordinated Note agrees, that the Indebtedness evidenced by the Senior Subordinated Notes is subordinated in right of payment, to the extent and in the manner provided in this Article 10, to the prior payment in full in cash or cash equivalents of all Senior Indebtedness of the Company and that the subordination is for the benefit of and enforceable by the holders of such Senior Indebtedness. The Senior Subordinated Notes shall in all respects rank pari passu with all other Senior Subordinated Indebtedness of the Company and only Indebtedness of the Company that is Senior Indebtedness of the Company shall rank senior to the Senior Subordinated Notes in accordance with the provisions set forth herein. For purposes of this Article 10, the Indebtedness evidenced by the Senior Subordinated Notes shall be deemed to include the liquidated damages payable pursuant to the provisions set forth in the Senior Subordinated Notes and the Senior Subordinated Notes Registration Agreement. All provisions of this Article 10 shall be subject to Section 10.12.

SECTION 10.02. Liquidation, Dissolution, Bankruptcy. Upon any payment or distribution of the assets of the Company to creditors upon a total or partial liquidation or a total or partial dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property:

(1) holders of Senior Indebtedness of the Company shall be entitled to receive payment in full in cash or cash equivalents of such Senior Indebtedness before the Senior Subordinated Noteholders shall be entitled to receive any payment of principal of, interest, premium (if any) or liquidated damages on the Senior Subordinated Notes; and

(2) until the Senior Indebtedness of the Company is paid in full in cash or cash equivalents, any payment or distribution to which Senior Subordinated Noteholders would be entitled but for this Article 10 shall be made to holders of such Senior Indebtedness as their interests may appear.

SECTION 10.03. Default on Senior Indebtedness. The Company may not pay the principal of, premium (if any) or interest on the Senior Subordinated Notes, or any liquidated damages payable pursuant to the provisions set forth in the Senior Subordinated Notes Registration Agreement (as defined in the Appendix), or make any deposit pursuant to Section 8.01 and may not repurchase, redeem or otherwise retire any Senior Subordinated Notes (collectively, "pay the Senior Subordinated Notes") if (i) any Designated Senior Indebtedness of the Company is not paid in cash or cash equivalents when due or (ii) any other default on Designated Senior Indebtedness of the Company occurs and the maturity of such Designated Senior Indebtedness is accelerated in accordance with its terms unless, in either case, (x) the default has been cured or waived and any such acceleration has been rescinded or (y) such Designated Senior Indebtedness has been paid in full in cash or cash equivalents; provided, however, that the Company may pay the Senior Subordinated Notes without regard to the foregoing if the Company and the Senior Subordinated Notes Trustee receive written notice approving such payment from the Representative of the Designated Senior Indebtedness with respect to

which either of the events set forth in clause (i) or (ii) of this sentence has occurred and is continuing. During the continuance of any default (other than a default described in clause (i) or (ii) of the immediately preceding sentence) with respect to any Designated Senior Indebtedness of the Company pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, the Company may not pay the Senior Subordinated Notes for a period (a "Payment Blockage Period") commencing upon the receipt by the Senior Subordinated Notes Trustee (with a copy to the Company) of written notice (a "Blockage Notice") of such default from the Represen tative of such Designated Senior Indebtedness specifying an election to effect a Payment Blockage Period and ending 179 days thereafter (or earlier if such Payment Blockage Period is terminated (i) by written notice to the Senior Subordinated Notes Trustee and the Company from the Person or Persons who gave such Blockage Notice, (ii) by repayment in full in cash or cash equivalents of such Designated Senior Indebtedness or (iii) because the default giving rise to such Blockage Notice is no longer continuing). Notwithstanding the provisions described in the immediately preceding sentence (but subject to the provisions contained in the first sentence of this Section), unless the holders of such Designated Senior Indebtedness or the Representative of such holders shall have accelerated the maturity of such Designated Senior Indebtedness, the Company may resume payments on the Senior Subordinated Notes after the end of such Payment Blockage Period. Not more than one Blockage Notice may be given in any consecutive 360-day period, irrespective of the number of defaults with respect to Designated Senior Indebtedness of the Company during such period; provided, however, that if any Blockage Notice within such 360-day period is given by or on behalf of any holders of Designated Senior Indebtedness of the Company other than the Bank Indebtedness, the Representative of the Bank Indebtedness may give another Blockage Notice within such period; provided further, however, that in no event may the total number of days during which any Payment Blockage Period or Periods is in effect exceed 179 days in the aggregate during any 360-consecutive day period. For purposes of this Section, no default or event of default that existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness initiating such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the Representative of such Designated Senior Indebtedness, whether or not within a period of 360 consecutive days, unless such default or event of default shall have been cured or waived for a period of not less than 90 consecutive days.

SECTION 10.04. Acceleration of Payment of Senior Subordinated Notes. If payment of the Senior Subordinated Notes is accelerated because of an Event of Default, the Company or the Senior Subordinated Notes Trustee shall promptly notify the holders of the Designated Senior Indebtedness of the Company (or their Representative) of the acceleration. If any Designated Senior Indebtedness of the Company is outstanding, the Company may not pay the Senior Subordinated Notes until five Business Days after such holders or the Representative of the Designated Senior Indebtedness receive notice of such acceleration and, thereafter, may pay the Senior Subordinated Notes only if this Article 10 otherwise permits payment at that time.

SECTION 10.05. When Distribution Must Be Paid Over. If a distribution is made to Senior Subordinated Noteholders that because of this Article 10 should not have been made to them, the Senior Subordinated Noteholders who receive

the distribution shall hold it in trust for holders of Senior Indebtedness of the Company and pay it over to them as their interests may appear.

SECTION 10.06. Subrogation. After all Senior Indebtedness of the Company is paid in full and until the Senior Subordinated Notes are paid in full, Senior Subordinated Noteholders shall be subrogated to the rights of holders of such Senior Indebtedness to receive distributions applicable to Senior Indebtedness. A distribution made under this Article 10 to holders of such Senior Indebtedness which otherwise would have been made to Senior Subordinated Noteholders is not, as between the Company and Senior Subordinated Noteholders, a payment by the Company on such Senior Indebtedness.

SECTION 10.07. Relative Rights. This Article 10 defines the relative rights of Senior Subordinated Noteholders and holders of Senior Indebtedness of the Company. Nothing in this Indenture shall:

(1) impair, as between the Company and Senior Subordinated Noteholders, the obligation of the Company, which is absolute and unconditional, to pay principal of and interest on and liquidated damages in respect of, the Senior Subordinated Notes in accordance with their terms; or

(2) prevent the Senior Subordinated Notes Trustee or any Senior Subordinated Noteholder from exercising its available remedies upon a Default, subject to the rights of holders of Senior Indebtedness of the Company to receive distributions otherwise payable to Senior Subordinated Noteholders.

SECTION 10.08. Subordination May Not Be Impaired by the Company. No right of any holder of Senior Indebtedness of the Company to enforce the subordination of the Indebtedness evidenced by the Senior Subordinated Notes shall be impaired by any act or failure to act by the Company or by its failure to comply with this Indenture.

SECTION 10.09. Rights of Senior Subordinated Notes Trustee and Paying Agent. Notwithstanding Section 10.03, the Senior Subordinated Notes Trustee or Paying Agent may continue to make payments on the Senior Subordinated Notes and shall not be charged with knowledge of the existence of facts that would prohibit the making of any such payments unless, not less than two Business Days prior to the date of such payment, a Trust Officer of the Senior Subordinated Notes Trustee receives notice satisfactory to it that payments may not be made under this Article 10. The Company, the Registrar, the Paying Agent, a Representative or a holder of Senior Indebtedness of the Company may give the notice; provided, however, that, if an issue of Senior Indebtedness of the Company has a Representative, only the Representative may give the notice.

The Senior Subordinated Notes Trustee in its individual or any other capa city may hold Senior Indebtedness of the Company with the same rights it would have if it were not Senior Subordinated Notes Trustee. The Registrar and the Paying Agent may do the same with like rights. The Senior Subordinated Notes Trustee shall be entitled to all the rights set forth in this Article 10 with respect to any Senior Indebtedness of the Company which may at any time be held by it, to the same extent as any other holder of such Senior Indebtedness; and nothing in Article 7 shall deprive the Senior Subordinated

Notes Trustee of any of its rights as such holder. Nothing in this Article 10 shall apply to claims of, or payments to, the Senior Subordinated Notes Trustee under or pursuant to Section 7.07.

SECTION 10.10. Distribution or Notice to Representative. Whenever a distribution is to be made or a notice given to holders of Senior Indebtedness of the Company, the distribution may be made and the notice given to their Representative (if any).

SECTION 10.11. Article 10 Not To Prevent Events of Default or Limit Right To Accelerate. The failure to make a payment pursuant to the Senior Subordinated Notes by reason of any provision in this Article 10 shall not be construed as preventing the occurrence of a Default. Nothing in this Article 10 shall have any effect on the right of the Senior Subordinated Noteholders or the Senior Subordinated Notes Trustee to accelerate the maturity of the Senior Subordinated Notes.

SECTION 10.12. Trust Moneys Not Subordinated. Notwithstanding anything contained herein to the contrary, payments from money or the proceeds of U.S. Government Obligations held in trust under Article 8 by the Senior Subordinated Notes Trustee for the payment of principal of and interest on the Senior Subordinated Notes shall not be subordinated to the prior payment of any Senior Indebtedness of the Company or subject to the restrictions set forth in this Article 10, and none of the Senior Subordinated Noteholders shall be obligated to pay over any such amount to the Company or any holder of Senior Indebtedness of the Company or any other creditor of the Company.

SECTION 10.13. Senior Subordinated Notes Trustee Entitled To Rely. Upon any payment or distribution pursuant to this Article 10, the Senior Subordinated Notes Trustee and the Senior Subordinated Noteholders shall be entitled to rely (i) upon any order or decree of a court of competent jurisdiction in which any proceedings of the nature referred to in Section 10.02 are pending, (ii) upon a certificate of the liquidating trustee or agent or other Person making such payment or distribution to the Senior Subordinated Notes Trustee or to the Senior Subordinated Noteholders or (iii) upon the Representatives for the holders of Senior Indebtedness of the Company for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of such Senior Indebtedness and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 10. In the event that the Senior Subordinated Notes Trustee determines, in good faith, that evidence is required with respect to the right of any Person as a holder of Senior Indebtedness of the Company to participate in any payment or distribution pursuant to this Article 10, the Senior Subordinated Notes Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Senior Subordinated Notes Trustee as to the amount of such Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and other facts pertinent to the rights of such Person under this Article 10, and, if such evidence is not furnished, the Senior Subordinated Notes Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment. The provisions of Sections 7.01 and 7.02 shall be applicable to all actions or omissions of actions by the Senior Subordinated Notes Trustee pursuant to this Article 10.

SECTION 10.14. Senior Subordinated Notes Trustee To Effectuate Subordination. Each Senior Subordinated Noteholder by accepting a Senior Subordinated Note authorizes and directs the Senior Subordinated Notes Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination between the Senior Subordinated Noteholders and the holders of Senior Indebtedness of the Company as provided in this Article 10 and appoints the Senior Subordinated Notes Trustee as attorney-in-fact for any and all such purposes.

SECTION 10.15. Senior Subordinated Notes Trustee Not Fiduciary for Holders of Senior Indebtedness. The Senior Subordinated Notes Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness of the Company and shall not be liable to any such holders if it shall mistakenly pay over or distribute to Senior Subordinated Noteholders or the Company or any other Person, money or assets to which any holders of Senior Indebtedness of the Company shall be entitled by virtue of this Article 10 or otherwise.

SECTION 10.16. Reliance by Holders of Senior Indebtedness on Subordination Provisions. Each Senior Subordinated Noteholder by accepting a Senior Subordinated Note acknowledges and agrees that the foregoing subordination provisions are, and are intended to be, an inducement and a consideration to each holder of any Senior Indebtedness of the Company, whether such Senior Indebtedness was created or acquired before or after the issuance of the Senior Subordinated Notes, to acquire and continue to hold, or to continue to hold, such Senior Indebtedness and such holder of such Senior Indebtedness shall be deemed conclusively to have relied on such subordination provisions in acquiring and continuing to hold, or in continuing to hold, such Senior Indebtedness.

SECTION 10.17. Senior Subordinated Notes Trustee's Compensation Not Prejudiced. Nothing in this Article shall apply to amounts due to the Senior Subordinated Notes Trustee pursuant to other sections of this Indenture.

ARTICLE 11

Holdings Guarantee

SECTION 11.01. Holdings Guarantee. Holdings hereby unconditionally and irrevocably guarantees, as a primary obligor and not merely as a surety, to each Senior Subordinated Noteholder and to the Senior Subordinated Notes Trustee and its successors and assigns (a) the full and punctual payment of principal of and interest on and liquidated damages in respect of the Senior Subordinated Notes when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of the Company under this Indenture (including obligations to the Senior Subordinated Notes Trustee) and the Senior Subordinated Notes and (b) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for expenses, indemnification or otherwise under this Indenture and the Senior Subordinated Notes (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). Holdings further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from

Holdings, and that Holdings shall remain bound under this Article 11 notwithstanding any extension or renewal of any Guaranteed Obligation.

Holdings waives presentation to, demand of, payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Holdings waives notice of any default under the Senior Subordinated Notes or the Guaranteed Obligations. The obligations of Holdings hereunder shall not be affected by (a) the failure of any Senior Subordinated Noteholder or the Senior Subordinated Notes Trustee to assert any claim or demand or to enforce any right or remedy against the Company or any other Person under this Indenture, the Senior Subordinated Notes or any other agreement or otherwise; (b) any extension or renewal of any thereof; (c) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Senior Subordinated Notes or any other agreement; (d) the release of any security held by any Senior Subordinated Noteholder or the Senior Subordinated Notes Trustee for the Guaranteed Obligations or any of them; (e) the failure of any Senior Subordinated Noteholder or Senior Subordinated Notes Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (f) any change in the ownership of Holdings, except as provided in Section 11.02(b).

Holdings hereby waives any right to which it may be entitled to have the assets of the Company first be used and depleted as payment of the Company's or Holdings obligations hereunder prior to any amounts being claimed from or paid by Holdings hereunder. Holdings hereby waives any right to which it may be entitled to require that the Company be sued prior to an action being initiated against Holdings.

Holdings further agrees that its Holdings Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Senior Subordinated Noteholder or the Senior Subordinated Notes Trustee to any security held for payment of the Guaranteed Obligations.

The Holdings Guarantee is, to the extent and in the manner set forth in Article 12, subordinated and subject in right of payment to the prior payment in full of the principal of and premium, if any, and interest on all Senior Indebtedness of Holdings and is made subject to such provisions of this Indenture.

Except as expressly set forth in Sections 8.01(b) and 11.02, the obligations of Holdings hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of Holdings herein shall not be discharged or impaired or otherwise affected by the failure of any Senior Subordinated Noteholder or the Senior Subordinated Notes Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Senior Subordinated Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, wilful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of Holdings or would otherwise operate as a discharge of Holdings as a matter of law or equity.

Holdings agrees that its Holdings Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations. Holdings further agrees that its Holdings Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Senior Subordinated Noteholder or the Senior Subordinated Notes Trustee upon the bankruptcy or reorganization of the Company or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Senior Subordinated Noteholder or the Senior Subordinated Notes Trustee has at law or in equity against Holdings by virtue hereof, upon the failure of the Company to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, Holdings hereby promises to and shall, upon receipt of written demand by the Senior Subordinated Notes Trustee, forthwith pay, or cause to be paid, in cash, to the Senior Subordinated Noteholders or the Senior Subordinated Notes Trustee an amount equal to the sum of (i) the unpaid principal amount of such Guaranteed Obligations, (ii) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (iii) all other monetary obligations of the Company to the Senior Subordinated Noteholders and the Senior Subordinated Notes Trustee.

Holdings agrees that it shall not be entitled to any right of subrogation in relation to the Senior Subordinated Noteholders in respect of any Guaranteed Obligations guaranteed hereby until payment in full of all Guaranteed Obligations and all obligations to which the Guaranteed Obligations are subordinated as provided in Article 12. Holdings further agrees that, as between it, on the one hand, and the Senior Subordinated Noteholders and the Senior Subordinated Notes Trustee, on the other hand, (x) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of the Holdings Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by Holdings for the purposes of this Section 11.01.

Holdings also agrees to pay any and all costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Senior Subordinated Notes Trustee or any Senior Subordinated Noteholder in enforcing any rights under this Section 11.01.

Upon request of the Senior Subordinated Notes Trustee, Holdings shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 11.02. Limitation on Liability. (a) Any term or provision of this Indenture to the contrary notwithstanding, the maximum, aggregate amount of the Guaranteed Obligations guaranteed hereunder by Holdings shall not exceed the maximum amount that can be hereby guaranteed without rendering this Indenture, as it

relates to Holdings, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

(b) This Holdings Guarantee shall terminate and be of no further force or effect and Holdings shall be deemed to be released from all obligations under this Article 11 upon the merger or consolidation of Holdings with or into any Person other than the Company or a Subsidiary or Affiliate of the Company where Holdings is not the surviving entity of such consolidation or merger; provided, however, that each such merger or consolidation shall comply with Section 5.01. At the request of the Company, the Senior Subordinated Notes Trustee shall execute and deliver an appropriate instrument evidencing such release.

SECTION 11.03. Successors and Assigns. This Article 11 shall be binding upon Holdings and its successors and assigns and shall inure to the benefit of the successors and assigns of the Senior Subordinated Notes Trustee and the Senior Subordinated Noteholders and, in the event of any transfer or assignment of rights by any Senior Subordinated Noteholder or the Senior Subordinated Notes Trustee, the rights and privileges conferred upon that party in this Indenture and in the Senior Subordinated Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 11.04. No Waiver. Neither a failure nor a delay on the part of either the Senior Subordinated Notes Trustee or the Senior Subordinated Noteholders in exercising any right, power or privilege under this Article 11 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Senior Subordinated Notes Trustee and the Senior Subordinated Noteholders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 11 at law, in equity, by statute or otherwise.

SECTION 11.05. Modification. No modification, amendment or waiver of any provision of this Article 11, nor the consent to any departure by Holdings therefrom, shall in any event be effective unless the same shall be in writing and signed by the Senior Subordinated Notes Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on Holdings in any case shall entitle Holdings to any other or further notice or demand in the same, similar or other circumstances.

ARTICLE 12

Subordination of the Holdings Guarantee

SECTION 12.01. Agreement To Subordinate. Holdings agrees, and each Senior Subordinated Noteholder by accepting a Senior Subordinated Note agrees, that the obligations of Holdings hereunder are subordinated in right of payment, to the extent and in the manner provided in this Article 12, to the prior payment in full in cash or cash equivalents of all Senior Indebtedness of Holdings (including all Indebtedness evidenced by the Senior Discount Notes) and that the subordination is for the benefit of and enforceable by the holders of such Senior Indebtedness of Holdings. The obligations hereunder with respect to Holdings shall in all respects rank pari passu with all other

Senior Subordinated Indebtedness of Holdings and shall rank senior to all existing and future Subordinated Obligations of Holdings; and only Indebtedness of Holdings that is Senior Indebtedness of Holdings shall rank senior to the obligations of Holdings in accordance with the provisions set forth herein.

SECTION 12.02. Liquidation, Dissolution, Bankruptcy. Upon any payment or distribution of the assets of Holdings to creditors upon a total or partial liquidation or a total or partial dissolution of Holdings or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to Holdings and its properties:

(1) holders of Senior Indebtedness of Holdings shall be entitled to receive payment in full in cash or cash equivalents of such Senior Indebtedness before the Senior Subordinated Noteholders shall be entitled to receive any payment pursuant to any Guaranteed Obligations from Holdings; and

(2) until the Senior Indebtedness of Holdings is paid in full in cash or cash equivalents, any payment or distribution to which Senior Subordinated Noteholders would be entitled but for this Article 12 shall be made to holders of such Senior Indebtedness as their interests may appear.

SECTION 12.03. Default on Designated Senior Indebtedness of Holdings. Holdings may not make any payment pursuant to any of the Guaranteed Obligations or repurchase, redeem or otherwise retire any Senior Subordinated Notes (collectively, "pay its Holdings Guarantee") if (i) any Designated Senior Indebtedness of Holdings is not paid in cash or cash equivalents when due or (ii) any other default on Designated Senior Indebtedness of Holdings occurs and the maturity of such Designated Senior Indebtedness is accelerated in accordance with its terms unless, in either case, (x) the default has been cured or waived and any such acceleration has been rescinded or (y) such Designated Senior Indebtedness has been paid in full in cash or cash equivalents; provided, however, that Holdings may pay its Holdings Guarantee without regard to the foregoing if Holdings and the Senior Subordinated Notes Trustee receive written notice approving such payment from the Representative of such Designated Senior Indebtedness with respect to which either of the events set forth in clause (i) or (ii) of this sentence has occurred and is continuing. During the continuance of any default (other than a default described in clause (i) or (ii) of the immediately preceding sentence) with respect to any Designated Senior Indebtedness of Holdings pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, Holdings may not pay its Holdings Guarantee for a period (a "Payment Blockage Period") commencing upon the receipt by the Senior Subordinated Notes Trustee (with a copy to Holdings and the Company) of written notice (a "Blockage Notice") of such default from the Representative of such Designated Senior Indebtedness of Holdings specifying an election to effect a Payment Blockage Period and ending 179 days thereafter (or earlier if such Payment Blockage Period is terminated (i) by written notice to the Senior Subordinated Notes Trustee (with a copy to Holdings and the Company) from the Person or Persons who gave such Blockage Notice, (ii) by repayment in full in cash or cash equivalents of such Designated Senior Indebtedness or (iii) because the default giving rise to such Blockage Notice is no longer continuing). Notwithstanding the provisions described in the immediately preceding sentence (but subject to the provisions contained in the first sentence of this Section), unless the holders of such Designated Senior Indebtedness or the Representative of such holders shall have accelerated the maturity of

such Designated Senior Indebtedness, Holdings may resume to paying its Holdings Guarantee after the end of such Payment Blockage Period, including any missed payments. Not more than one Blockage Notice may be given with respect to Holdings in any consecutive 360-day period, irrespective of the number of defaults with respect to Designated Senior Indebtedness of Holdings during such period; provided, however, that if any Blockage Notice within such 360-day period is given by or on behalf of any holders of Designated Senior Indebtedness of Holdings other than the Bank Indebtedness, the Representative of the Bank Indebtedness may give another Blockage Notice within such period; provided further, however, that in no event may the total number of days during which any Payment Blockage Period or Periods is in effect exceed 179 days in the aggregate during any 360-consecutive day period. For purposes of this Section, no default or event of default that existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness initiating such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the Representative of such Designated Senior Indebtedness, whether or not within a period of 360 consecutive days, unless such default or event of default shall have been cured or waived for a period of not less than 90 consecutive days.

SECTION 12.04. Demand for Payment. If payment of the Senior Subordinated Notes is accelerated because of an Event of Default and a demand for payment is made on Holdings pursuant to Article 11, the Senior Subordinated Notes Trustee shall promptly notify the holders of the Designated Senior Indebtedness of Holdings (or the Representative of such holders) of such demand. If any Designated Senior Indebtedness of Holdings is outstanding, Holdings may not pay its Holdings Guarantee until five Business Days after such holders or the Representative of the holders of the Designated Senior Indebtedness of Holdings receive notice of such demand and, thereafter, may pay its Holdings Guarantee only if this Article 12 otherwise permits payment at that time.

SECTION 12.05. When Distribution Must Be Paid Over. If a payment or distribution is made to Senior Subordinated Noteholders that because of this Article 12 should not have been made to them, the Senior Subordinated Noteholders who receive the payment or distribution shall hold such payment or distribution in trust for holders of the Senior Indebtedness of Holdings and pay it over to them as their respective interests may appear.

SECTION 12.06. Subrogation. After all Senior Indebtedness of Holdings is paid in full and until the Senior Subordinated Notes are paid in full, Senior Subordinated Noteholders shall be subrogated to the rights of holders of such Senior Indebtedness of Holdings to receive distributions applicable to Senior Indebtedness of Holdings. A distribution made under this Article 12 to holders of Designated Senior Indebtedness of Holdings which otherwise would have been made to Senior Subordinated Noteholders is not, as between Holdings and Senior Subordinated Noteholders, a payment by Holdings on such Senior Indebtedness of Holdings.

SECTION 12.07. Relative Rights. This Article 12 defines the relative rights of Senior Subordinated Noteholders and holders of Senior Indebtedness of Holdings. Nothing in this Indenture shall:

(1) impair, as between Holdings and Senior Subordinated Noteholders, the obligation of Holdings which is absolute and unconditional, to make payments with respect to the Guaranteed Obligations to the extent set forth in Article 11; or

(2) prevent the Senior Subordinated Notes Trustee or any Senior Subordinated Noteholder from exercising its available remedies upon a default by Holdings under its obligations with respect to the Guaranteed Obligations, subject to the rights of holders of Senior Indebtedness of Holdings to receive distributions otherwise payable to Senior Subordinated Noteholders.

SECTION 12.08. Subordination May Not Be Impaired by Holdings. No right of any holder of Senior Indebtedness of Holdings to enforce the subordination of the obligations of Holdings hereunder shall be impaired by any act or failure to act by Holdings or by its failure to comply with this Indenture.

SECTION 12.09. Rights of Senior Subordinated Notes Trustee and Paying Agent. Notwithstanding Section 12.03, the Senior Subordinated Notes Trustee or the Paying Agent may continue to make payments on the Senior Subordinated Notes and shall not be charged with knowledge of the existence of facts that would prohibit the making of any such payments unless, not less than two Business Days prior to the date of such payment, a Trust Officer of the Senior Subordinated Notes Trustee receives notice satisfactory to it that payments may not be made under this Article 12. Holdings, the Registrar or co-registrar, the Paying Agent, a Representative or a holder of Senior Indebtedness of Holdings give the notice; provided, however, that if an issue of Senior Indebtedness of Holdings has a Representative, only the Representative may give the notice.

The Senior Subordinated Notes Trustee in its individual or any other capacity may hold Senior Indebtedness of Holdings with the same rights it would have if it were not Senior Subordinated Notes Trustee. The Registrar and co-registrar and the Paying Agent may do the same with like rights. The Senior Subordinated Notes Trustee shall be entitled to all the rights set forth in this Article 12 with respect to any Senior Indebtedness of Holdings which may at any time be held by it, to the same extent as any other holder of Senior Indebtedness of Holdings; and nothing in Article 7 shall deprive the Senior Subordinated Notes Trustee of any of its rights as such holder. Nothing in this Article 12 shall apply to claims of, or payments to, the Senior Subordinated Notes Trustee under or pursuant to Section 7.07.

SECTION 12.10. Distribution or Notice to Representative. Whenever a distribution is to be made or a notice given to holders of Senior Indebtedness of Holdings, the distribution may be made and the notice given to their Representative (if any).

SECTION 12.11. Article 12 Not To Prevent Events of Default or Limit Right To Accelerate. The failure of Holdings to make a payment on any of its obligations by reason of any provision in this Article 12 shall not be construed as preventing the occurrence of a default by Holdings under such obligations. Nothing in

this Article 12 shall have any effect on the right of the Senior Subordinated Noteholders or the Senior Subordinated Notes Trustee to make a demand for payment on Holdings pursuant to Article 11.

SECTION 12.12. Senior Subordinated Notes Trustee Entitled To Rely. Upon any payment or distribution pursuant to this Article 12, the Senior Subordinated Notes Trustee and the Senior Subordinated Noteholders shall be entitled to rely (i) upon any order or decree of a court of competent jurisdiction in which any proceedings of the nature referred to in Section 12.02 are pending, (ii) upon a certificate of the liquidating trustee or agent or other Person making such payment or distribution to the Senior Subordinated Notes Trustee or to the Senior Subordinated Noteholders or (iii) upon the Representatives for the holders of Senior Indebtedness of Holdings for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of such Senior Indebtedness of Holdings and other Indebtedness of Holdings, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 12. In the event that the Senior Subordinated Notes Trustee determines, in good faith, that evidence is required with respect to the right of any Person as a holder of Senior Indebtedness of Holdings to participate in any payment or distribution pursuant to this Article 12, the Senior Subordinated Notes Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Senior Subordinated Notes Trustee as to the amount of such Senior Indebtedness of Holdings held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and other facts pertinent to the rights of such Person under this Article 12, and, if such evidence is not furnished, the Senior Subordinated Notes Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment. The provisions of Sections 7.01 and 7.02 shall be applicable to all actions or omissions of actions by the Senior Subordinated Notes Trustee pursuant to this Article 12.

SECTION 12.13. Senior Subordinated Notes Trustee To Effectuate Subordination. Each Senior Subordinated Noteholder by accepting a Senior Subordinated Note authorizes and directs the Senior Subordinated Notes Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination between the Senior Subordinated Noteholders and the holders of Senior Indebtedness of Holdings as provided in this Article 12 and appoints the Senior Subordinated Notes Trustee as attorney-in-fact for any and all such purposes.

SECTION 12.14. Senior Subordinated Notes Trustee Not Fiduciary for Holders of Senior Indebtedness of Holdings. The Senior Subordinated Notes Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness of Holdings and shall not be liable to any such holders if it shall mistakenly pay over or distribute to Senior Subordinated Noteholders or Holdings or any other Person, money or assets to which any holders of Senior Indebtedness of Holdings shall be entitled by virtue of this Article 12 or otherwise.

SECTION 12.15. Reliance by Holders of Senior Indebtedness of Holdings on Subordination Provisions. Each Senior Subordinated Noteholder by accepting a Senior Subordinated Note acknowledges and agrees that the foregoing subordination provisions are, and are intended to be, an inducement and a consideration to each holder of any Senior Indebtedness of Holdings, whether such Senior Indebtedness was created or acquired before or after the issuance of the Senior Subordinated Notes, to

acquire and continue to hold, or to continue to hold, such Senior Indebtedness and such holder of Senior Indebtedness shall be deemed conclusively to have relied on such subordination provisions in acquiring and continuing to hold, or in continuing to hold, such Senior Indebtedness.

SECTION 12.16. Defeasance. The terms of this Article 12 shall not apply to payments from money or the proceeds of U.S. Government Obligations held in trust by the Senior Subordinated Notes Trustee for the payment of principal of and interest on the Senior Subordinated Notes pursuant to the provisions described in Section 8.03.

ARTICLE 13

Miscellaneous

SECTION 13.01. Trust Indenture Act Controls. If any provision of this Indenture limits, qualifies or conflicts with another provision which is required to be included in this Indenture by the TIA, the required provision shall control.

SECTION 13.02. Notices. Any notice or communication shall be in writing and delivered in person or mailed by first-class mail addressed as follows:

if to the Company:

WESCO Distribution, Inc.
Commerce Court, Suite 700
Four Station Square
Pittsburgh, PA 15219

Attention: General Counsel

if to the Senior Subordinated Notes Trustee:

Bank One, N.A.
100 East Broad Street, 8th Floor
Columbus, OH 43215

Attention: Corporate Trust Department

The Company or the Senior Subordinated Notes Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Senior Subordinated Noteholder shall be mailed to the Senior Subordinated Noteholder at the Senior Subordinated Noteholder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice or communication to a Senior Subordinated Noteholder or any defect in it shall not affect its sufficiency with respect to other Senior

Subordinated Noteholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 13.03. Communication by Senior Subordinated Noteholders with Other Senior Subordinated Noteholders. Senior Subordinated Noteholders may communicate pursuant to TIA ss. 312(b) with other Senior Subordinated Noteholders with respect to their rights under this Indenture or the Senior Subordinated Notes. The Company, the Senior Subordinated Notes Trustee, the Registrar and anyone else shall have the protection of TIA ss. 312(c).

SECTION 13.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Senior Subordinated Notes Trustee to take or refrain from taking any action under this Indenture, the Company shall furnish to the Senior Subordinated Notes Trustee:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Senior Subordinated Notes Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Senior Subordinated Notes Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 13.05. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(1) a statement that the individual making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

SECTION 13.06. When Senior Subordinated Notes Disregarded. In determining whether the Senior Subordinated Noteholders of the required principal amount of Senior Subordinated Notes have concurred in any direction, waiver or consent, Senior Subordinated Notes owned by the Company, Holdings or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or Holdings shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Senior Subordinated Notes Trustee shall be protected in relying on any such direction, waiver or consent, only

Senior Subordinated Notes which the Senior Subordinated Notes Trustee knows are so owned shall be so disregarded. Subject to the foregoing, only Senior Subordinated Notes outstanding at the time shall be considered in any such determination.

SECTION 13.07. Rules by Senior Subordinated Notes Trustee, Paying Agent and Registrar. The Senior Subordinated Notes Trustee may make reasonable rules for action by or a meeting of Senior Subordinated Noteholders. The Registrar and the Paying Agent may make reasonable rules for their functions.

SECTION 13.08. Legal Holidays. A "Legal Holiday" is a Saturday, a Sunday or a day on which banking institutions are not required to be open in the State of New York or the State of Ohio. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

SECTION 13.09. GOVERNING LAW. THIS INDENTURE AND THE SENIOR SUBORDINATED NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

SECTION 13.10. No Recourse Against Others. A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under the Senior Subordinated Notes or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Senior Subordinated Note, each Senior Subordinated Noteholder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Senior Subordinated Notes.

SECTION 13.11. Successors. All agreements of the Company and Holdings in this Indenture and the Senior Subordinated Notes shall bind its successors. All agreements of the Senior Subordinated Notes Trustee in this Indenture shall bind its successors.

SECTION 13.12. Multiple Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

SECTION 13.13. Table of Contents; Headings. The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

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

WESCO DISTRIBUTION, INC.,

by /s/ [Illegible]

Name:
Title:

WESCO INTERNATIONAL, INC.,

by /s/ [Illegible]

Name:
Title:

BANK ONE, N.A., as Senior Subordinated Notes Trustee

by /s/ Ruth H. Fussell

Name: Ruth H. Fussell
Title: Vice President, Corporate Trust Department

APPENDIX A

PROVISIONS RELATING TO ORIGINAL SENIOR SUBORDINATED NOTES, ADDITIONAL SENIOR SUBORDINATED NOTES, PRIVATE SENIOR SUBORDINATED EXCHANGE NOTES AND SENIOR SUBORDINATED EXCHANGE NOTES

1. Definitions

1.1 Definitions

For the purposes of this Appendix A the following terms shall have the meanings indicated below:

"Applicable Procedures" means, with respect to any transfer or transaction involving a Regulation S Global Senior Subordinated Note or beneficial interest therein, the rules and procedures of the Depositary for such Global Senior Subordinated Note, Euroclear and Cedel, in each case to the extent applicable to such transaction and as in effect from time to time.

"Cedel" means Cedel Bank, S.A., or any successor securities clearing agency.

"Definitive Senior Subordinated Note" means a certificated Initial Senior Subordinated Note or Senior Subordinated Exchange Note (bearing the Restricted Senior Subordinated Notes Legend if the transfer of such Senior Subordinated Note is restricted by applicable law) that does not include the Global Senior Subordinated Notes Legend.

"Depositary" means The Depository Trust Company, its nominees and their respective successors.

"Euroclear" means the Euroclear Clearance System or any successor securities clearing agency.

"Global Senior Subordinated Notes Legend" means the legend set forth under that caption in Exhibit A to this Indenture.

"IAI" means an institutional "accredited investor" as described in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Initial Purchasers" means Chase Securities Inc. and Lehman Brothers Inc.

"Private Senior Subordinated Exchange Notes" means the Senior Subordinated Notes of the Company issued in exchange for Initial Senior Subordinated Notes pursuant to this Indenture in connection with a Senior Subordinated Notes Private Exchange pursuant to a Senior Subordinated Notes Registration Agreement.

"Purchase Agreement" means (i) the Purchase Agreement dated May 29, 1998, among the Company, Holdings and the Initial Purchasers and (ii) any other similar Purchase Agreement relating to Additional Senior Subordinated Notes.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Senior Subordinated Notes" means all Initial Senior Subordinated Notes offered and sold outside the United States in reliance on Regulation S.

"Restricted Period", with respect to any Senior Subordinated Notes, means the period of 40 consecutive days beginning on and including the later of (i) the day on which such Senior Subordinated Notes are first offered to persons other than distributors (as defined in Regulation S under the Securities Act) in reliance on Regulation S and (ii) the Senior Subordinated Notes Issue Date with respect to such Senior Subordinated Notes.

"Restricted Senior Subordinated Notes Legend" means the legend set forth in Section 2.3(e)(i) herein.

"Rule 501" means Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Rule 144A" means Rule 144A under the Securities Act.

"Rule 144A Senior Subordinated Notes" means all Initial Senior Subordinated Notes offered and sold to QIBs in reliance on Rule 144A.

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

"Senior Subordinated Notes Custodian" means the custodian with respect to a Global Senior Subordinated Note (as appointed by the Depositary) or any successor person thereto, who shall initially be the Senior Subordinated Notes Trustee.

"Senior Subordinated Notes Private Exchange" means an offer by the Company, pursuant to a Senior Subordinated Notes Registration Agreement, to issue and deliver to certain purchasers, in exchange for the Initial Senior Subordinated Notes held by such purchasers as part of their initial distribution, a like aggregate principal amount of Private Senior Subordinated Exchange Notes.

"Senior Subordinated Notes Registered Exchange Offer" means an offer by the Company, pursuant to a Senior Subordinated Notes Registration Agreement, to certain Holders of Initial Senior Subordinated Notes, to issue and deliver to such Holders, in exchange for their Initial Senior Subordinated Notes, a like aggregate principal amount of Senior Subordinated Exchange Notes registered under the Securities Act.

"Senior Subordinated Notes Registration Agreement" means (i) the Exchange and Registration Rights Agreement dated June 5, 1998, among the Company, Holdings and the Initial Purchasers and (ii) any other similar Exchange and Registration Rights Agreement relating to Additional Senior Subordinated Notes.

"Senior Subordinated Notes Shelf Registration Statement" means a registration statement filed by the Company in connection with the offer and sale of Initial Senior Subordinated Notes pursuant to a Senior Subordinated Notes Registration Agreement.

"Transfer Restricted Senior Subordinated Notes" means Definitive Senior Subordinated Notes and any other Senior Subordinated Notes that bear or are required to bear the Restricted Senior Subordinated Notes Legend.

1.2 Other Definitions

Term:	Defined in Section:
"Agent Members"	2.1(b)
"IAI Global Senior Subordinated Note"	2.1(a)
"Global Senior Subordinated Note"	2.1(a)
"Regulation S Global Senior Subordinated Note"	2.1(a)
"Rule 144A Global Senior Subordinated Note"	2.1(a)

2. The Senior Subordinated Notes

2.1 Form and Dating

The Initial Senior Subordinated Notes issued on the date hereof will be (i) offered and sold by the Company pursuant to a Purchase Agreement and (ii) resold, initially only to (A) QIBs in reliance on Rule 144A and (B) Persons other than U.S. Persons (as defined in Regulation S) in reliance on Regulation S. Such Initial Senior Subordinated Notes may thereafter be transferred to, among others, QIBs, purchasers in reliance on Regulation S and, except as set forth below, IAIs in accordance with Rule 501. Additional Senior Subordinated Notes offered after the date hereof may be offered and sold by the Company from time to time pursuant to one or more Purchase Agreements in accordance with applicable law.

(a) Global Senior Subordinated Notes. Rule 144A Senior Subordinated Notes shall be issued initially in the form of one or more permanent global Senior Subordinated Notes in definitive, fully registered form (collectively, the "Rule 144A Global Senior Subordinated Note") and Regulation S Senior Subordinated Notes shall be issued initially in the form of one or more global Senior Subordinated Notes (collectively, the "Regulation S Global Senior Subordinated Note"), in each case without interest coupons and bearing the Global Senior Subordinated Notes Legend and Restricted Senior Subordinated Notes Legend, which shall be deposited on behalf of the purchasers of the Senior Subordinated Notes represented thereby with the Senior Subordinated Notes Custodian, and registered in the name of the Depositary or a nominee of the Depositary, duly executed by the Company and authenticated by the Senior Subordinated Notes Trustee as provided in this Indenture. One or more global securities in definitive, fully registered form without interest coupons and bearing the Global Senior Subordinated Notes Legend and the Restricted Senior Subordinated Notes Legend (collectively, the "IAI Global Senior Subordinated Note") shall also be issued on the Closing Date, deposited with the Senior Subordinated Notes Custodian, and registered in the name of the Depositary or a nominee of the Depositary, duly executed by the Company and authenticated by the Senior Subordinated Notes Trustee as provided in this Indenture to accommodate transfers of beneficial interests in the Senior Subordinated Notes to IAIs subsequent to the initial distribution. Beneficial ownership interests in the Regulation S Global Senior Subordinated Note will not be exchangeable for interests in the Rule 144A Global Senior Subordinated Note, the IAI Global Senior Subordinated Note or any other Senior Subordinated Note without a Restricted Senior Subordinated Notes Legend

until the expiration of the Restricted Period. The Rule 144A Global Senior Subordinated Note, the IAI Global Senior Subordinated Note and the Regulation S Global Senior Subordinated Note are each referred to herein as a "Global Senior Subordinated Note" and are collectively referred to herein as "Global Senior Subordinated Notes." The aggregate principal amount of the Global Senior Subordinated Notes may from time to time be increased or decreased by adjustments made on the records of the Senior Subordinated Notes Trustee and the Depositary or its nominee as hereinafter provided.

(b) Book-Entry Provisions. This Section 2.1(b) shall apply only to a Global Senior Subordinated Note deposited with or on behalf of the Depositary.

The Company shall execute and the Senior Subordinated Notes Trustee shall, in accordance with this Section 2.1(b) and pursuant to an order of the Company, authenticate and deliver initially one or more Global Senior Subordinated Notes that (a) shall be registered in the name of the Depositary for such Global Senior Subordinated Note or Global Senior Subordinated Notes or the nominee of such Depositary and (b) shall be delivered by the Senior Subordinated Notes Trustee to such Depositary or pursuant to such Depositary's instructions or held by the Senior Subordinated Notes Trustee as Senior Subordinated Notes Custodian.

Members of, or participants in, the Depositary ("Agent Members") shall have no rights under this Indenture with respect to any Global Senior Subordinated Note held on their behalf by the Depositary or by the Senior Subordinated Notes Trustee as Senior Subordinated Notes Custodian or under such Global Senior Subordinated Note, and the Depositary may be treated by the Company, the Senior Subordinated Notes Trustee and any agent of the Company or the Senior Subordinated Notes Trustee as the absolute owner of such Global Senior Subordinated Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Senior Subordinated Notes Trustee or any agent of the Company or the Senior Subordinated Notes Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of such Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Senior Subordinated Note.

(c) Definitive Senior Subordinated Notes. Except as provided in Section 2.3 or 2.4, owners of beneficial interests in Global Senior Subordinated Notes will not be entitled to receive physical delivery of certificated Senior Subordinated Notes.

2.2 Authentication. The Senior Subordinated Notes Trustee shall authenticate and make available for delivery upon a written order of the Company signed by two Officers (1) Original Senior Subordinated Notes for original issue on the date hereof in an aggregate principal amount of $300 million, (2) subject to the terms of this Indenture, Additional Senior Subordinated Notes in an aggregate principal amount of up to $200 million and (3) the (A) Senior Subordinated Exchange Notes for issue only in a Senior Subordinated Notes Registered Exchange Offer and (B) Private Senior Subordinated Exchange Notes for issue only in a Senior Subordinated Notes Private Exchange, in the case of each of (A) and (B) pursuant to a Senior Subordinated Notes Registration Agreement and for a like principal amount of Initial Senior Subordinated Notes exchanged pursuant thereto. Such order shall specify the amount of the Senior Subordinated Notes to be authenticated, the date on which the original issue of Senior Subordinated Notes is to be authenticated and whether the Senior Subordinated Notes are to be Initial Senior Subordinated Notes, Senior Subordinated

Exchange Notes or Private Senior Subordinated Exchange Notes. The aggregate principal amount of Senior Subordinated Notes outstanding at any time may not exceed $500 million, except as provided in Section 2.08 of this Indenture. Notwithstanding anything to the contrary in this Appendix or otherwise in this Indenture, any issuance of Additional Senior Subordinated Notes after the Closing Date shall be in a principal amount of at least $50 million, whether such Additional Senior Subordinated Notes are of the same or a different series than the Original Senior Subordinated Notes.

2.3 Transfer and Exchange. (a) Transfer and Exchange of Definitive Senior Subordinated Notes. When Definitive Senior Subordinated Notes are presented to the Registrar with a request:

(x) to register the transfer of such Definitive Senior Subordinated Notes; or

(y) to exchange such Definitive Senior Subordinated Notes for an equal principal amount of Definitive Senior Subordinated Notes of other authorized denominations,

the Registrar shall register the transfer or make the exchange as requested if its reasonable requirements for such transaction are met; provided, however, that the Definitive Senior Subordinated Notes surrendered for transfer or exchange:

(i) shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Company and the Registrar, duly executed by the Senior Subordinated Noteholder thereof or his attorney duly authorized in writing; and

(ii) are accompanied by the following additional information and documents, as applicable:

(A) if such Definitive Senior Subordinated Notes are being delivered to the Registrar by a Senior Subordinated Noteholder for registration in the name of such Senior Subordinated Noteholder, without transfer, a certification from such Senior Subordinated Noteholder to that effect (in the form set forth on the reverse side of the Initial Senior Subordinated Note); or

(B) if such Definitive Senior Subordinated Notes are being transferred to the Company, a certification to that effect (in the form set forth on the reverse side of the Initial Senior Subordinated Note); or

(C) if such Definitive Senior Subordinated Notes are being transferred pursuant to an exemption from registration in accordance with Rule 144 under the Securities Act or in reliance upon another exemption from the registration requirements of the Securities Act, (i) a certification to that effect (in the form set forth on the reverse side of the Initial Senior Subordinated Note) and (ii) if the Company so requests, an opinion of counsel or other evidence reasonably satisfactory to it as to the compliance with the restrictions set forth in the legend set forth in Section 2.3(e)(i).

(b) Restrictions on Transfer of a Definitive Senior Subordinated Note for a Beneficial Interest in a Global Senior Subordinated Note. A Definitive Senior Subordinated

Note may not be exchanged for a beneficial interest in a Global Senior Subordinated Note except upon satisfaction of the requirements set forth below. Upon receipt by the Senior Subordinated Notes Trustee of a Definitive Senior Subordinated Note, duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Company and the Registrar, together with:

(i) certification (in the form set forth on the reverse side of the Initial Senior Subordinated Note) that such Definitive Senior Subordinated Note is being transferred (A) to a QIB in accordance with Rule 144A, (B) to an IAI that has furnished to the Senior Subordinated Notes Trustee a signed letter substantially in the form of Exhibit D or (C) outside the United States in an offshore transaction within the meaning of Regulation S and in compliance with Rule 904 under the Securities Act; and

(ii) written instructions directing the Senior Subordinated Notes Trustee to make, or to direct the Senior Subordinated Notes Custodian to make, an adjustment on its books and records with respect to such Global Senior Subordinated Note to reflect an increase in the aggregate principal amount of the Senior Subordinated Notes represented by the Global Senior Subordinated Note, such instructions to contain information regarding the Depositary account to be credited with such increase,

then the Senior Subordinated Notes Trustee shall cancel such Definitive Senior Subordinated Note and cause, or direct the Senior Subordinated Notes Custodian to cause, in accordance with the standing instructions and procedures existing between the Depositary and the Senior Subordinated Notes Custodian, the aggregate principal amount of Senior Subordinated Notes represented by the Global Senior Subordinated Note to be increased by the aggregate principal amount of the Definitive Senior Subordinated Note to be exchanged and shall credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in the Global Senior Subordinated Note equal to the principal amount of the Definitive Senior Subordinated Note so canceled. If no Global Senior Subordinated Notes are then outstanding and the Global Senior Subordinated Note has not been previously exchanged for certificated securities pursuant to Section 2.4, the Company shall issue and the Senior Subordinated Notes Trustee shall authenticate, upon written order of the Company in the form of an Officers' Certificate, a new Global Senior Subordinated Note in the appropriate principal amount.

(c) Transfer and Exchange of Global Senior Subordinated Notes. (i) The transfer and exchange of Global Senior Subordinated Notes or beneficial interests therein shall be effected through the Depositary, in accordance with this Indenture (including applicable restrictions on transfer set forth herein, if any) and the procedures of the Depositary therefor. A transferor of a beneficial interest in a Global Senior Subordinated Note shall deliver a written order given in accordance with the Depositary's procedures containing information regarding the participant account of the Depositary to be credited with a beneficial interest in such Global Senior Subordinated Note or another Global Senior Subordinated Note and such account shall be credited in accordance with such order with a beneficial interest in the applicable Global Senior Subordinated Note and the account of the Person making the transfer shall be debited by an amount equal to the beneficial interest in the Global Senior Subordinated Note being transferred. Transfers by an owner of a beneficial interest in the Rule 144A Global Senior Subordinated Note or the IAI Global Senior Subordinated Note to a transferee who takes delivery of such interest through the

Regulation S Global Senior Subordinated Note, whether before or after the expiration of the Restricted Period, will be made only upon receipt by the Senior Subordinated Notes Trustee of a certification from the transferor to the effect that such transfer is being made in accordance with Regulation S or (if available) Rule 144 under the Securities Act and that, if such transfer is being made prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or Cedel. In the case of a transfer of a beneficial interest in either the Regulation S Global Senior Subordinated Note or the Rule 144A Global Senior Subordinated Note for an interest in the IAI Global Senior Subordinated Note, the transferee must furnish a signed letter substantially in the form of Exhibit D to the Senior Subordinated Notes Trustee.

(ii) If the proposed transfer is a transfer of a beneficial interest in one Global Senior Subordinated Note to a beneficial interest in another Global Senior Subordinated Note, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Global Senior Subordinated Note to which such interest is being transferred in an amount equal to the principal amount of the interest to be so transferred, and the Registrar shall reflect on its books and records the date and a corresponding decrease in the principal amount of Global Senior Subordinated Note from which such interest is being transferred.

(iii) Notwithstanding any other provisions of this Appendix (other than the provisions set forth in Section 2.4), a Global Senior Subordinated Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

(iv) In the event that a Global Senior Subordinated Note is exchanged for Definitive Senior Subordinated Notes pursuant to Section 2.4 prior to the consummation of a Senior Subordinated Notes Registered Exchange Offer or the effectiveness of a Senior Subordinated Notes Shelf Registration Statement with respect to such Senior Subordinated Notes, such Senior Subordinated Notes may be exchanged only in accordance with such procedures as are substantially consistent with the provisions of this Section 2.3 (including the certification requirements set forth on the reverse of the Initial Senior Subordinated Notes intended to ensure that such transfers comply with Rule 144A, Regulation S or such other applicable exemption from registration under the Securities Act, as the case may be) and such other procedures as may from time to time be adopted by the Company.

(d) Restrictions on Transfer of Regulation S Global Senior Subordinated Note. (i) Prior to the expiration of the Restricted Period, interests in the Regulation S Global Senior Subordinated Note may only be held through Euroclear or Cedel. During the Restricted Period, beneficial ownership interests in the Regulation S Global Senior Subordinated Note may only be sold, pledged or transferred through Euroclear or Cedel in accordance with the Applicable Procedures and only (A) to the Company, (B) so long as such security is eligible for resale pursuant to Rule 144A, to a person whom the selling holder reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A, (C) in an offshore transaction in accordance with Regulation S, (D) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if applicable) under the Securities Act, (E) to an IAI purchasing for its own account, or for the account of

such an IAI, in a minimum principal amount of Senior Subordinated Notes of $250,000 or (F) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States. Prior to the expiration of the Restricted Period, transfers by an owner of a beneficial interest in the Regulation S Global Senior Subordinated Note to a transferee who takes delivery of such interest through the Rule 144A Global Senior Subordinated Note or the IAI Global Senior Subordinated Note will be made only in accordance with Applicable Procedures and upon receipt by the Senior Subordinated Notes Trustee of a written certification from the transferor of the beneficial interest in the form provided on the reverse of the Initial Senior Subordinated Note to the effect that such transfer is being made to (i) a person whom the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or (ii) an IAI purchasing for its own account, or for the account of such an IAI, in a minimum principal amount of the Senior Subordinated Notes of $250,000. Such written certification will no longer be required after the expiration of the Restricted Period. In the case of a transfer of a beneficial interest in the Regulation S Global Senior Subordinated Note for an interest in the IAI Global Senior Subordinated Note, the transferee must furnish a signed letter substantially in the form of Exhibit D to the Senior Subordinated Notes Trustee.

(ii) Upon the expiration of the Restricted Period, beneficial ownership interests in the Regulation S Global Senior Subordinated Note will be transferable in accordance with applicable law and the other terms of this Indenture.

(e) Legend.

(i) Except as permitted by the following paragraphs (ii), (iii) or (iv), each Senior Subordinated Note certificate evidencing the Global Senior Subordinated Notes and the Definitive Senior Subordinated Notes (and all Senior Subordinated Notes issued in exchange therefor or in substitution thereof) shall bear a legend in substantially the following form (each defined term in the legend being defined as such for purposes of the legend only):

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE

SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

Each Definitive Senior Subordinated Note will also bear the following additional legend:

"IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

(ii) Upon any sale or transfer of a Transfer Restricted Senior Subordinated Note that is a Definitive Senior Subordinated Note, the Registrar shall permit the Senior Subordinated Noteholder thereof to exchange such Transfer Restricted Senior Subordinated Note for a Definitive Senior Subordinated Note that does not bear the legends set forth above and rescind any restriction on the transfer of such Transfer Restricted Senior Subordinated Note if the Senior Subordinated Noteholder certifies in writing to the Registrar that its request for such exchange was made in reliance on Rule 144 (such certification to be in the form set forth on the reverse of the Initial Senior Subordinated Note).

(iii) After a transfer of any Initial Senior Subordinated Notes or Private Exchange Senior Subordinated Notes during the period of the effectiveness of a Senior Subordinated Notes Shelf Registration Statement with respect to such Initial Senior Subordinated Notes or Private Senior Subordinated Exchange Notes, as the case may be, all requirements pertaining to the Restricted Senior Subordinated Notes Legend on such Initial Senior Subordinated Notes or such Private Senior

Subordinated Exchange Notes will cease to apply and the requirements that any such Initial Senior Subordinated Notes or such Private Senior Subordinated Exchange Notes be issued in global form will continue to apply.

(iv) Upon the consummation of a Senior Subordinated Notes Registered Exchange Offer with respect to the Initial Senior Subordinated Notes pursuant to which Senior Subordinated Noteholders of such Initial Senior Subordinated Notes are offered Senior Subordinated Exchange Notes in exchange for their Initial Senior Subordinated Notes, all requirements pertaining to Initial Senior Subordinated Notes that Initial Senior Subordinated Notes be issued in global form will continue to apply, and Senior Subordinated Exchange Notes in global form without the Restricted Senior Subordinated Notes Legend will be available to Senior Subordinated Noteholders that exchange such Initial Senior Subordinated Notes in such Senior Subordinated Notes Registered Exchange Offer.

(v) Upon the consummation of a Senior Subordinated Notes Private Exchange with respect to the Initial Senior Subordinated Notes pursuant to which Holders of such Initial Senior Subordinated Notes are offered Private Senior Subordinated Exchange Notes in exchange for their Initial Senior Subordinated Notes, all requirements pertaining to such Initial Senior Subordinated Notes that Initial Senior Subordinated Notes be issued in global form will continue to apply, and Private Senior Subordinated Exchange Notes in global form with the Restricted Senior Subordinated Notes Legend will be available to Senior Subordinated Noteholders that exchange such Initial Senior Subordinated Notes in such Senior Subordinated Notes Private Exchange.

(vi) Upon a sale or transfer after the expiration of the Restricted Period of any Initial Senior Subordinated Note acquired pursuant to Regulation S, all requirements that such Initial Senior Subordinated Note bear the Restricted Senior Subordinated Notes Legend will cease to apply and the requirements requiring any such Initial Senior Subordinated Note be issued in global form will continue to apply.

(vii) Any Additional Senior Subordinated Notes sold in a registered offering shall not be required to bear the Restricted Senior Subordinated Notes Legend.

(f) Cancelation or Adjustment of Global Senior Subordinated Note. At such time as all beneficial interests in a Global Senior Subordinated Note have either been exchanged for Definitive Senior Subordinated Notes, transferred, redeemed, repurchased or canceled, such Global Senior Subordinated Note shall be returned by the Depositary to the Senior Subordinated Notes Trustee for cancelation or retained and canceled by the Senior Subordinated Notes Trustee. At any time prior to such cancelation, if any beneficial interest in a Global Senior Subordinated Note is exchanged for Definitive Senior Subordinated Notes, transferred in exchange for an interest in another Global Senior Subordinated Note, redeemed, repurchased or canceled, the principal amount of Senior Subordinated Notes represented by such Global Senior Subordinated Note shall be reduced and an adjustment shall be made on the books and records of the Senior Subordinated Notes Trustee (if it is then the Senior Subordinated Notes Custodian for such Global Senior Subordinated Note) with respect to such Global Senior Subordinated Note, by the Senior Subordinated Notes Trustee or the Senior Subordinated Notes Custodian, to reflect such reduction.

(g) Obligations with Respect to Transfers and Exchanges of Senior Subordinated Notes.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Senior Subordinated Notes Trustee shall authenticate, Definitive Senior Subordinated Notes and Global Senior Subordinated Notes at the Registrar's request.

(ii) No service charge shall be made for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charge payable upon exchange or transfer pursuant to Section 3.06, 4.06, 4.08 and 9.05).

(iii) Prior to the due presentation for registration of transfer of any Senior Subordinated Note, the Company, the Senior Subordinated Notes Trustee, the Paying Agent or the Registrar may deem and treat the person in whose name a Senior Subordinated Note is registered as the absolute owner of such Senior Subordinated Note for the purpose of receiving payment of principal of and interest on such Senior Subordinated Note and for all other purposes whatsoever, whether or not such Senior Subordinated Note is overdue, and none of the Company, the Senior Subordinated Notes Trustee, the Paying Agent or the Registrar shall be affected by notice to the contrary.

(iv) All Senior Subordinated Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Senior Subordinated Notes surrendered upon such transfer or exchange.

(h) No Obligation of the Senior Subordinated Notes Trustee.

(i) The Senior Subordinated Notes Trustee shall have no responsibility or obligation to any beneficial owner of a Global Senior Subordinated Note, a member of, or a participant in the Depositary or any other Person with respect to the accuracy of the records of the Depositary or its nominee or of any participant or member thereof, with respect to any ownership interest in the Senior Subordinated Notes or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Depositary) of any notice (including any notice of redemption or repurchase) or the payment of any amount, under or with respect to such Senior Subordinated Notes. All notices and communications to be given to the Senior Subordinated Noteholders and all payments to be made to Senior Subordinated Noteholders under the Senior Subordinated Notes shall be given or made only to the registered Senior Subordinated Noteholders (which shall be the Depositary or its nominee in the case of a Global Senior Subordinated Note). The rights of beneficial owners in any Global Senior Subordinated Note shall be exercised only through the Depositary subject to the applicable rules and procedures of the Depositary. The Senior Subordinated Notes Trustee may rely and shall be fully protected in relying upon information furnished by the Depositary with respect to its members, participants and any beneficial owners.

(ii) The Senior Subordinated Notes Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Senior Subordinated Note (including any transfers between or among Depositary participants, members or beneficial owners in any Global Senior Subordinated Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

2.4 Definitive Senior Subordinated Notes

(a) A Global Senior Subordinated Note deposited with the Depositary or with the Senior Subordinated Notes Trustee as Senior Subordinated Notes Custodian pursuant to Section 2.1 shall be transferred to the beneficial owners thereof in the form of Definitive Senior Subordinated Notes in an aggregate principal amount equal to the principal amount of such Global Senior Subordinated Note, in exchange for such Global Senior Subordinated Note, only if such transfer complies with Section 2.3 and (i) the Depositary notifies the Company that it is unwilling or unable to continue as a Depositary for such Global Senior Subordinated Note or if at any time the Depositary ceases to be a "clearing agency" registered under the Exchange Act, and a successor depositary is not appointed by the Company within 90 days of such notice, or (ii) an Event of Default has occurred and is continuing or (iii) the Company, in its sole discretion, notifies the Senior Subordinated Notes Trustee in writing that it elects to cause the issuance of certificated Senior Subordinated Notes under this Indenture.

(b) Any Global Senior Subordinated Note that is transferable to the beneficial owners thereof pursuant to this Section 2.4 shall be surrendered by the Depositary to the Senior Subordinated Notes Trustee, to be so transferred, in whole or from time to time in part, without charge, and the Senior Subordinated Notes Trustee shall authenticate and deliver, upon such transfer of each portion of such Global Senior Subordinated Note, an equal aggregate principal amount of Definitive Senior Subordinated Notes of authorized denominations. Any portion of a Global Senior Subordinated Note transferred pursuant to this Section shall be executed, authenticated and delivered only in denominations of $1,000 and any integral multiple thereof and registered in such names as the Depositary shall direct. Any certificated Initial Senior Subordinated Note in the form of a Definitive Senior Subordinated Note delivered in exchange for an interest in the Global Senior Subordinated Note shall, except as otherwise provided by Section 2.3(e), bear the Restricted Senior Subordinated Notes Legend.

(c) Subject to the provisions of Section 2.4(b), the registered Senior Subordinated Noteholder of a Global Senior Subordinated Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Senior Subordinated Noteholder is entitled to take under this Indenture or the Senior Subordinated Notes.

(d) In the event of the occurrence of any of the events specified in Section 2.4(a)(i), (ii) or (iii), the Company will promptly make available to the Senior Subordinated Notes Trustee a reasonable supply of Definitive Senior Subordinated Notes in fully registered form without interest coupons.

EXHIBIT A

[FORM OF FACE OF INITIAL SENIOR SUBORDINATED NOTE]

[Global Senior Subordinated Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

[Restricted Senior Subordinated Notes Legend]

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL

BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

Each Definitive Senior Subordinated Note will also bear the following additional legend:

"IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

No. $_____

9 1/8% Senior Subordinated Note due 2008

CUSIP No. _____

WESCO Distribution, Inc., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum [of Dollars] [listed on the Schedule of Increases or Decreases in Global Senior Subordinated Note attached hereto](1) on June 1, 2008.

Interest Payment Dates: June 1 and December 1.

Record Dates: May 15 and November 15.

- - - - --------

(1) Use the Schedule of Increases and Decreases language if Note is in Global Form.

Additional provisions of this Senior Subordinated Note are set forth on the other side of this Senior Subordinated Note.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

WESCO DISTRIBUTION, INC.,

by

Name:
Title:

by

Name:
Title:

Dated:

SENIOR SUBORDINATED NOTES TRUSTEE'S CERTIFICATE OF AUTHENTICATION

BANK ONE, N.A.,
as Senior Subordinated Notes Trustee, certifies that this is one of the Senior Subordinated Notes referred to in the Indenture.

By:

Authorized Signatory

[FORM OF REVERSE SIDE OF SENIOR SUBORDINATED NOTE]

9 1/8% Senior Subordinated Note due 2008

1. Interest

(a) WESCO DISTRIBUTION, INC., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company"), promises to pay interest on the principal amount of this Senior Subordinated Note at the rate per annum shown above. The Company will pay interest semiannually on June 1 and December 1 of each year. Interest on the Senior Subordinated Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from June 5, 1998. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

(b) Liquidated Damages. The holder of this Senior Subordinated Note is entitled to the benefits of an Exchange and Registration Rights Agreement, dated as of June 5, 1998, among the Company, WESCO International, Inc. ("Holdings") and the Initial Purchasers named therein (the "Senior Subordinated Notes Registration Agreement"). Capitalized terms used in this paragraph (b) but not defined herein have the meanings assigned to them in the Senior Subordinated Notes Registration Agreement. If (i) the Senior Subordinated Notes Shelf Registration Statement or Senior Subordinated Notes Exchange Offer Registration Statement, as applicable under the Senior Subordinated Notes Registration Agreement, is not filed with the Commission on or prior to 90 days after the Senior Subordinated Notes Issue Date (or, in the case of a Senior Subordinated Notes Shelf Registration Statement required to be filed in response to a change in law or applicable interpretations of the Commission's staff, if later, within 45 days after publication of the change in law or interpretations, but in no event before 90 days after the Senior Subordinated Notes Issue Date), (ii) the Senior Subordinated Notes Exchange Offer Registration Statement or the Senior Subordinated Notes Shelf Registration Statement, as the case may be, is not declared effective within 200 days after the Senior Subordinated Notes Issue Date (or in the case of a Senior Subordinated Notes Shelf Registration Statement required to be filed in response to a change in law or the applicable interpretations of Commission's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 200 days after the Senior Subordinated Notes Issue Date), (iii) the Senior Subordinated Notes Registered Exchange Offer is not consummated on or prior to 230 days after the Senior Subordinated Notes Issue Date (other than in the event the Company files a Senior Subordinated Notes Shelf Registration Statement), or (iv) the Senior Subordinated Notes Shelf Registration Statement is filed and declared effective within 200 days after the Senior Subordinated Notes Issue Date but shall thereafter cease to be effective (at any time that the Company is obligated to maintain the effectiveness thereof) without being succeeded within 90 days by an additional Senior Subordinated Notes Registration Statement filed and declared effective (each such event referred to in clauses (i) through (iv), a "Registration Default"), the Company shall pay liquidated damages to each holder of Transfer Restricted Senior Subordinated Notes, during the period of such Registration Default, in an amount equal to $0.192 per week per $1,000 principal amount of the Senior Subordinated Notes constituting Transfer Restricted Senior Subordinated Notes held by such holder until (i) the applicable Senior Subordinated Notes Registration Statement is filed, (ii) the Senior Subordinated Notes Exchange Offer Registration Statement is declared effective and the Senior Subordinated Notes Registered Exchange Offer is consummated, (iii) the Senior

Subordinated Notes Shelf Registration Statement is declared effective or (iv) the Senior Subordinated Notes Shelf Registration Statement again becomes effective, as the case may be. All accrued liquidated damages shall be paid to holders in the same manner as interest payments on the Senior Subordinated Notes on semi-annual payment dates which correspond to interest payment dates for the Senior Subordinated Notes. Following the cure of all Registration Defaults, the accrual of liquidated damages will cease. The Senior Subordinated Notes Trustee shall have no responsibility with respect to the determination of the amount of any such liquidated damages. For purposes of the foregoing, "Transfer Restricted Senior Subordinated Notes" means (i) each Initial Senior Subordinated Note until the date on which such Initial Senior Subordinated Note has been exchanged for a freely transferable Senior Subordinated Exchange Note in the Senior Subordinated Notes Registered Exchange Offer, (ii) each Initial Senior Subordinated Note or Private Senior Subordinated Exchange Note until the date on which such Initial Senior Subordinated Note or Private Senior Subordinated Exchange Note has been effectively registered under the Securities Act and disposed of in accordance with a Senior Subordinated Notes Shelf Registration Statement or (iii) each Initial Senior Subordinated Note or Private Senior Subordinated Exchange Note until the date on which such Initial Senior Subordinated Note or Private Senior Subordinated Exchange Note is distributed to the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act.

2. Method of Payment

The Company will pay interest on the Senior Subordinated Notes (except defaulted interest) to the Persons who are registered holders of Senior Subordinated Notes at the close of business on the May 15 or November 15 next preceding the interest payment date even if Senior Subordinated Notes are canceled after the record date and on or before the interest payment date. Holders must surrender Senior Subordinated Notes to a Paying Agent to collect principal payments. The Company will pay principal and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Senior Subordinated Notes represented by a Global Senior Subordinated Note (including principal, premium and interest) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company. The Company will make all payments in respect of a certificated Senior Subordinated Note (including principal, premium and interest), by mailing a check to the registered address of each Senior Subordinated Noteholder thereof; provided, however, that payments on the Senior Subordinated Notes may also be made, in the case of a Senior Subordinated Noteholder of at least $1,000,000 aggregate principal amount of Senior Subordinated Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Senior Subordinated Noteholder elects payment by wire transfer by giving written notice to the Senior Subordinated Notes Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Senior Subordinated Notes Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, Bank One, N.A., a national banking association (the "Senior Subordinated Notes Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co-registrar.

4. Indenture

The Company issued the Senior Subordinated Notes under an Indenture dated as of June 5, 1998 (the "Indenture"), among the Company, Holdings and the Senior Subordinated Notes Trustee. The terms of the Senior Subordinated Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. ss.ss. 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Senior Subordinated Notes are subject to all such terms, and Senior Subordinated Noteholders are referred to the Indenture and the TIA for a statement of those terms.

The Senior Subordinated Notes are senior subordinated unsecured obligations of the Company limited to $500 million aggregate principal amount at any one time outstanding (subject to Sections 2.01 and 2.08 of the Indenture). This Senior Subordinated Note is one of the Original Senior Subordinated Notes referred to in the Indenture issued in an aggregate principal amount of $300 million. The Senior Subordinated Notes include the Initial Senior Subordinated Notes and any Senior Subordinated Exchange Notes issued in exchange for Initial Senior Subordinated Notes. The Initial Senior Subordinated Notes and the Senior Subordinated Exchange Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of the Company and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens and make asset sales. The Indenture also imposes limitations on the ability of the Company to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of the property of the Company.

To guarantee the due and punctual payment of the principal and interest on the Senior Subordinated Notes and all other amounts payable by the Company under the Indenture and the Senior Subordinated Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Senior Subordinated Notes and the Indenture, Holdings has unconditionally guaranteed the Guaranteed Obligations on a senior subordinated basis pursuant to the terms of the Indenture.

5. Optional Redemption

Except as set forth in the following two paragraphs, the Senior Subordinated Notes will not be redeemable at the option of the Company prior to June 1, 2003. Thereafter, the Senior Subordinated Notes will be redeemable at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice, at the following redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest and liquidated damages (if any) to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on June 1 of the years set forth below:

Year	Redemption Price
2003	104.563%
2004	103.042%
2005	101.521%
2006 and thereafter	100.000%

In addition, at any time and from time to time prior to June 1, 2001, the Company may redeem up to a maximum of 35% of the original aggregate principal amount of the Senior Subordinated Notes (calculated giving effect to any issuance of Additional Senior Subordinated Notes) with the Net Cash Proceeds of one or more Equity Offerings by (i) the Company or (ii) Holdings to the extent the Net Cash Proceeds thereof are (a) contributed to the Company as a capital contribution to the common equity of the Company or (b) used to purchase Capital Stock of the Company (in either case, other than Disqualified Stock), at a redemption price equal to 109.125% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages thereon, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that after giving effect to any such redemption, at least 65% of the original aggregate principal amount of the Senior Subordinated Notes (calculated giving effect to any issuance of Additional Senior Subordinated Notes) remains outstanding. Any such redemption shall be made within 120 days of such Equity Offering upon not less than 30 nor more than 60 days' notice mailed to each holder of Senior Subordinated Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

At any time prior to June 1, 2003, the Senior Subordinated Notes may be redeemed, in whole but not in part, at the option of the Company at any time within 180 days after a Change of Control, at a redemption price equal to the sum of (i) the principal amount thereof plus (ii) accrued and unpaid interest and liquidated damages, if any, to the redemption date (subject to the right of Senior Subordinated Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date that is on or prior to the date of redemption) plus (iii) the Applicable Premium.

6. Sinking Fund

The Senior Subordinated Notes are not subject to any sinking fund.

7. Notice of Redemption

Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each Senior Subordinated Noteholder of Senior Subordinated Notes to be redeemed at his or her registered address. Senior Subordinated Notes in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued interest on all Senior Subordinated Notes (or portions thereof) to be redeemed on the redemption date is deposited with the Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Senior Subordinated Notes (or such portions thereof) called for redemption.

8. Repurchase of Senior Subordinated Notes at the Option of Senior Subordinated Noteholders upon Change of Control

Upon a Change of Control, any Senior Subordinated Noteholder of Senior Subordinated Notes will have the right, subject to certain conditions specified in the Indenture, to cause the Company to repurchase all or any part of the Senior Subordinated Notes of such Senior Subordinated Noteholder at a purchase price equal to 101% of the principal amount of the Senior Subordinated Notes to be repurchased plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Senior Subordinated Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date) as provided in, and subject to the terms of, the Indenture.

9. Subordination

The Senior Subordinated Notes are subordinated to Senior Indebtedness of the Company, as defined in the Indenture. To the extent provided in the Indenture, Senior Indebtedness of the Company must be paid before the Senior Subordinated Notes may be paid. The Company and Holdings agrees, and each Senior Subordinated Noteholder by accepting a Senior Subordinated Note agrees, to the subordination provisions contained in the Indenture and authorizes the Senior Subordinated Notes Trustee to give it effect and appoints the Senior Subordinated Notes Trustee as attorney-in-fact for such purpose.

10. Denominations; Transfer; Exchange

The Senior Subordinated Notes are in registered form without coupons in denominations of $1,000 and whole multiples of $1,000. A Senior Subordinated Noteholder may transfer or exchange Senior Subordinated Notes in accordance with the Indenture. Upon any transfer or exchange, the Registrar and the Senior Subordinated Notes Trustee may require a Senior Subordinated Noteholder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Senior Subordinated Notes selected for redemption (except, in the case of a Senior Subordinated Note to be redeemed in part, the portion of the Senior Subordinated Note not to be redeemed) or to transfer or exchange any Senior Subordinated Notes for a period of 15 days prior to a selection of Senior Subordinated Notes to be redeemed.

11. Persons Deemed Owners

The registered Senior Subordinated Noteholder of this Senior Subordinated Note may be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Senior Subordinated Notes Trustee or Paying Agent shall pay the money back to the Company at its written request unless an abandoned property law designates another Person. After any such payment, Senior Subordinated Noteholders entitled to the money must look only to the Company and not to the Senior Subordinated Notes Trustee for payment.

13. Discharge and Defeasance

Subject to certain conditions, the Company at any time may terminate some of or all its obligations under the Senior Subordinated Notes and the Indenture if the Company deposits with the Senior Subordinated Notes Trustee money or U.S. Government Obligations for the payment of principal and interest on the Senior Subordinated Notes to redemption or maturity, as the case may be.

14. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Senior Subordinated Notes may be amended without prior notice to any Senior Subordinated Noteholder but with the written consent of the Senior Subordinated Noteholders of at least a majority in aggregate principal amount of the outstanding Senior Subordinated Notes and (ii) any default or noncompliance with any provision may be waived with the written consent of the Senior Subordinated Noteholders of at least a majority in principal amount of the outstanding Senior Subordinated Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Senior Subordinated Noteholder of Senior Subordinated Notes, the Company and the Senior Subordinated Notes Trustee may amend the Indenture or the Senior Subordinated Notes (i) to cure any ambiguity, omission, defect or inconsistency; (ii) to comply with Article 5 of the Indenture; (iii) to provide for uncertificated Senior Subordinated Notes in addition to or in place of certificated Senior Subordinated Notes; (iv) to add additional Guarantees with respect to the Senior Subordinated Notes; (v) to secure the Senior Subordinated Notes; (vi) to add additional covenants of the Company for the benefit of the Senior Subordinated Noteholders or to surrender rights and powers conferred on the Company; (vii) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA; (viii) to make any change that does not adversely affect the rights of any Senior Subordinated Noteholder; (ix) to make any change in the subordination provisions of the Indenture that would limit or terminate the benefits available to any holder of Senior Indebtedness of the Company (or any representative thereof) under such subordination provisions; or (x) to provide for the issuance of the Senior Subordinated Exchange Notes, Private Senior Subordinated Exchange Notes, or Additional Senior Subordinated Notes.

15. Defaults and Remedies

If an Event of Default occurs (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company) and is continuing, the Senior Subordinated Notes Trustee or the Senior Subordinated Noteholders of at least 25% in principal amount of the outstanding Senior Subordinated Notes may declare the principal of and accrued but unpaid interest on all the Senior Subordinated Notes to be due and payable. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company occurs, the principal of and interest on all the Senior Subordinated Notes will become immediately due and payable without any declaration or other act on the part of the Senior Subordinated Notes Trustee or any Senior Subordinated Noteholders. Under certain circumstances, the Senior Subordinated Noteholders of a majority in principal amount of the outstanding Senior Subordinated Notes may rescind any such acceleration with respect to the Senior Subordinated Notes and its consequences.

If an Event of Default occurs and is continuing, the Senior Subordinated Notes Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Senior Subordinated Noteholders unless such Senior Subordinated Noteholders have offered to the Senior Subordinated Notes Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Senior Subordinated Noteholder may pursue any remedy with respect to the Indenture or the Senior Subordinated Notes unless (i) such Senior Subordinated Noteholder has previously given the Senior Subordinated Notes Trustee notice that an Event of Default is continuing, (ii) Senior Subordinated Noteholders of at least 25% in principal amount of the outstanding Senior Subordinated Notes have requested the Senior Subordinated Notes Trustee in writing to pursue the remedy, (iii) such Senior Subordinated Noteholders have offered the Senior Subordinated Notes Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Senior Subordinated Notes Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the Senior Subordinated Noteholders of a majority in principal amount of the outstanding Senior Subordinated Notes have not given the Senior Subordinated Notes Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the Senior Subordinated Noteholders of a majority in principal amount of the outstanding Senior Subordinated Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Senior Subordinated Notes Trustee or of exercising any trust or power conferred on the Senior Subordinated Notes Trustee. The Senior Subordinated Notes Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Senior Subordinated Notes Trustee determines is unduly prejudicial to the rights of any other Senior Subordinated Noteholder or that would involve the Senior Subordinated Notes Trustee in personal liability. Prior to taking any action under the Indenture, the Senior Subordinated Notes Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. Senior Subordinated Notes Trustee Dealings with the Company

Subject to certain limitations imposed by the TIA, the Senior Subordinated Notes Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Senior Subordinated Notes and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Senior Subordinated Notes Trustee.

17. No Recourse Against Others

A director, officer, employee or stockholder, as such, of the Company or Holdings shall not have any liability for any obligations of the Company under the Senior Subordinated Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Senior Subordinated Note, each Senior Subordinated Noteholder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Senior Subordinated Notes.

18. Authentication

This Senior Subordinated Note shall not be valid until an authorized signatory of the Senior Subordinated Notes Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Senior Subordinated Note.

19. Abbreviations

Customary abbreviations may be used in the name of a Senior Subordinated Noteholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. GOVERNING LAW

THIS SENIOR SUBORDINATED NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

21. CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Senior Subordinated Notes and has directed the Senior Subordinated Notes Trustee to use CUSIP numbers in notices of redemption as a convenience to Senior Subordinated Noteholders. No representation is made as to the accuracy of such numbers either as printed on the Senior Subordinated Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Senior Subordinated Noteholder of Senior Subordinated Notes upon written request and without charge to the Senior Subordinated Noteholder a copy of the Indenture which has in it the text of this Senior Subordinated Note.

ASSIGNMENT FORM

To assign this Senior Subordinated Note, fill in the form below:

I or we assign and transfer this Senior Subordinated Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Senior Subordinated Note on the books of the Company. The agent may substitute another to act for him.

_____

Date: _____ Your Signature: _____

_____

Sign exactly as your name appears on the other side of this Senior Subordinated Note.

CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR REGISTRATION OF
TRANSFER RESTRICTED SENIOR SUBORDINATED NOTES

This certificate relates to $_____ principal amount of Senior Subordinated Notes held in (check applicable space) ____ book-entry or _____ definitive form by the undersigned.

The undersigned (check one box below):

|_| has requested the Senior Subordinated Notes Trustee by written order to deliver in exchange for its beneficial interest in the Global Senior Subordinated Note held by the Depositary a Senior Subordinated Note or Senior Subordinated Notes in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Senior Subordinated Note (or the portion thereof indicated above);

|_| has requested the Senior Subordinated Notes Trustee by written order to exchange or register the transfer of a Senior Subordinated Note or Senior Subordinated Notes.

In connection with any transfer of any of the Senior Subordinated Notes evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that such Senior Subordinated Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) |_| to the Company; or

(2) |_| pursuant to an effective registration statement under the Securities Act of 1933; or

(3) |_| inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(4) |_| outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933; or

(5) |_| to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933) that has furnished to the Senior Subordinated Notes Trustee a signed letter containing certain representations and agreements; or

(6) |_| pursuant to another available exemption from registration provided by Rule 144 under the Securities Act of 1933.

Unless one of the boxes is checked, the Senior Subordinated Notes Trustee will refuse to register any of the Senior Subordinated Notes evidenced by this certificate in the name of any Person other than the registered holder thereof; provided, however, that if box (4), (5) or (6) is checked, the Senior Subordinated Notes Trustee may require, prior to registering any such transfer of the Senior Subordinated Notes, such legal opinions, certifications and other information as the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

_____
Your Signature

Signature Guarantee:

Date: _____ _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Senior Subordinated Notes Trustee

Signature of Signature Guarantee

TO BE COMPLETED BY PURCHASER IF (3) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Senior Subordinated Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____ _____

NOTICE: To be executed by an executive officer

[TO BE ATTACHED TO GLOBAL SENIOR SUBORDINATED NOTES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SENIOR SUBORDINATED NOTE

The initial principal amount of this Global Senior Subordinated Note is $[ ]. The following increases or decreases in this Global Senior Subordinated Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Senior Subordinated Note	Amount of increase in Principal Amount of this Global Senior Subordinated Note	Principal amount of this Global Senior Subordinated Note following such decrease or increase	Signature of authorized signatory of Senior Subordinated Notes Trustee or Senior Subordinated Notes Custodian

OPTION OF SENIOR SUBORDINATED NOTEHOLDER TO ELECT PURCHASE

If you want to elect to have this Senior Subordinated Note purchased by the Company pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, check the box:

Asset Sale |_| Change of Control |_|

If you want to elect to have only part of this Senior Subordinated Note purchased by the Company pursuant to Section 4.06 or 4.08 of the Indenture, state the amount:

$

Date: _____ Your Signature: _____
(Sign exactly as your name appears on the other side of the Senior Subordinated Note)

Signature Guarantee:_____
Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Senior Subordinated Notes Trustee

EXHIBIT B

[FORM OF FACE OF SENIOR SUBORDINATED EXCHANGE NOTE]

No. $_____

9 1/8% Senior Subordinated Note due 2008

CUSIP No. _____

WESCO Distribution, Inc., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum [of Dollars] [listed on the Schedule of Increases or Decreases in Global Senior Subordinated Note attached hereto](2) on June 1, 2008.

Interest Payment Dates: June 1 and December 1.

Record Dates: May 15 and November 15.

- - - - --------

(2) Use the Schedule of Increases and Decreases language if Note is in Global Form.

Additional provisions of this Senior Subordinated Note are set forth on the other side of this Senior Subordinated Note.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

WESCO DISTRIBUTION, INC.,

by

Name:
Title:

by

Name:
Title:

Dated:

SENIOR SUBORDINATED NOTES TRUSTEE'S CERTIFICATE OF AUTHENTICATION

BANK ONE, N.A.,

as Senior Subordinated Notes Trustee, certifies that this is one of the Senior Subordinated Notes referred to in the Indenture.

by

Authorized Signatory

- - - - ----------

*/ If the Senior Subordinated Note is to be issued in global form, add the Global Senior Subordinated Notes Legend and the attachment from Exhibit A captioned "TO BE ATTACHED TO GLOBAL SENIOR SUBORDINATED NOTES - SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SENIOR SUBORDINATED NOTE".

[FORM OF REVERSE SIDE OF SENIOR SUBORDINATED EXCHANGE NOTE]

9 1/8% Senior Subordinated Note due 2008

1. Interest.

WESCO DISTRIBUTION, INC., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company"), promises to pay interest on the principal amount of this Senior Subordinated Note at the rate per annum shown above. The Company will pay interest semiannually on June 1 and December 1 of each year. Interest on the Senior Subordinated Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from June 5, 1998. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. Method of Payment

The Company will pay interest on the Senior Subordinated Notes (except defaulted interest) to the Persons who are registered holders of Senior Subordinated Notes at the close of business on the May 15 or November 15 next preceding the interest payment date even if Senior Subordinated Notes are canceled after the record date and on or before the interest payment date. Senior Subordinated Noteholders must surrender Senior Subordinated Notes to a Paying Agent to collect principal payments. The Company will pay principal and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Senior Subordinated Notes represented by a Global Senior Subordinated Note (including principal, premium and interest) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company. The Company will make all payments in respect of a certificated Senior Subordinated Note (including principal, premium and interest), by mailing a check to the registered address of each Senior Subordinated Noteholder thereof; provided, however, that payments on the Senior Subordinated Notes may also be made, in the case of a Senior Subordinated Noteholder of at least $1,000,000 aggregate principal amount of Senior Subordinated Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Senior Subordinated Noteholder elects payment by wire transfer by giving written notice to the Senior Subordinated Notes Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Senior Subordinated Notes Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, Bank One, N.A., a national banking association (the "Senior Subordinated Notes Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co-registrar.

4. Indenture

The Company issued the Senior Subordinated Notes under an Indenture dated as of June 5, 1998 (the "Indenture"), among the Company, Holdings and the Senior Subordinated Notes Trustee. The terms of the Senior Subordinated Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. ss.ss. 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Senior Subordinated Notes are subject to all such terms, and Senior Subordinated Noteholders are referred to the Indenture and the TIA for a statement of those terms.

The Senior Subordinated Notes are senior subordinated unsecured obligations of the Company limited to $500 million aggregate principal amount at any one time outstanding, of which $300 million in aggregate principal amount will be initially issued on the Closing Date. Subject to the conditions set forth in the Indenture, the Company may issue up to an additional $200 million aggregate principal amount of Additional Senior Subordinated Notes. This Senior Subordinated Note is one of the Initial Senior Subordinated Notes referred to in the Indenture. The Senior Subordinated Notes include the Original Senior Subordinated Notes, the Additional Senior Subordinated Notes and any Senior Subordinated Exchange Notes and Private Senior Subordinated Exchange Notes issued in exchange for the Initial Senior Subordinated Notes pursuant to the Indenture. The Original Senior Subordinated Notes, the Additional Senior Subordinated Notes, the Senior Subordinated Exchange Notes and the Private Senior Subordinated Exchange Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of the Company and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens and make Asset Sales. The Indenture also imposes limitations on the ability of the Company to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of the property of the Company.

To guarantee the due and punctual payment of the principal and interest, if any, on the Senior Subordinated Notes and all other amounts payable by the Company under the Indenture and the Senior Subordinated Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Senior Subordinated Notes and the Indenture, Holdings has unconditionally guaranteed the Guaranteed Obligations on a senior subordinated basis pursuant to the terms of the Indenture.

5. Optional Redemption

Except as set forth in the following two paragraphs, the Senior Subordinated Notes will not be redeemable at the option of the Company prior to June 1, 2003. Thereafter, the Senior Subordinated Notes will be redeemable at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice, at the following redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest and liquidated damages (if any) to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest

payment date), if redeemed during the 12-month period commencing on June 1 of the years set forth below:

Year	Redemption Price
2003	104.563%
2004	103.042%
2005	101.521%
2006 and thereafter	100.000%

In addition, at any time and from time to time prior to June 1, 2001, the Company may redeem up to a maximum of 35% of the original aggregate principal amount of the Senior Subordinated Notes (calculated giving effect to any issuance of Additional Senior Subordinated Notes) with the Net Cash Proceeds of one or more Equity Offerings by (i) the Company or (ii) Holdings to the extent the Net Cash Proceeds thereof are (a) contributed to the Company as a capital contribution to the common equity of the Company or (b) used to purchase Capital Stock of the Company (in either case, other than Disqualified Stock), at a redemption price equal to 109.125% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages thereon, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that after giving effect to any such redemption, at least 65% of the original aggregate principal amount of the Senior Subordinated Notes (calculated giving effect to any issuance of Additional Senior Subordinated Notes) remains outstanding. Any such redemption shall be made within 120 days of such Equity Offering upon not less than 30 nor more than 60 days' notice mailed to each holder of Senior Subordinated Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

At any time prior to June 1, 2003, the Senior Subordinated Notes may be redeemed, in whole but not in part, at the option of the Company at any time within 180 days after a Change of Control, at a redemption price equal to the sum of (i) the principal amount thereof plus (ii) accrued and unpaid interest and liquidated damages, if any, to the redemption date (subject to the right of Senior Subordinated Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date that is on or prior to the date of redemption) plus (iii) the Applicable Premium.

6. Sinking Fund

The Senior Subordinated Notes are not subject to any sinking fund.

7. Notice of Redemption

Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each Senior Subordinated Noteholder of Senior Subordinated Notes to be redeemed at his or her registered address. Senior Subordinated Notes in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued interest on all Senior Subordinated Notes (or portions thereof) to be redeemed on the redemption date is deposited with the Paying Agent on or before the redemption date and

certain other conditions are satisfied, on and after such date interest ceases to accrue on such Senior Subordinated Notes (or such portions thereof) called for redemption.

8. Repurchase of Senior Subordinated Notes at the Option of Senior Subordinated Noteholders upon Change of Control

Upon a Change of Control, any Senior Subordinated Noteholder of Senior Subordinated Notes will have the right, subject to certain conditions specified in the Indenture, to cause the Company to repurchase all or any part of the Senior Subordinated Notes of such Senior Subordinated Noteholder at a purchase price equal to 101% of the principal amount of the Senior Subordinated Notes to be repurchased plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Senior Subordinated Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date) as provided in, and subject to the terms of, the Indenture.

9. Subordination

The Senior Subordinated Notes are subordinated to Senior Indebtedness of the Company, as defined in the Indenture. To the extent provided in the Indenture, Senior Indebtedness of the Company must be paid before the Senior Subordinated Notes may be paid. The Company and Holdings agrees, and each Senior Subordinated Noteholder by accepting a Senior Subordinated Note agrees, to the subordination provisions contained in the Indenture and authorizes the Senior Subordinated Notes Trustee to give it effect and appoints the Senior Subordinated Notes Trustee as attorney-in-fact for such purpose.

10. Denominations; Transfer; Exchange

The Senior Subordinated Notes are in registered form without coupons in denominations of $1,000 and whole multiples of $1,000. A Senior Subordinated Noteholder may transfer or exchange Senior Subordinated Notes in accordance with the Indenture. Upon any transfer or exchange, the Registrar and the Senior Subordinated Notes Trustee may require a Senior Subordinated Noteholder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Senior Subordinated Notes selected for redemption (except, in the case of a Senior Subordinated Note to be redeemed in part, the portion of the Senior Subordinated Note not to be redeemed) or to transfer or exchange any Senior Subordinated Notes for a period of 15 days prior to a selection of Senior Subordinated Notes to be redeemed or 15 days before an interest payment date.

11. Persons Deemed Owners

The registered Senior Subordinated Noteholder of this Senior Subordinated Note may be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Senior Subordinated Notes Trustee or Paying Agent shall pay the money back to

the Company at its written request unless an abandoned property law designates another Person. After any such payment, Senior Subordinated Noteholders entitled to the money must look only to the Company and not to the Senior Subordinated Notes Trustee for payment.

13. Discharge and Defeasance

Subject to certain conditions, the Company at any time may terminate some of or all its obligations under the Senior Subordinated Notes and the Indenture if the Company deposits with the Senior Subordinated Notes Trustee money or U.S. Government Obligations for the payment of principal and interest on the Senior Subordinated Notes to redemption or maturity, as the case may be.

14. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Senior Subordinated Notes may be amended without prior notice to any Senior Subordinated Noteholder but with the written consent of the Senior Subordinated Noteholders of at least a majority in aggregate principal amount of the outstanding Senior Subordinated Notes and (ii) any default or noncompliance with any provision may be waived with the written consent of the Senior Subordinated Noteholders of at least a majority in principal amount of the outstanding Senior Subordinated Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Senior Subordinated Noteholder of Senior Subordinated Notes, the Company and the Senior Subordinated Notes Trustee may amend the Indenture or the Senior Subordinated Notes (i) to cure any ambiguity, omission, defect or inconsistency; (ii) to comply with Article 5 of the Indenture; (iii) to provide for uncertificated Senior Subordinated Notes in addition to or in place of certificated Senior Subordinated Notes; (iv) to add additional Guarantees with respect to the Senior Subordinated Notes; (v) to secure the Senior Subordinated Notes; (vi) to add additional covenants of the Company for the benefit of the Senior Subordinated Noteholders or to surrender rights and powers conferred on the Company; (vii) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA; (viii) to make any change that does not adversely affect the rights of any Senior Subordinated Noteholder; (ix) to make any change in the subordination provisions of the Indenture that would limit or terminate the benefits available to any holder of Senior Indebtedness of the Company (or any representative thereof) under such subordination provisions; or (x) to provide for the issuance of the Senior Subordinated Exchange Notes, Private Senior Subordinated Exchange Notes, or Additional Senior Subordinated Notes.

15. Defaults and Remedies

If an Event of Default occurs (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company) and is continuing, the Senior Subordinated Notes Trustee or the Senior Subordinated Noteholders of at least 25% in principal amount of the outstanding Senior Subordinated Notes may declare the principal of and accrued but unpaid interest on all the Senior Subordinated Notes to be due and payable. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company occurs, the principal of and interest on all the Senior Subordinated Notes will become immediately due and payable without any declaration or other act on the part of the Senior Subordinated Notes Trustee or any Senior Subordinated Noteholders. Under certain circumstances, the Senior Subordinated

Noteholders of a majority in principal amount of the outstanding Senior Subordinated Notes may rescind any such acceleration with respect to the Senior Subordinated Notes and its consequences.

If an Event of Default occurs and is continuing, the Senior Subordinated Notes Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Senior Subordinated Noteholders unless such Senior Subordinated Noteholders have offered to the Senior Subordinated Notes Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Senior Subordinated Noteholder may pursue any remedy with respect to the Indenture or the Senior Subordinated Notes unless (i) such Senior Subordinated Noteholder has previously given the Senior Subordinated Notes Trustee notice that an Event of Default is continuing, (ii) Senior Subordinated Noteholders of at least 25% in principal amount of the outstanding Senior Subordinated Notes have requested the Senior Subordinated Notes Trustee in writing to pursue the remedy, (iii) such Senior Subordinated Noteholders have offered the Senior Subordinated Notes Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Senior Subordinated Notes Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the Senior Subordinated Noteholders of a majority in principal amount of the outstanding Senior Subordinated Notes have not given the Senior Subordinated Notes Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the Senior Subordinated Noteholders of a majority in principal amount of the outstanding Senior Subordinated Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Senior Subordinated Notes Trustee or of exercising any trust or power conferred on the Senior Subordinated Notes Trustee. The Senior Subordinated Notes Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Senior Subordinated Notes Trustee determines is unduly prejudicial to the rights of any other Senior Subordinated Noteholder or that would involve the Senior Subordinated Notes Trustee in personal liability. Prior to taking any action under the Indenture, the Senior Subordinated Notes Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. Senior Subordinated Notes Trustee Dealings with the Company

Subject to certain limitations imposed by the TIA, the Senior Subordinated Notes Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Senior Subordinated Notes and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Senior Subordinated Notes Trustee.

17. No Recourse Against Others

A director, officer, employee or stockholder, as such, of the Company or Holdings shall not have any liability for any obligations of the Company under the Senior Subordinated Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Senior Subordinated Note, each Senior Subordinated Noteholder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Senior Subordinated Notes.

18. Authentication

This Senior Subordinated Note shall not be valid until an authorized signatory of the Senior Subordinated Notes Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Senior Subordinated Note.

19. Abbreviations

Customary abbreviations may be used in the name of a Senior Subordinated Noteholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. GOVERNING LAW

THIS SENIOR SUBORDINATED NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

21. CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Senior Subordinated Notes and has directed the Senior Subordinated Notes Trustee to use CUSIP numbers in notices of redemption as a convenience to Senior Subordinated Noteholders. No representation is made as to the accuracy of such numbers either as printed on the Senior Subordinated Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Senior Subordinated Noteholder of Senior Subordinated Notes upon written request and without charge to the Senior Subordinated Noteholder a copy of the Indenture which has in it the text of this Senior Subordinated Note.

ASSIGNMENT FORM

To assign this Senior Subordinated Note, fill in the form below:

I or we assign and transfer this Senior Subordinated Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Senior Subordinated Note on the books of the Company. The agent may substitute another to act for him.

Date: _____ Your Signature: _____

Sign exactly as your name appears on the other side of this Senior Subordinated Note. Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Senior Subordinated Notes Trustee.

OPTION OF SENIOR SUBORDINATED NOTEHOLDER TO ELECT PURCHASE

If you want to elect to have this Senior Subordinated Note purchased by the Company pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, check the box:

Asset Sale |_| Change of Control |_|

If you want to elect to have only part of this Senior Subordinated Note purchased by the Company pursuant to Section 4.06 or 4.08 of the Indenture, state the amount:

$

Date: _____ Your Signature: _____
(Sign exactly as your name appears on the other side of the Senior Subordinated Note)

Signature Guarantee:_____
Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Senior Subordinated Notes Trustee.

EXHIBIT C

Form of
Transferee Letter of Representation

WESCO Distribution, Inc.

In care of
Bank One, N.A.
Bank One Trust Company, N.A.
c/o First Chicago Trust Company
14 Wall Street
8th Floor, Suite 4607
New York, NY 10002

Ladies and Gentlemen:

This certificate is delivered to request a transfer of $ principal amount of the 9 1/8% Senior Subordinated Notes due 2008 (the "Senior Subordinated Notes") of WESCO Distribution, Inc. (the "Company").

Upon transfer, the Senior Subordinated Notes would be registered in the name of the new beneficial owner as follows:

Name:_____

Address:_____

Taxpayer ID Number:_____

The undersigned represents and warrants to you that:

1. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the "Securities Act")) purchasing for our own account or for the account of such an institutional "accredited investor" at least $250,000 principal amount of the Senior Subordinated Notes, and we are acquiring the Senior Subordinated Notes not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Senior Subordinated Notes, and we invest in or purchase Senior Subordinated Notes similar to the Senior Subordinated Notes in the normal course of our business. We, and any accounts for which we are acting, are each able to bear the economic risk of our or its investment.

2. We understand that the Senior Subordinated Notes have not been registered under the Securities Act and, unless so registered, may not be sold except as permitted in the following sentence. We agree on our own behalf and on behalf of any investor account for which we are purchasing Senior Subordinated Notes to offer, sell or otherwise transfer such Senior Subordinated Notes prior to the date that is two years after the

later of the date of original issue and the last date on which the Company or any affiliate of the Company was the owner of such Senior Subordinated Notes (or any predecessor thereto) (the "Resale Restriction Termination Date") only (a) to the Company, (b) pursuant to a registration statement that has been declared effective under the Securities Act, (c) in a transaction complying with the requirements of Rule 144A under the Securities Act ("Rule 144A"), to a person we reasonably believe is a qualified institutional investor under Rule 144A (a "QIB") that purchases for its own account or for the account of a QIB and to whom notice is given that the transfer is being made in reliance on Rule 144A, (d) pursuant to offers and sales that occur outside the United States within the meaning of Regulation S under the Securities Act, (e) to an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act that is purchasing for its own account or for the account of such an institutional "accredited investor," in each case in a minimum principal amount of Notes of $250,000, or (f) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of our property or the property of such investor account or accounts be at all times within our or their control and in compliance with any applicable state securities laws. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. If any resale or other transfer of the Notes is proposed to be made pursuant to clause (e) above prior to the Resale Restriction Termination Date, the transferor shall deliver a letter from the transferee substantially in the form of this letter to the Company and the Senior Subordinated Notes Trustee, which shall provide, among other things, that the transferee is an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act and that it is acquiring such Senior Subordinated Notes for investment purposes and not for distribution in violation of the Securities Act. Each purchaser acknowledges that the Company and the Senior Subordinated Notes Trustee reserve the right prior to the offer, sale or other transfer prior to the Resale Termination Date of the Senior Subordinated Notes pursuant to clause (d), (e) or (f) above to require the delivery of an opinion of counsel, certifications or other information satisfactory to the Company and the Senior Subordinated Notes Trustee.

TRANSFEREE:_____,

by:_____

EXHIBIT 4.4

WESCO DISTRIBUTION, INC.

$300,000,000

9-1/8% Senior Subordinated Notes due 2008

EXCHANGE AND REGISTRATION RIGHTS AGREEMENT

June 5, 1998

CHASE SECURITIES INC.
LEHMAN BROTHERS INC.
c/o Chase Securities Inc.
270 Park Avenue, 4th floor
New York, New York 10017

Ladies and Gentlemen:

WESCO Distribution, Inc., a Delaware corporation (the "Company"), proposes to issue and sell to Chase Securities Inc. ("CSI") and Lehman Brothers Inc. (together with CSI, the "Initial Purchasers"), upon the terms and subject to the conditions set forth in a purchase agreement dated May 29, 1998 (the "Purchase Agreement"), $300,000,000 aggregate principal amount of its 9-1/8% Senior Subordinated Notes due 2008 (the "Senior Subordinated Notes") to be guaranteed on an unsecured senior subordinated basis by WESCO International, Inc. ("Holdings"). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase Agreement.

As an inducement to the Initial Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to the obligations of the Initial Purchasers thereunder, the Company and Holdings agree with the Initial Purchasers, for the benefit of the holders (including the Initial Purchasers) of the Senior Subordinated Notes, the Senior Subordinated Exchange Notes (as defined herein) and the Private Senior Subordinated Exchange Notes (as defined herein) (collectively, the "Holders"), as follows:

1. Senior Subordinated Notes Registered Exchange Offer. The Company and Holdings shall (i) prepare and, not later than 90 days following the date of original issuance of the Senior Subordinated Notes (the "Senior Subordinated Notes Issue Date"), file with the Commission a registration statement (the "Senior Subordinated Notes Exchange Offer Registration Statement") on an appropriate form under the Securities Act with respect to a proposed offer to the Holders of the Senior Subordinated Notes (the "Senior Subordinated Notes Registered Exchange Offer") to issue and deliver to such Holders, in exchange for the Senior Subordinated Notes, a like aggregate principal amount of debt securities of the Company (the "Senior Subordinated Exchange Notes") that are identical in all material respects to the Senior Subordinated Notes, except for the transfer restrictions relating to the Senior Subordinated Notes, (ii) use their reasonable best efforts to cause the Senior Subordinated Notes Exchange Offer Registration Statement to become effective under the Securities Act no later than 200 days after the Senior Subordinated Notes Issue Date and the Senior Subordinated Notes Registered Exchange Offer to be consummated no later than 230 days after the Senior Subordinated Notes Issue Date and (iii) keep the Senior Subordinated Notes Exchange Offer Registration Statement effective for not less than 20 business days (or longer, if required by applicable law) after the date on which notice of the Senior Subordinated Notes Registered Exchange Offer is mailed to the Holders (such period being called the "Senior Subordinated Notes Exchange Offer Registration Period"). The Senior Subordinated Exchange Notes will be issued under the Senior Subordinated Notes Indenture or an indenture (the "Senior Subordinated Exchange Notes Indenture") among the Company, Holdings and the Senior Subordinated Notes Trustee or such other bank or trust company that is reasonably satisfactory to the Initial Purchasers, as trustee (the "Senior Subordinated Exchange Notes Trustee"), such

indenture to be identical in all material respects to the Senior Subordinated Notes Indenture, except for the transfer restrictions relating to the Senior Subordinated Notes (as described above).

Upon the effectiveness of the Senior Subordinated Notes Exchange Offer Registration Statement, the Company shall promptly commence the Senior Subordinated Notes Registered Exchange Offer, it being the objective of such Senior Subordinated Notes Registered Exchange Offer to enable each Holder electing to exchange Senior Subordinated Notes for Senior Subordinated Exchange Notes (assuming that such Holder (a) is not an affiliate of the Company or a Senior Subordinated Notes Exchanging Dealer (as defined herein) not complying with the requirements of the next sentence, (b) is not an Initial Purchaser holding Senior Subordinated Notes that have, or that are reasonably likely to have, the status of an unsold allotment in an initial distribution, (c) acquires the Senior Subordinated Exchange Notes in the ordinary course of such Holder's business and (d) has no arrangements or understandings with any person to participate in the distribution of the Senior Subordinated Exchange Notes) and to trade such Senior Subordinated Exchange Notes from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the securities laws of the several states of the United States. The Company, Holdings, the Initial Purchasers and each Senior Subordinated Notes Exchanging Dealer acknowledge that, pursuant to current interpretations by the Commission's staff of Section 5 of the Securities Act, each Holder that is a broker-dealer electing to exchange Senior Subordinated Notes, acquired for its own account as a result of market-making activities or

other trading activities, for Senior Subordinated Exchange Notes (a "Senior Subordinated Notes Exchanging Dealer"), is required to deliver a prospectus containing substantially the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution" section of such prospectus in connection with a sale of any such Senior Subordinated Exchange Notes received by such Senior Subordinated Notes Exchanging Dealer pursuant to the Senior Subordinated Notes Registered Exchange Offer.

If, prior to the consummation of the Senior Subordinated Notes Registered Exchange Offer, any Holder holds any Senior Subordinated Notes acquired by it that have, or that are reasonably likely to be determined to have, the status of an unsold allotment in an initial distribution, or any Holder is not entitled to participate in the Senior Subordinated Notes Registered Exchange Offer, the Company shall, upon the request of any such Holder, simultaneously with the delivery of the Senior Subordinated Exchange Notes in the Senior Subordinated Notes Registered Exchange Offer, issue and deliver to any such Holder, in exchange for the Senior Subordinated Notes held by such Holder (the "Senior Subordinated Notes Private Exchange"), a like aggregate principal amount of debt securities of the Company (the "Private Senior Subordinated Exchange Notes") that are identical in all material respects to the Senior Subordinated Exchange Notes, except for the transfer restrictions relating to such Private Senior Subordinated Exchange Notes. The Private Senior Subordinated Exchange Notes will be issued under the same indenture as the Senior Subordinated Exchange Notes, and the Company shall use its reasonable best efforts to cause the Private Senior Subordinated Exchange Notes to bear the same CUSIP number as the Senior Subordinated Exchange Notes.

In connection with the Senior Subordinated Notes Registered Exchange Offer, the Company shall:

(a) mail to each Holder a copy of the prospectus forming part of the Senior Subordinated Notes Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) keep the Senior Subordinated Notes Registered Exchange Offer open for not less than 20 business days (or longer, if required by applicable law) after the date on which notice of the Senior Subordinated Notes Registered Exchange Offer is mailed to the Holders;

(c) utilize the services of a depositary for the Senior Subordinated Notes Registered Exchange Offer with an address in the Borough of Manhattan, The City of New York;

(d) permit Holders to withdraw tendered Senior Subordinated Notes at any time prior to the close of business, New York City time, on the last business day on which the Senior Subordinated Notes Registered Exchange Offer shall remain open; and

(e) otherwise comply in all respects with all laws that are applicable to the Senior Subordinated Notes Registered Exchange Offer.

As soon as practicable after the close of the Senior Subordinated Notes Registered Exchange Offer and any Senior Subordinated Notes Private Exchange, as the case may be, the Company shall:

(a) accept for exchange all Senior Subordinated Notes tendered and not validly withdrawn pursuant to the Senior Subordinated Notes Registered Exchange Offer and the Senior Subordinated Notes Private Exchange;

(b) deliver to the Senior Subordinated Notes Trustee for cancelation all Senior Subordinated Notes so accepted for exchange; and

(c) cause the Senior Subordinated Notes Trustee or the Senior Subordinated Exchange Notes Trustee, as the case may be, promptly to authenticate and deliver to each Holder, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes, as the case may be, equal in principal amount to the Senior Subordinated Notes of such Holder so accepted for exchange.

The Company shall use its reasonable best efforts to keep the Senior Subordinated Notes Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein in order to permit such prospectus to be used by all persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such persons must comply with such requirements in order to resell the Senior Subordinated Exchange Notes; provided that (i) in the case where such prospectus and any amendment or supplement thereto must be delivered by a Senior Subordinated Notes Exchanging Dealer, such period shall be the lesser of 180 days and the date on which all Senior Subordinated Notes Exchanging Dealers have sold all Senior Subordinated Exchange Notes held by them and (ii) the Company shall make such prospectus and any amendment or supplement thereto available to any broker-dealer for use in connection with any resale of any Senior Subordinated Exchange Notes for a period of not less than 180 days after the consummation of the Senior Subordinated Notes Registered Exchange Offer.

The Senior Subordinated Notes Indenture or the Senior Subordinated Exchange Notes Indenture, as the case may be, shall provide that the Senior Subordinated Notes, the Senior Subordinated Exchange Notes and the Private Senior Subordinated Exchange Notes shall vote and consent together on all matters as one class and that none of the Senior Subordinated Notes, the Senior Subordinated Exchange Notes or the Private Senior Subordinated Exchange Notes will have the right to vote or consent as a separate class on any matter.

Interest on each Senior Subordinated Exchange Note and Private Senior Subordinated Exchange Note issued pursuant to the Senior Subordinated Notes Registered Exchange Offer and in the Senior Subordinated Notes Private Exchange will accrue from the last interest payment date on which interest was paid on the Senior Subordinated Notes surrendered in exchange therefor or, if no interest has been paid on the Senior Subordinated Notes, from the Senior Subordinated Notes Issue Date.

Each Holder participating in the Senior Subordinated Notes Registered Exchange Offer shall be required to represent to the Company that at the time of the consummation of the Senior Subordinated Notes Registered Exchange Offer (i) any Senior Subordinated Exchange Notes received by such Holder will be acquired in the ordinary course of business, (ii) such Holder will have no arrangements or understandings with any person to participate in the distribution of the Senior Subordinated Notes or the Senior Subordinated Exchange Notes within the meaning of the Securities Act and (iii) such Holder is not an affiliate of the Company or, if it is such an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

Notwithstanding any other provisions hereof, the Company and Holdings will ensure that (i) any Senior Subordinated Notes Exchange Offer Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations of the Commission thereunder, (ii) any Senior Subordinated Notes Exchange Offer Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of any Senior Subordinated Notes Exchange Offer Registration Statement, and any supplement to such prospectus, does not, as of the consummation of the Senior Subordinated Notes Registered Exchange Offer, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2. Shelf Registration. If (i) because of any change in law or applicable interpretations thereof by the Commission's staff the Company is not permitted to effect the Senior Subordinated Notes Registered Exchange Offer as contemplated by Section 1 hereof, or (ii) any Senior Subordinated Notes validly tendered pursuant to the Senior Subordinated Notes Registered Exchange Offer are not exchanged for Senior Subordinated Exchange Notes within 230 days after the Senior Subordinated Notes Issue Date, or (iii) any Initial Purchaser so requests with respect to Senior Subordinated Notes or Private Senior Subordinated Exchange Notes not eligible to be exchanged for Senior Subordinated Exchange Notes in the Senior Subordinated Notes Registered Exchange Offer and held by it following the consummation of the Senior Subordinated Notes Registered Exchange Offer, or (iv) any applicable law or interpretations do not permit any Holder to participate in the Senior Subordinated Notes Registered Exchange Offer, or (v) any Holder that participates in the Senior Subordinated Notes Registered Exchange Offer does not receive freely transferable Senior Subordinated Exchange Notes in exchange for tendered Senior Subordinated Notes, or (vi) the Company so elects, then the following provisions shall apply:

(a) The Company and Holdings shall use their reasonable best efforts to file as promptly as practicable with the Commission, and thereafter shall use their reasonable best efforts to cause to be declared effective, a shelf registration statement on an appropriate form under the Securities Act relating to the offer and sale of the Transfer Restricted Securities (as defined below) by the Holders thereof from time to time in accordance with the methods of distribution set forth in such registration statement (hereafter, a "Senior Subordinated Notes Shelf Registration Statement" and, together with any Senior Subordinated Notes Exchange Offer Registration Statement, a "Senior Subordinated Notes Registration Statement").

(b) The Company and Holdings shall use their reasonable best efforts to keep the Senior Subordinated Notes Shelf Registration Statement continuously effective in order to permit the prospectus forming part thereof to be used by Holders of Transfer Restricted Securities for a period ending on the earlier of (i) two years from the Senior Subordinated Notes Issue Date or such shorter period that will terminate when all the Transfer Restricted Securities covered by the Senior Subordinated Notes Shelf Registration Statement have been sold pursuant thereto and (ii) the date on which the Senior Subordinated Notes become eligible for resale without volume restrictions pursuant to Rule 144 under the Securities Act (in any such case, such period being called the "Shelf

Registration Period"). The Company and Holdings shall be deemed not to have used their reasonable best efforts to keep the Senior Subordinated Notes Shelf Registration Statement effective during the requisite period if any of them voluntarily take any action that would result in Holders of Transfer Restricted Securities covered thereby not being able to offer and sell such Transfer Restricted Securities during that period, unless (A) such action is required by applicable law or (B) such action was permitted by Section 3(b).

(c) Notwithstanding any other provisions hereof, the Company and Holdings will ensure that (i) any Senior Subordinated Notes Shelf Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations of the Commission thereunder, (ii) any Senior Subordinated Notes Shelf Registration Statement and any amendment thereto (in either case, other than with respect to information included therein in reliance upon or in conformity with written information furnished to the Company by or on behalf of any Holder specifically for use therein (the "Holders' Information")) does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of any Senior Subordinated Notes Shelf Registration Statement, and any supplement to such prospectus (in either case, other than with respect to Holders' Information), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

3. Liquidated Damages. (a) The parties hereto agree that the Holders of Transfer Restricted Securities will suffer damages if the Company and Holdings fail to fulfill their obligations under Section 1 or Section 2, as applicable, and that it would not be feasible to ascertain the extent of such damages. Accordingly, if (i) the applicable Senior Subordinated Notes Registration Statement is not filed with the Commission on or prior to 90 days after the Senior Subordinated Notes Issue Date (or, in the case of a Senior Subordinated Notes Shelf Registration Statement required to be filed in response to a change in law or applicable interpretations of the Commission's staff, if later, within 45 days after publication of the change in law or interpretations, but in no event before 90 days after the Senior Subordinated Notes Issue Date), (ii) the Senior Subordinated Notes Exchange Offer Registration Statement or the Senior Subordinated Notes Shelf Registration Statement, as the case may be, is not declared effective within 200 days after the Senior Subordinated Notes Issue Date (or in the case of a Senior Subordinated Notes Shelf Registration Statement required to be filed in response to a change in law or the applicable interpretations of Commission's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 200 days after the Senior Subordinated Notes Issue Date), (iii) the Senior Subordinated Notes Registered Exchange Offer is not consummated on or prior to 230 days after the Senior Subordinated Notes Issue Date (other than in the event the Company files a Senior Subordinated Notes Shelf Registration Statement), or (iv) the Senior Subordinated Notes Shelf Registration Statement is filed and declared effective within 200 days after the Senior Subordinated Notes Issue Date (or in the case of a Senior Subordinated Notes Shelf Registration Statement required to be filed in response to a change in law or the applicable interpretations of Commission's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 200 days after the Senior Subordinated Notes Issue Date) but shall thereafter cease to be effective (at any time that the Company is obligated to maintain the effectiveness thereof) without being succeeded within 90 days by an additional Senior Subordinated Notes Registration Statement filed and declared effective (each such event referred to in clauses (i) through (iv), a "Registration Default"), the Company and Holdings will be jointly and severally obligated to pay liquidated damages to each Holder of Transfer Restricted Securities, during the period of one or more such Registration Defaults, in an amount equal to $ 0.192 per week per $1,000 principal amount of Transfer Restricted Securities held by such Holder until (i) the applicable Senior Subordinated Notes Registration Statement is filed, (ii) the Senior Subordinated Notes Exchange Offer Registration Statement is declared effective and the Senior Subordinated Notes Registered Exchange Offer is consummated, (iii) the Senior Subordinated Notes Shelf Registration Statement is declared effective or (iv) the Senior Subordinated Notes Shelf

Registration Statement again becomes effective, as the case may be. Following the cure of all Registration Defaults, the accrual of liquidated damages will cease. As used herein, the term "Transfer Restricted Securities" means (i) each Senior Subordinated Note until the date on which such Senior Subordinated Note has been exchanged for a freely transferable Senior Subordinated Exchange Note in the Senior Subordinated Notes Registered Exchange Offer, (ii) each Senior Subordinated Note or Private Senior Subordinated Exchange Note until the date on which it has been effectively registered under the Securities Act and disposed of in accordance with the Senior Subordinated Notes Shelf Registration Statement or (iii) each Senior Subordinated Note or Private Senior Subordinated Exchange Note until the date on which it is distributed to the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act. Notwithstanding anything to the contrary in this Section 3(a), the Company shall not be required to pay liquidated damages to a Holder of Transfer Restricted Securities if such Holder failed to comply with its obligations to make the representations set forth in the second to last paragraph of Section 1 or failed to provide the information required to be provided by it, if any, pursuant to Section 4(n).

(b) Notwithstanding the foregoing provisions of Section 3(a), the Company may issue a notice that the Senior Subordinated Notes Shelf Registration Statement is unusable pending the announcement of a material development or event and may issue any notice suspending use of the Senior Subordinated Notes Shelf Registration Statement required under applicable securities laws to be issued and, in the event that the aggregate number of days in any consecutive twelve-month period for which all such notices are issued and effective exceeds 45 days in the aggregate, then the Company will be obligated to pay liquidated damages to each Holder of Transfer Restricted Securities in an amount equal to $0.192 per week per $1,000 principal amount of Transfer Restricted Securities held by such Holder. Upon the Company declaring that the Senior Subordinated Notes Shelf Registration Statement is usable after the period of time described in the preceding sentence the accrual of liquidated damages shall cease; provided, however, that if after any such cessation of the accrual of liquidated damages the Senior Subordinated Notes Shelf Registration Statement again ceases to be usable beyond the period permitted above, liquidated damages will again accrue pursuant to the foregoing provisions.

(c) The Company shall notify the Senior Subordinated Notes Trustee and the Paying Agent under the Senior Subordinated Notes Indenture immediately upon the happening of each and every Registration Default. The Company and Holdings shall pay the liquidated damages due on the Transfer Restricted Securities by depositing with the Paying Agent (which may not be the Company for these purposes), in trust, for the benefit of the Holders thereof, prior to 10:00 a.m., New York City time, on the next interest payment date specified by the Senior Subordinated Notes Indenture and the Senior Subordinated Notes, sums sufficient to pay the liquidated damages then due. The liquidated damages due shall be payable on each interest payment date specified by the Senior Subordinated Notes Indenture and the Senior Subordinated Notes to the record holder entitled to receive the interest payment to be made on such date. Each obligation to pay liquidated damages shall be deemed to accrue from and including the date of the applicable Registration Default.

(d) The parties hereto agree that the liquidated damages provided for in this Section 3 constitute a reasonable estimate of and are intended to constitute the sole damages that will be suffered by Holders of Transfer Restricted Securities by reason of the failure of (i) the Senior Subordinated Notes Shelf Registration Statement or the Senior Subordinated Notes Exchange Offer Registration Statement to be filed, (ii) the Senior Subordinated Notes Shelf Registration Statement to remain effective or (iii) the Senior Subordinated Notes Exchange Offer Registration Statement to be declared effective and the Senior Subordinated Notes Registered Exchange Offer to be consummated, in each case to the extent required by this Agreement.

4. Registration Procedures. In connection with any Senior Subordinated Notes Registration Statement, the following provisions shall apply:

(a) The Company shall (i) furnish to each Initial Purchaser, prior to the filing thereof with the Commission, a copy of the Senior Subordinated Notes Registration Statement and each amendment thereof and each supplement, if any, to the prospectus included therein; (ii) include the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution" section of the prospectus forming a part of the Senior Subordinated Notes Exchange Offer Registration Statement, and include the information set forth in Annex D hereto in the Letter of Transmittal delivered pursuant to the Senior Subordinated Notes Registered Exchange Offer; and (iii) if requested by any Initial Purchaser, include the information required by Items 507 or 508 of Regulation S-K, as applicable, in the prospectus forming a part of the Senior Subordinated Notes Exchange Offer Registration Statement.

(b) The Company shall advise each Initial Purchaser, each Senior Subordinated Notes Exchanging Dealer and the Holders (if applicable) and, if requested by any such person, confirm such advice in writing (which advice pursuant to clauses (ii)-(v) hereof shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made):

(i) when any Senior Subordinated Notes Registration Statement and any amendment thereto has been filed with the Commission and when such Senior Subordinated Notes Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for amendments or supplements to any Senior Subordinated Notes Registration Statement or the prospectus included therein or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of any Senior Subordinated Notes Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Senior Subordinated Notes, the Senior Subordinated Exchange Notes or the Private Senior Subordinated Exchange Notes for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires the making of any changes in any Senior Subordinated Notes Registration Statement or the prospectus included therein in order that the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) The Company and Holdings will make every reasonable effort to obtain the withdrawal at the earliest possible time of any order suspending the effectiveness of any Senior Subordinated Notes Registration Statement.

(d) The Company will furnish to each Holder of Transfer Restricted Securities included within the coverage of any Senior Subordinated Notes Shelf Registration Statement, without charge, at least one conformed copy of such Senior Subordinated Notes Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules and, if any such Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference).

(e) The Company will, during the Shelf Registration Period, promptly deliver to each Holder of Transfer Restricted Securities included within the coverage of any Senior Subordinated Notes Shelf Registration Statement, without charge, as many copies of the prospectus (including each preliminary prospectus) included in such Senior Subordinated Notes Shelf Registration Statement and any amendment or supplement thereto as such Holder may reasonably request; and the Company consents to the use of such prospectus or any amendment or supplement thereto by each of the selling Holders of Transfer Restricted Securities in connection with the offer and sale of the Transfer Restricted Securities covered by such prospectus or any amendment or supplement thereto.

(f) The Company will, during the period not exceeding 180 days following the expiration of the Senior Subordinated Notes Registered Exchange Offer, furnish to each Initial Purchaser and each Senior Subordinated Notes Exchanging Dealer, and to any other Holder who so requests, without charge, at least one conformed copy of the Senior Subordinated Notes Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules and, if any Initial Purchaser or Senior Subordinated Notes Exchanging Dealer or any such Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference).

(g) The Company will, during the Senior Subordinated Notes Exchange Offer Registration Period or the Shelf Registration Period, as applicable, promptly deliver to each Initial Purchaser, each Senior Subordinated Notes Exchanging Dealer and such other persons that are required to deliver a prospectus following the Senior Subordinated Notes Registered Exchange Offer, without charge, as many copies of the final prospectus included in the Senior Subordinated Notes Exchange Offer Registration Statement or the Senior Subordinated Notes Shelf Registration Statement and any amendment or supplement thereto as such Initial Purchaser, Senior Subordinated Notes Exchanging Dealer or other persons may reasonably request; and the Company and Holdings consent to the use of such prospectus or any amendment or supplement thereto by any such Initial Purchaser, Senior Subordinated Notes Exchanging Dealer or other persons, as applicable, as aforesaid.

(h) Prior to the effective date of any Senior Subordinated Notes Registration Statement, the Company and Holdings will use their reasonable best efforts to register or qualify, or cooperate with the Holders of Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes included therein and their respective counsel in connection with the registration or qualification of, such Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes for offer and sale under the securities or blue sky laws of such jurisdictions as any such Holder reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes covered by such Senior Subordinated Notes Registration Statement; provided that the Company and Holdings will not be required to qualify generally to do business in any jurisdiction where they are not then so qualified or to take any action which would subject them to general service of process or to taxation in any such jurisdiction where they are not then so subject.

(i) The Company and Holdings will cooperate with the Holders of Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes to facilitate the timely preparation and delivery of certificates representing Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes to be sold pursuant to any Senior Subordinated Notes Registration Statement free of any restrictive legends and in such denominations and registered in such names as the Holders thereof may request in writing prior to sales of Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior

Subordinated Exchange Notes pursuant to such Senior Subordinated Notes Registration Statement.

(j) If any event contemplated by Section 4(b)(ii) through (v) occurs during the period for which the Company and Holdings are required to maintain an effective Senior Subordinated Notes Registration Statement, the Company and Holdings will promptly prepare and file with the Commission a post-effective amendment to the Senior Subordinated Notes Registration Statement or a supplement to the related prospectus or file any other required document so that, as thereafter delivered to purchasers of the Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes from a Holder, the prospectus will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) Not later than the effective date of the applicable Senior Subordinated Notes Registration Statement, the Company will provide a CUSIP number for the Senior Subordinated Notes, the Senior Subordinated Exchange Notes and the Private Senior Subordinated Exchange Notes, as the case may be, and provide the applicable trustee with printed certificates for the Senior Subordinated Notes, the Senior Subordinated Exchange Notes or the Private Senior Subordinated Exchange Notes, as the case may be, in a form eligible for deposit with The Depository Trust Company.

(l) The Company and Holdings will comply with all applicable rules and regulations of the Commission and the Company will make generally available to its security holders as soon as practicable after the effective date of the applicable Senior Subordinated Notes Registration Statement an earning statement covering at least 12 months satisfying the provisions of Section 11(a) of the Securities Act.

(m) The Company and Holdings will cause the Senior Subordinated Notes Indenture or the Senior Subordinated Exchange Notes Indenture, as the case may be, to be qualified under the Trust Indenture Act as required by applicable law in a timely manner.

(n) The Company may require each Holder of Transfer Restricted Securities to be registered pursuant to any Senior Subordinated Notes Shelf Registration Statement to furnish to the Company such information concerning the Holder and the distribution of such Transfer Restricted Securities as the Company may from time to time reasonably require for inclusion in such Senior Subordinated Notes Shelf Registration Statement, and the Company may exclude from such registration the Transfer Restricted Securities of any Holder that fails to furnish such information within a reasonable time after receiving such request.

(o) In the case of a Senior Subordinated Notes Shelf Registration Statement, each Holder of Transfer Restricted Securities to be registered pursuant thereto agrees by acquisition of such Transfer Restricted Securities that, upon receipt of any notice from the Company pursuant to Section 4(b)(ii) through (v), such Holder will discontinue disposition of such Transfer Restricted Securities until such Holder's receipt of copies of the supplemental or amended prospectus contemplated by Section 4(j) or until advised in writing (the "Advice") by the Company that the use of the applicable prospectus may be resumed. If the Company shall give any notice under Section 4(b)(ii) through (v) during the period that the Company is required to maintain an effective Senior Subordinated Notes Registration Statement (the "Effectiveness Period"), such Effectiveness Period shall be extended by the number of days during such period from and including the date of the giving of such notice to and including the date when each seller of Transfer Restricted Securities covered by such Senior Subordinated Notes Registration Statement shall have received (x) the copies of the supplemental or amended prospectus contemplated by

Section 4(j) (if an amended or supplemental prospectus is required) or (y) the Advice (if no amended or supplemental prospectus is required).

(p) In the case of a Senior Subordinated Notes Shelf Registration Statement, the Company and Holdings shall enter into such customary agreements (including, if requested, an underwriting agreement in customary form) and take all such other action, if any, as Holders of a majority in aggregate principal amount of the Senior Subordinated Notes, Senior Subordinated Exchange Notes and Private Senior Subordinated Exchange Notes being sold or the managing underwriters (if any) shall reasonably request in order to facilitate any disposition of Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes pursuant to such Senior Subordinated Notes Shelf Registration Statement.

(q) In the case of a Senior Subordinated Notes Shelf Registration Statement, the Company shall (i) make reasonably available for inspection by a representative of, and Special Counsel (as defined below) acting for, Holders of a majority in aggregate principal amount of the Senior Subordinated Notes, Senior Subordinated Exchange Notes and Private Senior Subordinated Exchange Notes being sold and any underwriter participating in any disposition of Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes pursuant to such Senior Subordinated Notes Shelf Registration Statement, all relevant financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries and (ii) use its reasonable best efforts to have its officers, directors, employees, accountants and counsel supply all relevant information reasonably requested by such representative, Special Counsel or any such underwriter (an "Inspector") in connection with such Senior Subordinated Notes Shelf Registration Statement.

(r) In the case of a Senior Subordinated Notes Shelf Registration Statement, the Company shall, if requested by Holders of a majority in aggregate principal amount of the Senior Subordinated Notes, Senior Subordinated Exchange Notes and Private Senior Subordinated Exchange Notes being sold, their Special Counsel or the managing underwriters (if any) in connection with such Senior Subordinated Notes Shelf Registration Statement, use its reasonable best efforts to cause (i) its counsel to deliver an opinion relating to the Senior Subordinated Notes Shelf Registration Statement and the Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes, as applicable, in customary form, (ii) its officers to execute and deliver all customary documents and certificates requested by Holders of a majority in aggregate principal amount of the Senior Subordinated Notes, Senior Subordinated Exchange Notes and Private Senior Subordinated Exchange Notes being sold, their Special Counsel or the managing underwriters (if any) and (iii) its independent public accountants to provide a comfort letter or letters in customary form, subject to receipt of appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards No. 72.

5. Registration Expenses. The Company and Holdings will jointly and severally bear all expenses incurred in connection with the performance of its obligations under Sections 1, 2, 3 and 4 and, other than in connection with the Senior Subordinated Notes Exchange Offer Registration Statement, the Company will reimburse the Initial Purchasers and the Holders for the reasonable fees and disbursements of one firm of attorneys chosen by the Holders of a majority in aggregate principal amount of the Senior Subordinated Notes, the Senior Subordinated Exchange Notes and the Private Senior Subordinated Exchange Notes to be sold pursuant to each Senior Subordinated Notes Registration Statement (the "Special Counsel") acting for the Initial Purchasers or Holders in connection therewith.

6. Indemnification. (a) In the event of a Senior Subordinated Notes Shelf Registration Statement or in connection with any prospectus delivery pursuant to an Senior Subordinated Notes Exchange Offer Registration Statement by an Initial Purchaser or Senior

Subordinated Notes Exchanging Dealer, as applicable, the Company and Holdings shall jointly and severally indemnify and hold harmless each Holder (including, without limitation, any such Initial Purchaser or Senior Subordinated Notes Exchanging Dealer), its affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls such Holder within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 6 and Section 7 as a Holder) from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, without limitation, any loss, claim, damage, liability or action relating to purchases and sales of Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes), to which that Holder may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any such Senior Subordinated Notes Registration Statement or any prospectus forming part thereof or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and shall reimburse each Holder promptly upon demand for any legal or other expenses reasonably incurred by that Holder in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company and Holdings shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with any Holders' Information; and provided, further, that with respect to any such untrue statement in or omission from any related preliminary prospectus, the indemnity agreement contained in this Section 6(a) shall not inure to the benefit of any Holder from whom the person asserting any such loss, claim, damage, liability or action received Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes to the extent that such loss, claim, damage, liability or action of or with respect to such Holder results from the fact that both (A) a copy of the final prospectus was not sent or given to such person at or prior to the written confirmation of the sale of such Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes to such person and (B) the untrue statement in or omission from the related preliminary prospectus was corrected in the final prospectus unless, in either case, such failure to deliver the final prospectus was a result of non-compliance by the Company with Section 4(d), 4(e), 4(f) or 4(g).

(b) In the event of a Senior Subordinated Notes Shelf Registration Statement, each Holder shall indemnify and hold harmless the Company, its affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 6(b) and Section 7 as the Company), from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any such Senior Subordinated Notes Registration Statement or any prospectus forming part thereof or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with any Holders' Information furnished to the Company by such Holder, and shall reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that no such Holder shall be liable for

any indemnity claims hereunder in excess of the amount of net proceeds received by such Holder from the sale of Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes pursuant to such Senior Subordinated Notes Shelf Registration Statement.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party pursuant to Section 6(a) or 6(b), notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 6 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 6. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 6 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than the reasonable costs of investigation; provided, however, that an indemnified party shall have the right to employ its own counsel in any such action, but the fees, expenses and other charges of such counsel for the indemnified party will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has reasonably concluded (based upon advice of counsel to the indemnified party) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (3) a conflict or potential conflict exists (based upon advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (4) the indemnifying party has not in fact employed counsel reasonably satisfactory to the indemnified party to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm of attorneys (in addition to any local counsel) at any one time for all such indemnified party or parties. Each indemnified party, as a condition of the indemnity agreements contained in Sections 6(a) and 6(b), shall use all reasonable efforts to cooperate with the indemnifying party in the defense of any such action or claim. No indemnifying party shall be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

7. Contribution. If the indemnification provided for in Section 6 is unavailable or insufficient to hold harmless an indemnified party under Section 6(a) or 6(b), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative

benefits received by the Company from the offering and sale of the Senior Subordinated Notes, on the one hand, and a Holder with respect to the sale by such Holder of Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes, on the other, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and Holdings, on the one hand, and such Holder, on the other, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company and Holdings, on the one hand, and a Holder, on the other, with respect to such offering and such sale shall be deemed to be in the same proportion as the total net proceeds from the offering of the Senior Subordinated Notes (before deducting expenses) received by or on behalf of the Company as set forth in the table on the cover of the Offering Memorandum, on the one hand, bear to the total proceeds received by such Holder with respect to its sale of Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes, on the other. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to the Company and Holdings or information supplied by the Company and Holdings, on the one hand, or to any Holders' Information supplied by such Holder, on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 7 were to be determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 7 shall be deemed to include, for purposes of this Section 7, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending or preparing to defend any such action or claim. Notwithstanding the provisions of this Section 7, an indemnifying party that is a Holder of Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes shall not be required to contribute any amount in excess of the amount by which the total price at which the Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes sold by such indemnifying party to any purchaser exceeds the amount of any damages which such indemnifying party has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

8. Rules 144 and 144A. The Company shall use its reasonable best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the written request of any Holder of Transfer Restricted Securities, make publicly available other information so long as necessary to permit sales of such Holder's securities pursuant to Rules 144 and 144A. The Company and Holdings covenant that they will take such further action as any Holder of Transfer Restricted Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Transfer Restricted Securities without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A (including, without limitation, the requirements of Rule 144A(d)(4)). Upon the written request of any Holder of Transfer Restricted Securities, the Company and Holdings shall deliver to such Holder a written statement as to whether they have complied with such requirements. Notwithstanding the foregoing, nothing in this Section 8 shall be deemed to require the Company to register any of its securities pursuant to the Exchange Act.

9. Underwritten Registrations. If any of the Transfer Restricted Securities covered by any Senior Subordinated Notes Shelf Registration Statement are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering will be selected by the Holders of a majority in aggregate principal

amount of such Transfer Restricted Securities included in such offering, subject to the consent of the Company (which shall not be unreasonably withheld or delayed), and such Holders shall be responsible for all underwriting commissions and discounts in connection therewith.

No person may participate in any underwritten registration hereunder unless such person (i) agrees to sell such person's Transfer Restricted Securities on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

10. Miscellaneous. (a) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of Holders of a majority in aggregate principal amount of the Senior Subordinated Notes, the Senior Subordinated Exchange Notes and the Private Senior Subordinated Exchange Notes, taken as a single class. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose Senior Subordinated Notes, Senior Subordinated Exchange Notes or Private Senior Subordinated Exchange Notes are being sold pursuant to a Senior Subordinated Notes Registration Statement and that does not directly or indirectly affect the rights of other Holders may be given by Holders of a majority in aggregate principal amount of the Senior Subordinated Notes, the Senior Subordinated Exchange Notes and the Private Senior Subordinated Exchange Notes being sold by such Holders pursuant to such Senior Subordinated Notes Registration Statement.

(b) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail, telecopier or air courier guaranteeing next-day delivery:

(1) if to a Holder, at the most current address given by such Holder to the Company in accordance with the provisions of this Section 10(b), which address initially is, with respect to each Holder, the address of such Holder maintained by the Registrar under the Senior Subordinated Notes Indenture, with a copy in like manner to Chase Securities Inc. and Lehman Brothers Inc.;

(2) if to an Initial Purchaser, initially at its address set forth in the Purchase Agreement; and

(3) if to the Company, initially at the address of the Company set forth in the Purchase Agreement.

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; one business day after being delivered to a next-day air courier; five business days after being deposited in the mail; and when receipt is acknowledged by the recipient's telecopier machine, if sent by telecopier.

(c) Successors And Assigns. This Agreement shall be binding upon the Company and its successors and assigns.

(d) Counterparts. This Agreement may be executed in any number of counterparts (which may be delivered in original form or by telecopier) and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(e) Definition of Terms. For purposes of this Agreement, (a) the term "business day" means any day on which the New York Stock Exchange, Inc. is open for trading, (b) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act and (c) except

where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(h) Remedies. In the event of a breach by the Company, Holdings or by any Holder of any of their obligations under this Agreement, each Holder, the Company or Holdings, as the case may be, in addition to being entitled to exercise all rights granted by law, including recovery of damages (other than the recovery of damages for a breach by the Company or Holdings of its obligations under Sections 1 or 2 hereof for which liquidated damages have been paid pursuant to Section 3 hereof), will be entitled to specific performance of its rights under this Agreement. The Company, Holdings and each Holder agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by each such person of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, each such person shall waive the defense that a remedy at law would be adequate.

(i) No Inconsistent Agreements. Each of the Company and Holdings represents, warrants and agrees that (i) it has not entered into, shall not, on or after the date of this Agreement, enter into any agreement that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof, (ii) it has not previously entered into any agreement which remains in effect granting any registration rights with respect to any of its debt securities to any person and (iii) (with respect to the Company) without limiting the generality of the foregoing, without the written consent of the Holders of a majority in aggregate principal amount of the then outstanding Transfer Restricted Securities, it shall not grant to any person the right to request the Company to register any debt securities of the Company under the Securities Act unless the rights so granted are not in conflict or inconsistent with the provisions of this Agreement.

(j) No Piggyback on Registrations. Neither the Company nor any of its security holders (other than the Holders of Transfer Restricted Securities in such capacity) shall have the right to include any securities of the Company in any Shelf Registration or Senior Subordinated Notes Registered Exchange Offer other than Transfer Restricted Securities.

(k) Severability. The remedies provided herein are cumulative and not exclusive of any remedies provided by law. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

Please confirm that the foregoing correctly sets forth the agreement among the Company, Holdings and the Initial Purchasers.

Very truly yours,

WESCO DISTRIBUTION, INC.

by

Name:
Title:

WESCO INTERNATIONAL, INC.

by

Name:
Title:

Accepted:

CHASE SECURITIES INC.

by

Authorized Signatory

LEHMAN BROTHERS INC.

by

Authorized Signatory

ANNEX A

Each broker-dealer that receives Senior Subordinated Exchange Notes for its own account pursuant to the Senior Subordinated Notes Registered Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Subordinated Exchange Notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Senior Subordinated Exchange Notes received in exchange for Senior Subordinated Notes where such Senior Subordinated Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date (as defined herein), it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution".

ANNEX B

Each broker-dealer that receives Senior Subordinated Exchange Notes for its own account in exchange for Senior Subordinated Notes, where such Senior Subordinated Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Subordinated Exchange Notes. See "Plan of Distribution".

ANNEX C

PLAN OF DISTRIBUTION

Each broker-dealer that receives Senior Subordinated Exchange Notes for its own account pursuant to the Senior Subordinated Notes Registered Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Subordinated Exchange Notes. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Senior Subordinated Exchange Notes received in exchange for Senior Subordinated Notes where such Senior Subordinated Notes were acquired as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until [ ] 199[ ], all dealers effecting transactions in the Senior Subordinated Exchange Notes may be required to deliver a prospectus.

The Company will not receive any proceeds from any sale of Senior Subordinated Exchange Notes by broker-dealers. Senior Subordinated Exchange Notes received by broker-dealers for their own account pursuant to the Senior Subordinated Notes Registered Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Senior Subordinated Exchange Notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Senior Subordinated Exchange Notes. Any broker-dealer that resells Senior Subordinated Exchange Notes that were received by it for its own account pursuant to the Senior Subordinated Notes Registered Exchange Offer and any broker or dealer that participates in a distribution of such Senior Subordinated Exchange Notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of Senior Subordinated Exchange Notes and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Senior Subordinated Notes Registered Exchange Offer (including the expenses of one counsel for the Holders of the Senior Subordinated Notes) other than commissions or concessions of any broker-dealers and will indemnify the Holders of the Senior Subordinated Notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

|_| CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name:
Address:

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Senior Subordinated Exchange Notes. If the undersigned is a broker-dealer that will receive Senior Subordinated Exchange Notes for its own account in exchange for Senior Subordinated Notes that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such Senior Subordinated Exchange Notes; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

EXHIBIT 4.5

WESCO INTERNATIONAL, INC.

11 1/8% Senior Discount Notes due 2008

INDENTURE

Dated as of June 5, 1998

BANK ONE, N.A.,

Senior Discount Notes Trustee

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Discharge of Indenture; Defeasance

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Miscellaneous

INDENTURE dated as of June 5, 1998, among WESCO INTERNATIONAL, INC., a Delaware corporation ("Holdings") and BANK ONE, N.A., a national banking association, as trustee (the "Senior Discount Notes Trustee").

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of (i) Holdings' 11 1/8% Senior Discount Notes due 2008 issued on the date hereof (the "Initial Senior Discount Notes"), (ii) if and when issued as provided in the Senior Discount Notes Registration Agreement (as defined in Appendix A hereto (the "Appendix")), Holdings' 11 1/8% Senior Discount Notes due 2008 issued in the Senior Discount Notes Registered Exchange Offer (as defined in the Appendix) in exchange for any Initial Senior Discount Notes (the "Senior Discount Exchange Notes") and (iii) if and when issued as provided in the Senior Discount Notes Registration Agreement, the Private Senior Discount Exchange Notes (as defined in the Appendix) issued in the Senior Discount Notes Private Exchange (as defined in the Appendix, and together with the Initial Senior Discount Notes and any Senior Discount Exchange Notes issued hereunder, the "Senior Discount Notes"). Except as otherwise provided herein, the Senior Discount Notes will be limited to $87 million in aggregate principal amount at maturity outstanding.

ARTICLE 1

Definitions and Incorporation by Reference

SECTION 1.01. Definitions.

"Accreted Value" as of any date (the "Specified Date") means, with respect to each $1,000 principal amount at maturity of Senior Discount Notes:

(i) if the Specified Date is one of the following dates (each a "Semi-Annual Accretion Date"), the amount set forth opposite such date below:

Semi-Annual Accretion Date	Accreted Value
Issue Date	$ 580.21
December 1, 1998	$ 611.89
June 1, 1999	$ 646.07
December 1, 1999	$ 682.17
June 1, 2000	$ 720.29
December 1, 2000	$ 760.54
June 1, 2001	$ 803.03
December 1, 2001	$ 847.90
June 1, 2002	$ 895.28
December 1, 2002	$ 945.30
June 1, 2003	$ 998.12

(ii) if the Specified Date occurs between two Semi-Annual Accretion Dates, the sum of (a) the Accreted Value for the Semi-Annual Accretion Date immediately preceding the Specified Date and (b) an amount equal to the product of (x) the Accreted Value for the immediately following Semi-Annual Accretion Date less the Accreted Value for the immediately preceding Semi-Annual Accretion Date and (y) a fraction, the numerator of which is the number of days actually elapsed from the immediately

preceding Semi-Annual Accretion Date to the Specified Date and the denominator of which is 180, and

(iii) if the Specified Date is after June 1, 2003, $998.12.

"Additional Assets" means (i) any property or assets (other than Indebtedness and Capital Stock) to be used by Holdings or a Restricted Subsidiary in a Related Business; (ii) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by Holdings or another Restricted Subsidiary; or (iii) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary; provided, however, that any such Restricted Subsidiary described in clause (ii) or (iii) above is primarily engaged in a Related Business.

"Additional Senior Subordinated Notes" means up to $200 million aggregate principal amount of Senior Subordinated Notes which may be issued subsequent to the Closing Date.

"Adjusted Consolidated Assets" means at any time the total amount of assets of Holdings and its Restricted Subsidiaries (less applicable depreciation, amortization and other valuation reserves), after deducting therefrom all current liabilities of Holdings and its Restricted Subsidiaries (excluding intercompany items), all as set forth on the Consolidated balance sheet of Holdings and its Restricted Subsidiaries as of the end of the most recent fiscal quarter for which financial statements are available prior to the date of determination.

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

"Applicable Premium" means, with respect to a Senior Discount Note at any redemption date, the greater of (i) 1.0% of the Accreted Value of such Senior Discount Note and (ii) the excess of (A) the present value at such time of the redemption price of such Senior Discount Note at June 1, 2003 (such redemption price being set forth in the table in paragraph 5 of the Senior Discount Notes) computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the Accreted Value of such Senior Discount Note.

"Asset Disposition" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by Holdings or any Restricted Subsidiary, including any disposition by means of a merger, consolidation, or similar transaction (each referred to for the purposes of this definition as a "disposition"), of (i) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than Holdings or a Restricted Subsidiary), (ii) all or substantially all the assets of any division or line of business of Holdings or any Restricted Subsidiary or (iii) any other assets of Holdings or any Restricted Subsidiary outside the ordinary course of business of Holdings or such

Restricted Subsidiary (other than, in the case of (i), (ii) and (iii) above, (A) a disposition by a Restricted Subsidiary to Holdings or by Holdings or a Restricted Subsidiary to a Wholly Owned Subsidiary, (B) for purposes of the provisions described in Section 4.06 only, a disposition subject to Section 4.04, (C) a disposition of assets with a fair market value of less than $1,000,000, (D) a sale of accounts receivable and related assets of the type specified in the definition of "Qualified Receivables Transaction" to a Receivables Entity in a Qualified Receivables Transaction, (E) a transfer of accounts receivables and related assets of the type specified in the definition of "Qualified Receivables Transaction" (or a fractional undivided interest therein) by a Receivables Entity in a Qualified Receivables Transaction, (F) the disposition of all or substantially all of the assets of Holdings in a manner permitted pursuant to the provisions of Section 5.01 or any disposition that constitutes a Change of Control, (G) any exchange of like property pursuant to Section 1031 of the Code for use in a Related Business, and (H) any sale of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary).

"Attributable Debt" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the Senior Discount Notes after June 1, 2003, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended).

"Average Life" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (i) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (ii) the sum of all such payments.

"Bank Indebtedness" means any and all amounts payable under or in respect of the Credit Agreement and any Refinancing Indebtedness with respect thereto, as amended from time to time, including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to Holdings whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees, indemnities and all other amounts payable thereunder or in respect thereof.

"Board of Directors" means the Board of Directors of Holdings or any committee thereof duly authorized to act on behalf of such Board.

"Business Day" means each day which is not a Legal Holiday.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Capitalized Lease Obligations" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP;

and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Change of Control" means the occurrence of any of the following events:

(i) prior to the first public offering of common stock of Holdings, the Permitted Holders cease to be the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of a majority in the aggregate of the total voting power of the Voting Stock of Holdings, whether as a result of issuance of securities of Holdings, any merger, consolidation, liquidation or dissolution of Holdings, any direct or indirect transfer of securities by any Permitted Holder or otherwise (for purposes of this clause (i) and clause (ii) below, the Permitted Holders shall be deemed to beneficially own any Voting Stock of an entity (the "specified entity") held by any other entity (the "parent entity") so long as the Permitted Holders beneficially own (as so defined), directly or indirectly, in the aggregate a majority of the voting power of the Voting Stock of the parent entity);

(ii) on or after any such public offering referred to in clause (i), (A) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the beneficial owner (as defined in clause (i) above, except that for purposes of this clause (ii) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting power of the Voting Stock of Holdings and (B) the Permitted Holders "beneficially own" (as defined in clause (i) above), directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of Holdings than such other person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors of Holdings (for the purposes of this clause (ii), such other person shall be deemed to beneficially own any Voting Stock of a specified corporation held by a parent corporation, if such other person is the beneficial owner (as defined in this clause (ii)), directly or indirectly, of more than 35% of the voting power of the Voting Stock of such parent corporation and the Permitted Holders "beneficially own" (as defined in clause (i) above), directly or indirectly, in the aggregate a lesser percentage of the voting power of the Voting Stock of such parent corporation and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of such parent corporation);

(iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of Holdings (together with any new directors whose election by the Board of Directors of Holdings or whose nomination for election by the shareholders of Holdings was approved by a vote of 66 2/3% of the directors of Holdings then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of Holdings then in office; or

(iv) the merger or consolidation of Holdings with or into another Person or the merger of another Person with or into Holdings, or the sale of all or substantially all the assets of Holdings to another Person (other than a Person that is controlled by the Permitted Holders), and, in the case of any such merger or consolidation, the securities of Holdings that are outstanding immediately prior to such transaction and which represent 100% of the aggregate voting power of the Voting Stock of Holdings are changed into or exchanged for cash, securities or property, unless pursuant to such transaction such securities are changed into or exchanged for, in addition to any other consideration, securities of the surviving Person that represent immediately after such transaction, at least a majority of the aggregate voting power of the Voting Stock of the surviving Person; provided, however, that any sale of accounts receivable in connection with a Qualified Receivables Transaction shall not constitute a Change of Control.

"Closing Date" means the date of this Indenture.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means WESCO Distribution, Inc., a Delaware corporation and Wholly Owned Subsidiary of Holdings.

"Consolidated Coverage Ratio" as of any date of determination means the ratio of (i) the aggregate amount of EBITDA for the period of the most recent four consecutive fiscal quarters for which internal financial statements are available prior to the date of such determination to (ii) Consolidated Interest Expense for such four fiscal quarters; provided, however, that (A) if Holdings or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period and the discharge of any other Indebtedness repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation shall be computed based on (1) the average daily balance of such Indebtedness (and any Indebtedness under a revolving credit facility replaced by such Indebtedness) during such four fiscal quarters or such shorter period when such facility and any replaced facility was outstanding or (2) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness (and any Indebtedness under a revolving credit facility replaced by such Indebtedness) during the period from the date of creation of such facility to the date of the calculation), (B) if Holdings or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, EBITDA and Consolidated Interest Expense for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if Holdings or such Restricted Subsidiary has not earned the interest income actually earned during such

period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness, (C) if since the beginning of such period Holdings or any Restricted Subsidiary shall have made any Asset Disposition, the EBITDA for such period shall be reduced by an amount equal to the EBITDA (if positive) directly attributable to the assets that are the subject of such Asset Disposition for such period or increased by an amount equal to the EBITDA (if negative) directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of Holdings or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to Holdings and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent Holdings and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale), (D) if since the beginning of such period Holdings or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period and (E) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into Holdings or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (C) or (D) above if made by Holdings or a Restricted Subsidiary during such period, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Disposition, Investment or acquisition of assets occurred on the first day of such period. For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting Officer of Holdings, and such pro forma calculations shall include (A)(x) the savings in cost of goods sold that would have resulted from using Holdings' actual costs for comparable goods and services during the comparable period and (y) other savings in cost of goods sold or eliminations of selling, general and administrative expenses as determined by a responsible financial or accounting Officer of Holdings in good faith in connection with Holdings' consideration of such acquisition and consistent with Holdings' experience in acquisitions of similar assets, less (B) the incremental expenses that would be included in cost of goods sold and selling, general and administrative expenses that would have been incurred by Holdings in the operation of such acquired assets during such period. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term as at the date of determination in excess of 12 months).

"Consolidated Interest Expense" means, for any period, the total interest expense (net of interest income) of Holdings and its Consolidated Restricted Subsidiaries, plus, to the extent Incurred by Holdings and its Restricted Subsidiaries in such period but not included in such interest expense, (i) interest expense attributable to Capitalized Lease Obligations and the interest expense attributable to leases constituting part of a Sale/Leaseback Transaction, (ii) amortization of debt discount, (iii) capitalized interest, (iv) non-cash interest expense, (v) commissions, discounts and other fees and charges attributable to letters of credit and bankers' acceptance financing, (vi) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is Guaranteed by Holdings or any Restricted Subsidiary, (vii) net costs associated with Hedging Obligations (including amortization of fees), (viii) dividends in respect of all Preferred Stock of Holdings and any of the Restricted Subsidiaries of Holdings (other than pay in kind dividends and accretions to liquidation value) to the extent held by Persons other than Holdings or a Wholly Owned Subsidiary, (ix) interest Incurred in connection with investments in discontinued operations and (x) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than Holdings) in connection with Indebtedness Incurred by such plan or trust, less, to the extent included in such total interest expense, the amortization during such period of capitalized financing costs. Notwithstanding anything to the contrary contained herein, interest expense, commissions, discounts, yield and other fees and charges Incurred in connection with any Qualified Receivables Transaction pursuant to which Holdings or any Subsidiary may sell, convey or otherwise transfer or grant a security interest in any accounts receivable or related assets of the type specified in the definition of "Qualified Receivables Transaction" shall not be included in Consolidated Interest Expense; provided that any interest expense, commissions, discounts, yield and other fees and charges Incurred in connection with any receivables financing or securitization that does not constitute a Qualified Receivables Transaction shall be included in Consolidated Interest Expense.

"Consolidated Net Income" means, for any period, the net income of Holdings and its Consolidated Subsidiaries for such period; provided, however, that there shall not be included in such Consolidated Net Income:

(i) any net income of any Person (other than Holdings) if such Person is not a Restricted Subsidiary, except that (A) subject to the limitations contained in clause (iv) below, Holdings' equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to Holdings or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to a Restricted Subsidiary, to the limitations contained in clause (iii) below) and (B) Holdings' equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income;

(ii) any net income (or loss) of any Person acquired by Holdings or a Subsidiary in a pooling of interests transaction for any period prior to the date of such acquisition;

(iii) any net income (or loss) of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted

Subsidiary, directly or indirectly, to Holdings (other than, in the case of the Company (but not its Subsidiaries), restrictions permitted by Section 4.05), except that (A) subject to the limitations contained in clause (iv) below, Holdings' equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash which could have been distributed by such Restricted Subsidiary during such period to Holdings or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to another Restricted Subsidiary, to the limitation contained in this clause) and (B) Holdings' equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(iv) any gain (or loss) realized upon the sale or other disposition of any asset of Holdings or its Consolidated Subsidiaries (including pursuant to any Sale/Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the sale or other disposition of any Capital Stock of any Person;

(v) any extraordinary gain or loss;

(vi) the cumulative effect of a change in accounting principles; and

(vii) any expenses or charges paid to third parties related to any Equity Offering, Permitted Investment, acquisition, recapitalization or Indebtedness permitted to be Incurred by this Indenture (whether or not successful) (including such fees, expenses, or charges related to the Recapitalization).

Notwithstanding the foregoing, for the purposes of Section 4.04 only, there shall be excluded from Consolidated Net Income any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries to Holdings or a Restricted Subsidiary to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such Section pursuant to clause (a)(3)(D) thereof.

"Consolidated Net Worth" means the total of the amounts shown on the balance sheet of Holdings and its Restricted Subsidiaries, determined on a Consolidated basis, as of the end of the most recent fiscal quarter of Holdings for which internal financial statements are available, as (i) the par or stated value of all outstanding Capital Stock of Holdings plus (ii) paid-in capital or capital surplus relating to such Capital Stock plus (iii) any retained earnings or earned surplus less (A) any accumulated deficit and (B) any amounts attributable to Disqualified Stock.

"Consolidation" means the consolidation of the amounts of each of the Restricted Subsidiaries with those of Holdings in accordance with GAAP consistently applied; provided, however, that "Consolidation" shall not include consolidation of the accounts of any Unrestricted Subsidiary, but the interest of Holdings or any Restricted Subsidiary in an Unrestricted Subsidiary shall be accounted for as an investment. The term "Consolidated" has a correlative meaning.

"Credit Agreement" means the credit agreement to be dated as of the Closing Date, as amended, waived or otherwise modified from time to time, among Holdings, WESCO Distribution -- Canada, Inc., certain financial institutions to be party

thereto, The Chase Manhattan Bank, as U.S. administrative agent, syndication agent and U.S. collateral agent, The Chase Manhattan Bank of Canada, as Canadian administrative agent and Canadian collateral agent, and Lehman Commercial Paper Inc., as documentation agent.

"Credit Facilities" means, with respect to Holdings or the Company, one or more debt facilities, or commercial paper facilities with banks or other institutional lenders or indentures providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against receivables), letters of credit or other long-term Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"Currency Agreement" means with respect to any Person any foreign exchange contract, currency swap agreement or other similar agreement or arrangement to which such Person is a party or of which it is a beneficiary.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Designated Noncash Consideration" means the fair market value of noncash consideration received by Holdings or any of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Noncash Consideration pursuant to an Officers' Certificate, setting forth the basis of such valuation, less the amount of cash or cash equivalents received in connection with a subsequent sale of such Designated Noncash Consideration.

"Disqualified Stock" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event (i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) is convertible or exchangeable for Indebtedness or Disqualified Stock or (iii) is redeemable at the option of the holder thereof, in whole or in part, in each case on or prior to the 91st day following the Stated Maturity of the Senior Discount Notes; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the first anniversary of the Stated Maturity of the Securities shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the provisions of Sections 4.06 and 4.08.

"EBITDA" for any period means the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income: (i) income tax expense of Holdings and its Consolidated Restricted Subsidiaries, (ii) Consolidated Interest Expense, (iii) depreciation expense of Holdings and its Consolidated Restricted Subsidiaries, (iv) amortization expense of Holdings and its Consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid cash item that was paid in a prior period), (v) all other non-cash charges of Holdings and its Consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash expenditures in any

future period) in each case for such period and (vi) income attributable to discontinued operations. Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary of Holdings shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to Holdings by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its stockholders.

"Equity Offering" means a private sale or public offering of Capital Stock (other than Disqualified Stock) of Holdings.

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

"Excluded Contribution" means the Net Cash Proceeds received by Holdings from (a) contributions to its common equity capital and (b) the sale (other than to a Subsidiary or to any Holdings or Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock) of Holdings, in each case designated as Excluded Contributions pursuant to an Officers' Certificate executed by the principal executive officer and the principal financial officer of Holdings on the date such capital contributions are made or the date such Capital Stock is sold.

"GAAP" means generally accepted accounting principles in the United States of America as in effect as of the Closing Date, including those set forth in (i) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, (ii) statements and pronouncements of the Financial Accounting Standards Board, (iii) such other statements by such other entity as approved by a significant segment of the accounting profession and (iv) the rules and regulations of the SEC governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC. All ratios and computations based on GAAP contained in this Indenture shall be computed in conformity with GAAP.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a

verb has a corresponding meaning. The term "Guarantor" shall mean any Person Guaranteeing any obligation.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

"Holdings" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained herein and required by the TIA, each other obligor on the indenture securities.

"Incur" means issue, assume, Guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. The accretion of principal of a non-interest bearing or other discount security shall not be deemed the Incurrence of Indebtedness.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication),

(i) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;

(ii) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(iii) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto) (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (i), (ii), (iv) and (v) hereof) to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the 30th day following payment on the letter of credit so long as such letter of credit is entered into in the ordinary course of business);

(iv) all obligations of such Person to pay the deferred and unpaid purchase price of property or services (except Trade Payables), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services;

(v) all Capitalized Lease Obligations and all Attributable Debt of such Person;

(vi) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends);

(vii) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of Indebtedness of such Person shall be the lesser of (A) the fair market value of such asset at such date of determination and (B) the amount of such Indebtedness of such other Persons;

(viii) to the extent not otherwise included in this definition, Hedging Obligations of such Person; and

(ix) all obligations of the type referred to in clauses (i) through (viii) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date; provided, however, that the amount outstanding at any time of any Indebtedness Incurred with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP. Any "Qualified Receivables Transaction", whether or not such transfer constitutes a sale for the purposes of GAAP, shall not constitute Indebtedness hereunder; provided that any receivables financing or securitization that does not constitute a Qualified Receivables Transaction and does not qualify as a sale under GAAP shall constitute Indebtedness hereunder.

"Indenture" means this Indenture as amended or supplemented from time to time.

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith determination of Holdings, qualified to perform the task for which it has been engaged.

"Interest Rate Agreement" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extension of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. For purposes of the definition of "Unrestricted Subsidiary" and Section 4.04, (i) "Investment" shall include the portion (proportionate to Holdings' equity interest in such Subsidiary) of the fair market value of the net assets of any Subsidiary of Holdings at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a

redesignation of such Subsidiary as a Restricted Subsidiary, Holdings shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (x) Holdings' "Investment" in such Subsidiary at the time of such redesignation less (y) the portion (proportionate to Holdings' equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and (ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Net Available Cash" from an Asset Disposition means cash payments received (including (a) any cash payments received upon the sale or other disposition of any Designated Noncash Consideration received in any Asset Disposition, (b) any cash proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and (c) any cash proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of (i) all legal, title and recording tax expenses, commissions and other fees and expenses incurred (including, without limitation, all broker's and finder's fees and expenses, all investment banking fees and expenses, employee severance and termination costs, and trade payable and similar liabilities solely related to the assets sold or otherwise disposed of and required to be paid by the seller as a result thereof), and all Federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under GAAP, as a consequence of such Asset Disposition, (ii) all relocation expenses incurred as a result thereof, (iii) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition, (iv) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition and (v) appropriate amounts to be provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the property or other assets disposed of in such Asset Disposition and retained by Holdings or any Restricted Subsidiary after such Asset Disposition.

"Net Cash Proceeds", with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Officer" means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of Holdings.

"Officers' Certificate" means a certificate signed by two Officers.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Senior Discount Notes Trustee. The counsel may be an employee of or counsel to Holdings or the Senior Discount Notes Trustee.

"Permitted Holders" means (i) The Cypress Group L.L.C., Cypress Merchant Banking Partners L.P., Cypress Offshore Partners L.P., Chase Equity Associates, L.P., Co-Investment Partners, L.P. and any Person who on the Senior Discount Notes Issue Date is an Affiliate of any of the foregoing; (ii) any Person who is a member of the senior management of Holdings and a stockholder of Holdings on the Senior Discount Notes Issue Date; and (iii) any Person acting in the capacity of an underwriter in connection with a public or private offering of Holdings' Capital Stock.

"Permitted Investment" means an Investment by Holdings or any Restricted Subsidiary in (i) Holdings, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary; (ii) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, Holdings or a Restricted Subsidiary; (iii) Temporary Cash Investments; (iv) receivables owing to Holdings or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as Holdings or any such Restricted Subsidiary deems reasonable under the circumstances; (v) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business; (vi) loans or advances to employees made in the ordinary course of business consistent with past practices of Holdings or such Restricted Subsidiary and not exceeding $5.0 million in the aggregate outstanding at any one time; (vii) stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to Holdings or any Restricted Subsidiary or in satisfaction of judgments; (viii) any Person to the extent such Investment represents the non-cash portion of the consideration received for an Asset Disposition that was made pursuant to and in compliance with Section 4.06; (ix) Investments made in connection with any Asset Disposition or other sale, lease, transfer or other disposition permitted under this Indenture; (x) a Receivables Entity or any Investment by a Receivables Entity in any other Person in connection with a Qualified Receivables Transaction, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Transaction or any related Indebtedness; provided that any Investment in a Receivables Entity is in the form of a Purchase Money Note, contribution of additional receivables or an equity interest; (xi) Investments in a Related Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (xi) that are at that time outstanding (and not including any Investments outstanding on the Closing Date), not to exceed 5% of Adjusted Consolidated Assets at the time of such Investments (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); and (xii) additional Investments in an aggregate amount which, together with all other Investments made pursuant to this clause that are then outstanding, does not exceed $10.0 million.

"Permitted Liens" means (a) Liens of Holdings securing Indebtedness of Holdings or any of its Restricted Subsidiaries Incurred under the Credit Agreement or other Credit Facilities to the extent permitted to be Incurred under Section 4.03(b)(i) and (xiii); (b) Liens in favor of Wholly Owned Subsidiaries; (c) Liens of Holdings securing Indebtedness of Holdings Incurred under Section 4.03(b)(v); (d) Liens of Holdings securing Indebtedness of Holdings (including under a Sale/Leaseback Transaction) permitted to be Incurred under Section 4.03(b)(vi), (vii) and (viii) so long as the Capital Stock, property (real or personal) or equipment to which such Lien attaches solely consists of the Capital Stock, property or equipment which is the subject of such acquisition, purchase, lease, improvement, Sale/Leaseback Transaction and additions and improvements thereto (and the proceeds therefrom); (e) Liens on property existing at the time of acquisition thereof by Holdings; provided that such Liens were not Incurred in connection with, or in contemplation of, such acquisition and such Liens do not extend to or cover any property other than such property, additions and improvements thereon and any proceeds therefrom; (f) Liens Incurred or deposits made to secure the performance of tenders, bids, leases, statutory obligations, surety or appeal bonds, government contracts, performance and return of money bonds or other obligations of a like nature Incurred in the ordinary course of business; (g) Liens existing on the Senior Discount Notes Issue Date and any additional Liens created under the terms of the agreements relating to such Liens existing on the Senior Discount Notes Issue Date; (h) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings; provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor; (i) Liens Incurred in the ordinary course of business of Holdings with respect to obligations that do not exceed $20.0 million in the aggregate at any one time outstanding and that (1) are not Incurred in connection with or in contemplation of the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business) and (2) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation of the business by Holdings; (j) statutory Liens of landlords and warehousemen's, carrier's, mechanics', suppliers', materialmen's, repairmen's or other like Liens (including contractual landlords' liens) arising in the ordinary course of business of Holdings; (k) Liens Incurred or deposits made in the ordinary course of business of Holdings in connection with workers' compensation, unemployment insurance and other types of social security; (l) easements, rights of way, restrictions, minor defects or irregularities in title and other similar charges or encumbrances not interfering in any material respect with the business of Holdings; (m) Liens securing reimbursement obligations with respect to letters of credit permitted under Section 4.03 which encumber only cash and marketable securities and documents and other property relating to such letters of credit and the products and proceeds thereof; (n) judgment and attachment Liens not giving rise to an Event of Default; (o) any interest or title of a lessor in the property subject to any Capitalized Lease Obligation permitted under Section 4.03; (p) Liens on accounts receivable and related assets of the type specified in the definition of "Qualified Receivables Transaction" Incurred in connection with a Qualified Receivables Transaction; (q) Liens securing Refinancing Indebtedness to the extent such Liens do not extend to or cover any property of Holdings not previously subjected to Liens relating to the Indebtedness being refinanced; or (r) Liens on pledges of the capital stock of any Unrestricted Subsidiary securing any Indebtedness of such Unrestricted Subsidiary.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated

organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) that is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"principal" of a Senior Discount Note means the principal of the Senior Discount Note plus the premium, if any, payable on the Senior Discount Note that is due or overdue or is to become due at the relevant time.

"Purchase Money Note" means a promissory note of a Receivables Entity evidencing a line of credit, which may be irrevocable, from Holdings or any Subsidiary of Holdings in connection with a Qualified Receivables Transaction to a Receivables Entity, which note (a) shall be repaid from cash available to the Receivables Entity, other than (i) amounts required to be established as reserves pursuant to agreements, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and amounts owing to such investors, (iv) amounts required to pay expenses in connection with such Qualified Receivables Transaction and (v) amounts paid in connection with the purchase of newly generated receivables and (b) may be subordinated to the payments described in (a).

"Qualified Receivables Transaction" means any financing by Holdings or any of its Subsidiaries of accounts receivable in any transaction or series of transactions that may be entered into by Holdings or any of its Subsidiaries pursuant to which (a) Holdings or any of its Subsidiaries sells, conveys or otherwise transfers to a Receivables Entity and (b) a Receivables Entity sells, conveys or otherwise transfers to any other Person or grants a security interest to any Person in, any accounts receivable (whether now existing or arising in the future) of Holdings or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all Guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable; provided that (i) the Board of Directors shall have determined in good faith that such Qualified Receivables Transaction is economically fair and reasonable to Holdings and the Receivables Entity and (ii) all sales of accounts receivable and related assets to the Receivables Entity are made at fair market value (as determined in good faith by Holdings). The grant of a security interest in any accounts receivable of Holdings or any of its Restricted Subsidiaries to secure Bank Indebtedness shall not be deemed a Qualified Receivables Transaction.

"Receivables Entity" means any Wholly Owned Subsidiary of Holdings (or another Person in which Holdings or any Subsidiary of Holdings makes an Investment and to which Holdings or any Subsidiary of Holdings transfers accounts receivable and related assets) (i) which engages in no activities other than in connection with the financing of accounts receivable, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, (ii) which is designated by the Board of Directors

(as provided below) as a Receivables Entity and (iii) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (A) is Guaranteed by Holdings or any other Subsidiary of Holdings (excluding Guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (B) is recourse to or obligates Holdings or any other Subsidiary of Holdings in any way other than pursuant to Standard Securitization Undertakings or (C) subjects any property or asset of Holdings or any other Subsidiary of Holdings, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings. Any such designation by the Board of Directors shall be evidenced to the Senior Discount Notes Trustee by filing with the Senior Discount Notes Trustee a certified copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions.

"Refinance" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means Indebtedness that is Incurred to refund, refinance, replace, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness of Holdings or any Restricted Subsidiary existing on the date of this Indenture or Incurred in compliance with this Indenture (including Indebtedness of Holdings that Refinances Refinancing Indebtedness); provided, however, that (i) the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced, (ii) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being refinanced and (iii) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being Refinanced (plus any accrued interest and premium thereon and reasonable expenses Incurred in connection therewith); provided further, however, that Refinancing Indebtedness shall not include (x) Indebtedness of a Restricted Subsidiary that Refinances Indebtedness of Holdings or (y) Indebtedness of Holdings or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"Related Business" means any businesses of Holdings and the Restricted Subsidiaries on the Closing Date and any business related, ancillary or complementary thereto.

"Restricted Subsidiary" means any Subsidiary of Holdings other than an Unrestricted Subsidiary.

"Sale/Leaseback Transaction" means an arrangement relating to property now owned or hereafter acquired by Holdings or a Restricted Subsidiary whereby Holdings or a Restricted Subsidiary transfers such property to a Person and Holdings or such Restricted Subsidiary leases it from such Person, other than leases between Holdings and a Wholly Owned Subsidiary or between Wholly Owned Subsidiaries.

"SEC" means the Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness of Holdings secured by a Lien.

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

"Senior Discount Noteholder" or "Holder" means the Person in whose name a Senior Discount Note is registered on the Registrar's books.

"Senior Discount Notes" means the Senior Discount Notes issued under this Indenture.

"Senior Discount Notes Issue Date" means the date on which the Initial Senior Discount Notes are originally issued.

"Senior Discount Notes Trustee" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor.

"Senior Indebtedness" of Holdings means the principal of, premium (if any) and accrued and unpaid interest on (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization of Holdings, regardless of whether or not a claim for post-filing interest is allowed in such proceedings), and fees and all other amounts owing in respect of, the Senior Discount Notes and all other Indebtedness of Holdings, whether outstanding on the Closing Date or thereafter Incurred, unless in the instrument creating or evidencing the same or pursuant to which the same is outstanding it is provided that such obligations are subordinated in right of payment to the Senior Discount Notes; provided, however, that Senior Indebtedness shall not include (i) any obligation of Holdings to any Subsidiary, (ii) any liability for Federal, state, local or other taxes owed or owing by Holdings, (iii) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including Guarantees thereof or instruments evidencing such liabilities), (iv) any Indebtedness or obligation of Holdings (and any accrued and unpaid interest in respect thereof) that by its terms is subordinate or junior in any respect to any other Indebtedness or obligation of Holdings, including any Subordinated Obligations, (v) any payment obligations with respect to any Capital Stock or (vi) any Indebtedness Incurred in violation of this Indenture.

"Senior Subordinated Notes" means $300 million aggregate principal amount of the 9 1/8% senior subordinated notes due 2008 issued by the Company on the Closing Date under the indenture dated as of the Closing Date among the Company, Holdings and Bank One, N.A., as trustee.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "Significant Subsidiary" of Holdings within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, but shall in no event include a Receivables Entity.

"Standard Securitization Undertakings" means representations, warranties, covenants and indemnities entered into by Holdings or any Subsidiary of Holdings which Holdings has determined in good faith to be customary in an accounts receivable

transaction including, without limitation, those relating to the servicing of the assets of a Receivables Entity.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"Subordinated Obligation" means any Indebtedness of Holdings (whether outstanding on the Closing Date or thereafter Incurred) that is subordinate or junior in right of payment to the Senior Discount Notes pursuant to a written agreement.

"Subsidiary" of any Person means any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person, (ii) such Person and one or more Subsidiaries of such Person or (iii) one or more Subsidiaries of such Person.

"Temporary Cash Investments" means any of the following: (i) any investment in direct obligations of the United States of America or any agency thereof or obligations Guaranteed by the United States of America or any agency thereof, (ii) investments in time deposit accounts, certificates of deposit and money market deposits maturing within one year of the date of acquisition thereof issued by a bank or trust company that is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America having capital, surplus and undivided profits aggregating in excess of $100,000,000 (or the foreign currency equivalent thereof) and whose long-term debt is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker-dealer or mutual fund distributor, (iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (i) above entered into with a financial institution meeting the qualifications described in clause (ii) above, (iv) investments in commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of Holdings) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's Investors Service, Inc. or "A-1" (or higher) according to Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc. ("S&P"), and (v) investments in securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or "A" by Moody's Investors Service, Inc.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. ss.ss. 77aaa-77bbbb), as amended, as in effect on the date of this Indenture.

"Trade Payables" means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

"Treasury Rate" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled by, and published in, the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days prior to the date fixed for redemption of the Senior Discount Notes following a Change of Control (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to June 1, 2003; provided, however, that if the period from the redemption date to June 1, 2003 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to June 1, 2003 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Trust Officer" means the Chairman of the Board, the President or any other officer or assistant officer of the Senior Discount Notes Trustee assigned by the Senior Discount Notes Trustee to administer its corporate trust matters.

"Uniform Commercial Code" means the New York Uniform Commercial Code as in effect from time to time.

"Unrestricted Subsidiary" means (i) any Subsidiary of Holdings that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below and (ii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors may designate any Subsidiary of Holdings (including any newly acquired or newly formed Subsidiary of Holdings) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or owns or holds any Lien on any property of, Holdings or any other Subsidiary of Holdings that is not a Subsidiary of the Subsidiary to be so designated; provided, however, that either (A) the Subsidiary to be so designated has total Consolidated assets of $1,000 or less or (B) if such Subsidiary has Consolidated assets greater than $1,000, then such designation would be permitted under Section 4.04. The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation (x) Holdings could Incur $1.00 of additional Indebtedness under Section 4.03(a) and (y) no Default shall have occurred and be continuing. Any such designation of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary by the Board of Directors shall be evidenced to the Senior Discount Notes Trustee by promptly filing with the Senior Discount Notes Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith

and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

"Voting Stock" of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"Wholly Owned Subsidiary" means a Restricted Subsidiary of Holdings all the Capital Stock of which (other than directors' qualifying shares) is owned by Holdings or another Wholly Owned Subsidiary.

SECTION 1.02. Other Definitions.

Term	Defined in Section
"Affiliate Transaction"	4.07
"Bankruptcy Law"	6.01
"covenant defeasance option"	8.01(b)
"Change of Control Offer"	4.08(b)
"Custodian"	6.01
"Event of Default"	6.01
"legal defeasance option"	8.01(b)
"Legal Holiday"	10.08
"Offer"	4.06(b)
"Offer Amount"	4.06(c)(2)
"Offer Period"	4.06(c)(2)
"Paying Agent"	2.03
"protected purchaser"	2.07
"Purchase Date"	4.06(c)(1)
"Registrar"	2.03
"Restricted Payment"	4.04(a)
"Successor Company"	5.01

SECTION 1.03. Incorporation by Reference of Trust Indenture Act. This Indenture is subject to the mandatory provisions of the TIA, which are incorporated by reference in and made a part of this Indenture. The following TIA terms have the following meanings:

"Commission" means the SEC.

"indenture securities" means the Senior Discount Notes.

"indenture security holder" means a Senior Discount Noteholder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Senior Discount Notes Trustee.

"obligor" on the indenture securities means Holdings and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.04. Rules of Construction. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) "including" means including without limitation;

(5) words in the singular include the plural and words in the plural include the singular;

(6) unsecured Indebtedness shall not be deemed to be subordinate or junior to Secured Indebtedness merely by virtue of its nature as unsecured Indebtedness;

(7) the principal amount of any noninterest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP; and

(8) the principal amount of any Preferred Stock shall be (i) the maximum liquidation value of such Preferred Stock or (ii) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock, whichever is greater.

ARTICLE 2

The Senior Discount Notes

SECTION 2.01. Form and Dating. Provisions relating to the Initial Senior Discount Notes, the Private Senior Discount Exchange Notes and the Senior Discount Exchange Notes are set forth in the Appendix, which is hereby incorporated in and expressly made a part of this Indenture. The (i) Initial Senior Discount Notes and the Senior Discount Notes Trustee's certificate of authentication and (ii) Private Senior Discount Exchange Notes and the Senior Discount Notes Trustee's certificate of authentication shall each be substantially in the form of Exhibit A hereto, which is hereby incorporated in and expressly made a part of this Indenture. The Senior Discount Exchange Notes and the Senior Discount Notes Trustee's certificate of authentication shall be substantially in the form of Exhibit B hereto, which is hereby incorporated in

and expressly made a part of this Indenture. The Senior Discount Notes may have notations, legends or endorsements required by law, stock exchange rule, agreements to which Holdings is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to Holdings). Each Senior Discount Note shall be dated the date of its authentication. The Senior Discount Notes shall be issued only in registered form without coupons and only in denominations of $1,000 (in principal amount at maturity) and integral multiples thereof.

SECTION 2.02. Execution and Authentication. One or more Officers shall sign the Senior Discount Notes for Holdings by manual or facsimile signature.

If an Officer whose signature is on a Senior Discount Note no longer holds that office at the time the Senior Discount Notes Trustee authenticates the Senior Discount Note, the Senior Discount Note shall be valid nevertheless.

A Senior Discount Note shall not be valid until an authorized signatory of the Senior Discount Notes Trustee manually signs the certificate of authentication on the Senior Discount Note. The signature shall be conclusive evidence that the Senior Discount Note has been authenticated under this Indenture.

The Senior Discount Notes Trustee shall authenticate and make available for delivery Senior Discount Notes as set forth in the Appendix.

The Senior Discount Notes Trustee may appoint an authenticating agent reasonably acceptable to Holdings to authenticate the Senior Discount Notes. Any such appointment shall be evidenced by an instrument signed by a Trust Officer, a copy of which shall be furnished to Holdings. Unless limited by the terms of such appointment, an authenticating agent may authenticate Senior Discount Notes whenever the Senior Discount Notes Trustee may do so. Each reference in this Indenture to authentication by the Senior Discount Notes Trustee includes authentication by such agent. An authenticating agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

SECTION 2.03. Registrar and Paying Agent. Holdings shall maintain an office or agency where Senior Discount Notes may be presented for registration of transfer or for exchange (the "Registrar") and an office or agency where Senior Discount Notes may be presented for payment (the "Paying Agent"). The Registrar shall keep a register of the Senior Discount Notes and of their transfer and exchange. Holdings may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent, and the term "Registrar" includes any co-registrars. Holdings initially appoints the Senior Discount Notes Trustee as (i) Registrar and Paying Agent in connection with the Senior Discount Notes and (ii) the Senior Discount Notes Custodian (as defined in the Appendix) with respect to the Global Senior Discount Notes (as defined in the Appendix).

Holdings shall enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to this Indenture, which shall incorporate the terms of the TIA. The agreement shall implement the provisions of this Indenture that relate to such agent. Holdings shall notify the Senior Discount Notes Trustee of the name and address of any such agent. If Holdings fails to maintain a Registrar or Paying Agent, the Senior Discount Notes Trustee shall act as such and shall be entitled to appropriate

compensation therefor pursuant to Section 7.07. Holdings or any of its domestically organized Wholly Owned Subsidiaries may act as Paying Agent or Registrar.

Holdings may remove any Registrar or Paying Agent upon written notice to such Registrar or Paying Agent and to the Senior Discount Notes Trustee; provided, however, that no such removal shall become effective until (1) acceptance of an appointment by a successor as evidenced by an appropriate agreement entered into by Holdings and such successor Registrar or Paying Agent, as the case may be, and delivered to the Senior Discount Notes Trustee or (2) notification to the Senior Discount Notes Trustee that the Senior Discount Notes Trustee shall serve as Registrar or Paying Agent until the appointment of a successor in accordance with clause (1) above. The Registrar or Paying Agent may resign at any time upon written notice; provided, however, that the Senior Discount Notes Trustee may resign as Paying Agent or Registrar only if the Senior Discount Notes Trustee also resigns as Senior Discount Notes Trustee in accordance with Section 7.08.

SECTION 2.04. Paying Agent To Hold Money in Trust. Prior to each due date of the principal and interest on any Senior Discount Note, Holdings shall deposit with the Paying Agent (or if Holdings or a Subsidiary is acting as Paying Agent, segregate and hold in trust for the benefit of the Persons entitled thereto) a sum sufficient to pay such principal and interest when so becoming due. Holdings shall require each Paying Agent (other than the Senior Discount Notes Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Senior Discount Noteholders or the Senior Discount Notes Trustee all money held by the Paying Agent for the payment of principal of or interest on the Senior Discount Notes and shall notify the Senior Discount Notes Trustee of any default by Holdings in making any such payment. If Holdings or a Subsidiary of Holdings acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. Holdings at any time may require a Paying Agent to pay all money held by it to the Senior Discount Notes Trustee and to account for any funds disbursed by the Paying Agent. Upon complying with this Section, the Paying Agent shall have no further liability for the money delivered to the Senior Discount Notes Trustee.

SECTION 2.05. Senior Discount Noteholder Lists. The Senior Discount Notes Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Senior Discount Noteholders. If the Senior Discount Notes Trustee is not the Registrar, Holdings shall furnish, or cause the Registrar to furnish, to the Senior Discount Notes Trustee, in writing at least five Business Days before each interest payment date and at such other times as the Senior Discount Notes Trustee may request in writing, a list in such form and as of such date as the Senior Discount Notes Trustee may reasonably require of the names and addresses of Senior Discount Noteholders.

SECTION 2.06. Transfer and Exchange. The Senior Discount Notes shall be issued in registered form and shall be transferable only upon the surrender of a Senior Discount Note for registration of transfer and in compliance with the Appendix. When a Senior Discount Note is presented to the Registrar with a request to register a transfer, the Registrar shall register the transfer as requested if the requirements of Section 8-401(a)(l) of the Uniform Commercial Code are met. When Senior Discount Notes are presented to the Registrar with a request to exchange them for an equal principal amount at maturity of Senior Discount Notes of other denominations, the

Registrar shall make the exchange as requested if the same requirements are met. To permit registration of transfers and exchanges, Holdings shall execute and the Senior Discount Notes Trustee shall authenticate Senior Discount Notes at the Registrar's request. Holdings may require payment of a sum sufficient to pay all taxes, assessments or other governmental charges in connection with any transfer or exchange pursuant to this Section. Holdings shall not be required to make and the Registrar need not register transfers or exchanges of Senior Discount Notes selected for redemption (except, in the case of Senior Discount Notes to be redeemed in part, the portion thereof not to be redeemed) or any Senior Discount Notes for a period of 15 days before a selection of Senior Discount Notes to be redeemed.

Prior to the due presentation for registration of transfer of any Senior Discount Note, Holdings, the Senior Discount Notes Trustee, the Paying Agent, and the Registrar may deem and treat the Person in whose name a Senior Discount Note is registered as the absolute owner of such Senior Discount Note for the purpose of receiving payment of principal of and interest, if any, on such Senior Discount Note and for all other purposes whatsoever, whether or not such Senior Discount Note is overdue, and none of Holdings, the Senior Discount Notes Trustee, the Paying Agent, or the Registrar shall be affected by notice to the contrary.

Any Holder of a Global Senior Discount Note shall, by acceptance of such Global Senior Discount Note, agree that transfers of beneficial interest in such Global Senior Discount Note may be effected only through a book-entry system maintained by (i) the Senior Discount Noteholder of such Global Senior Discount Note (or its agent) or (ii) any Senior Discount Noteholder of a beneficial interest in such Global Senior Discount Note, and that ownership of a beneficial interest in such Global Senior Discount Note shall be required to be reflected in a book entry.

All Senior Discount Notes issued upon any transfer or exchange pursuant to the terms of this Indenture will evidence the same debt and will be entitled to the same benefits under this Indenture as the Senior Discount Notes surrendered upon such transfer or exchange.

SECTION 2.07. Replacement Senior Discount Notes. If a mutilated Senior Discount Note is surrendered to the Registrar or if the Senior Discount Noteholder of a Senior Discount Note claims that the Senior Discount Note has been lost, destroyed or wrongfully taken, Holdings shall issue and the Senior Discount Notes Trustee shall authenticate a replacement Senior Discount Note if the requirements of Section 8-405 of the Uniform Commercial Code are met, such that the Senior Discount Noteholder (i) satisfies Holdings or the Senior Discount Notes Trustee within a reasonable time after he has notice of such loss, destruction or wrongful taking and the Registrar does not register a transfer prior to receiving such notification, (ii) makes such request to Holdings or the Senior Discount Notes Trustee prior to the Senior Discount Note being acquired by a protected purchaser as defined in Section 8-303 of the Uniform Commercial Code (a "protected purchaser") and (iii) satisfies any other reasonable requirements of the Senior Discount Notes Trustee. If required by the Senior Discount Notes Trustee or Holdings, such Senior Discount Noteholder shall furnish an indemnity bond sufficient in the judgment of the Senior Discount Notes Trustee to protect Holdings, the Senior Discount Notes Trustee, the Paying Agent and the Registrar from any loss that any of them may suffer if a Senior Discount Note is replaced. Holdings and the Senior Discount Notes Trustee may charge the Senior Discount Noteholder for their expenses in replacing a

Senior Discount Note. In the event any such mutilated, lost, destroyed or wrongfully taken Senior Discount Note has become or is about to become due and payable, Holdings in its discretion may pay such Senior Discount Note instead of issuing a new Senior Discount Note in replacement thereof.

Every replacement Senior Discount Note is an additional obligation of Holdings.

The provisions of this Section 2.07 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, lost, destroyed or wrongfully taken Senior Discount Notes.

SECTION 2.08. Outstanding Senior Discount Notes. Senior Discount Notes outstanding at any time are all Senior Discount Notes authenticated by the Senior Discount Notes Trustee except for those canceled by it, those delivered to it for cancelation and those described in this Section as not outstanding. A Senior Discount Note does not cease to be outstanding because Holdings or an Affiliate of Holdings holds the Senior Discount Note.

If a Senior Discount Note is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Senior Discount Notes Trustee and Holdings receive proof satisfactory to them that the replaced Senior Discount Note is held by a protected purchaser.

If the Paying Agent segregates and holds in trust, in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all principal and interest payable on that date with respect to the Senior Discount Notes (or portions thereof) to be redeemed or maturing, as the case may be, then on and after that date such Senior Discount Notes (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

SECTION 2.09. Temporary Senior Discount Notes. In the event that Definitive Senior Discount Notes (as defined in the Appendix) are to be issued under the terms of this Indenture, until such Definitive Senior Discount Notes are ready for delivery, Holdings may prepare and the Senior Discount Notes Trustee shall authenticate temporary Senior Discount Notes. Temporary Senior Discount Notes shall be substan tially in the form of Definitive Senior Discount Notes but may have variations that Holdings considers appropriate for temporary Senior Discount Notes. Without unreasonable delay, Holdings shall prepare and the Senior Discount Notes Trustee shall authenticate Definitive Senior Discount Notes and deliver them in exchange for temporary Senior Discount Notes upon surrender of such temporary Senior Discount Notes at the office or agency of Holdings, without charge to the Senior Discount Noteholder.

SECTION 2.10. Cancelation. Holdings at any time may deliver Senior Discount Notes to the Senior Discount Notes Trustee for cancelation. The Registrar and the Paying Agent shall forward to the Senior Discount Notes Trustee any Senior Discount Notes surrendered to them for registration of transfer, exchange or payment. The Senior Discount Notes Trustee and no one else shall cancel all Senior Discount Notes surrendered for registration of transfer, exchange, payment or cancelation and deliver canceled Senior Discount Notes to Holdings pursuant to written direction by an

Officer. Holdings may not issue new Senior Discount Notes to replace Senior Discount Notes it has redeemed, paid or delivered to the Senior Discount Notes Trustee for cancelation. The Senior Discount Notes Trustee shall not authenticate Senior Discount Notes in place of canceled Senior Discount Notes other than pursuant to the terms of this Indenture.

SECTION 2.11. Defaulted Interest. If Holdings defaults in a payment of interest on the Senior Discount Notes, Holdings shall pay the defaulted interest (plus interest on such defaulted interest at the rate of 111/8% per annum to the extent lawful) in any lawful manner. Holdings may pay the defaulted interest to the Persons who are Senior Discount Noteholders on a subsequent special record date. Holdings shall fix or cause to be fixed any such special record date and payment date to the reasonable satisfaction of the Senior Discount Notes Trustee and shall promptly mail or cause to be mailed to each Senior Discount Noteholder a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

SECTION 2.12. CUSIP Numbers. Holdings in issuing the Senior Discount Notes may use "CUSIP" numbers (if then generally in use) and, if so, the Senior Discount Notes Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Senior Discount Noteholders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Senior Discount Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Senior Discount Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

ARTICLE 3

Redemption

SECTION 3.01. Notices to Senior Discount Notes Trustee. If Holdings elects to redeem Senior Discount Notes pursuant to paragraph 5 of the Senior Discount Notes, it shall notify the Senior Discount Notes Trustee in writing of the redemption date and the principal amount at maturity of Senior Discount Notes to be redeemed.

Holdings shall give each notice to the Senior Discount Notes Trustee provided for in this Section at least 60 days before the redemption date unless the Senior Discount Notes Trustee consents to a shorter period. Such notice shall be accompanied by an Officers' Certificate and an Opinion of Counsel from Holdings to the effect that such redemption will comply with the conditions herein. If fewer than all the Senior Discount Notes are to be redeemed, the record date relating to such redemption shall be selected by Holdings and given to the Senior Discount Notes Trustee, which record date shall be not fewer than 15 days after the date of notice to the Senior Discount Notes Trustee. Any such notice may be canceled at any time prior to notice of such redemption being mailed to any Senior Discount Noteholder and shall thereby be void and of no effect.

SECTION 3.02. Selection of Senior Discount Notes To Be Redeemed. (a) If the mandatory redemption of Senior Discount Notes pursuant to paragraph 9 of the Senior Discount Notes would result in an outstanding Senior Discount Note in a

denomination (i) of less than $1,000 principal amount at maturity or (ii) other than an integral multiple of $1,000 principal amount at maturity, such Senior Discount Note will be redeemed (A) in whole, in the case of clause (i), or (B) by an additional amount so that such Senior Discount Note will be in a denomination of an integral multiple of $1,000 principal amount at maturity, in the case of clause (ii).

(b) If fewer than all the Senior Discount Notes are to be redeemed pursuant to paragraph 5 of the Senior Discount Notes, the Senior Discount Notes Trustee shall select the Senior Discount Notes to be redeemed pro rata or by lot. The Senior Discount Notes Trustee shall make the selection from outstanding Senior Discount Notes not previously called for redemption. The Senior Discount Notes Trustee may select for redemption pursuant to paragraph 5 of the Senior Discount Notes portions of the principal of Senior Discount Notes that have denominations larger than $1,000 (at maturity) Senior Discount Notes and portions of them the Senior Discount Notes Trustee selects shall be in amounts of $1,000 (in principal amount at maturity) or a whole multiple of $1,000. Provisions of this Indenture that apply to Senior Discount Notes called for redemption also apply to portions of Senior Discount Notes called for redemption. The Senior Discount Notes Trustee shall notify Holdings promptly of the Senior Discount Notes or portions of Senior Discount Notes to be redeemed.

SECTION 3.03. Notice of Redemption. At least 30 days but not more than 60 days before a date for redemption of Senior Discount Notes, Holdings shall mail a notice of redemption by first-class mail to each Senior Discount Noteholder of Senior Discount Notes to be redeemed at such Senior Discount Noteholder's registered address.

The notice shall identify the Senior Discount Notes to be redeemed and shall state:

(1) the redemption date;

(2) the redemption price and the amount of accrued interest to the redemption date;

(3) the name and address of the Paying Agent;

(4) that Senior Discount Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(5) if fewer than all the outstanding Senior Discount Notes are to be redeemed, the certificate numbers and principal amounts at maturity of the particular Senior Discount Notes to be redeemed;

(6) that, unless Holdings defaults in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, Accreted Value and interest on Senior Discount Notes (or portion thereof) called for redemption ceases to accrete or accrue on and after the redemption date;

(7) the paragraph of the Senior Discount Notes pursuant to which the Senior Discount Notes called for redemption are being redeemed;

(8) the CUSIP number, if any, printed on the Senior Discount Notes being redeemed;

(9) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Senior Discount Notes; and

(10) if applicable, that a Change of Control has occurred and the circumstances and relevant facts regarding such Change of Control.

At Holdings' request, the Senior Discount Notes Trustee shall give the notice of redemption in Holdings' name and at Holdings' expense. In such event, Holdings shall provide the Senior Discount Notes Trustee with the information required by this Section.

SECTION 3.04. Effect of Notice of Redemption. Once notice of redemption is mailed, Senior Discount Notes called for redemption become due and payable on the redemption date and at the redemption price stated in the notice. Upon surrender to the Paying Agent, such Senior Discount Notes shall be paid at the redemption price stated in the notice, plus accrued interest, if any, to the redemption date; provided, however, that if the redemption date is after a regular record date and on or prior to the interest payment date, the accrued interest shall be payable to the Senior Discount Noteholder of the redeemed Senior Discount Notes registered on the relevant record date. Failure to give notice or any defect in the notice to any Senior Discount Noteholder shall not affect the validity of the notice to any other Senior Discount Noteholder.

SECTION 3.05. Deposit of Redemption Price. Prior to 10:00 a.m. on the redemption date, Holdings shall deposit with the Paying Agent (or, if Holdings or a Subsidiary is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the redemption price of and accrued interest on all Senior Discount Notes to be redeemed on that date other than Senior Discount Notes or portions of Senior Discount Notes called for redemption that have been delivered by Holdings to the Senior Discount Notes Trustee for cancelation.

SECTION 3.06. Senior Discount Notes Redeemed in Part. Upon surrender of a Senior Discount Note that is redeemed in part, Holdings shall execute and the Senior Discount Notes Trustee shall authenticate for the Senior Discount Noteholder (at Holdings' expense) a new Senior Discount Note equal in principal amount at maturity to the unredeemed portion of the Senior Discount Note surrendered.

ARTICLE 4

Covenants

SECTION 4.01. Payment of Senior Discount Notes. Holdings shall promptly pay the principal of and interest (and Accreted Value, if applicable) on the Senior Discount Notes on the dates and in the manner provided in the Senior Discount Notes and in this Indenture. Principal and interest (and Accreted Value, if applicable) shall be considered paid on the date due if on such date the Senior Discount Notes

Trustee or the Paying Agent holds in accordance with this Indenture money sufficient to pay all principal and interest (and Accreted Value, if applicable) then due and the Senior Discount Notes Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Senior Discount Noteholders on that date pursuant to the terms of this Indenture.

Holdings shall pay interest on overdue principal at the rate specified therefor in the Senior Discount Notes, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

SECTION 4.02. SEC Reports. Notwithstanding that Holdings may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, Holdings shall file with the SEC and provide the Senior Discount Notes Trustee and any Senior Discount Noteholder or prospective Senior Discount Noteholder (upon the request of such Senior Discount Noteholder or prospective Senior Discount Noteholder) with such annual reports and such information, documents and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. corporation subject to such Sections, such information, documents and other reports to be so filed and provided at the times specified for the filing of such information, documents and reports under such Sections.

SECTION 4.03. Limitation on Indebtedness. (a) Holdings shall not, and shall not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that Holdings and the Company may Incur Indebtedness if on the date of such Incurrence and after giving effect thereto the Consolidated Coverage Ratio would be greater than 2.00:1.00.

(b) Notwithstanding Section 4.03(a), Holdings and its Restricted Subsidiaries may Incur the following Indebtedness:

(i) Indebtedness Incurred pursuant to the Credit Agreement or any other Credit Facility in an aggregate principal amount at any time outstanding not to exceed $400 million;

(ii) Indebtedness of Holdings owed to and held by any Wholly Owned Subsidiary or Indebtedness of a Restricted Subsidiary owed to and held by Holdings or any Wholly Owned Subsidiary; provided, however, that (A) any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Wholly Owned Subsidiary ceasing to be a Wholly Owned Subsidiary or any subsequent transfer of any such Indebtedness (except to Holdings or a Wholly Owned Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the issuer thereof and (B) if Holdings is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Senior Discount Notes;

(iii) Indebtedness (A) represented by the Senior Discount Notes and the Senior Subordinated Notes (not including any Additional Senior Subordinated Notes), (B) outstanding on the Closing Date (other than the Indebtedness described in clauses (i) and (ii) above), (C) consisting of Refinancing Indebtedness Incurred in respect of any Indebtedness described in this

clause (iii) (including Indebtedness Refinancing Refinancing Indebtedness) or Section 4.03(a) and (D) consisting of Guarantees of (x) any Indebtedness permitted under clauses (i) and (ii) of this paragraph (b) and (y) the Senior Subordinated Notes;

(iv) (A) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by Holdings (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Subsidiary of or was otherwise acquired by Holdings); provided, however, if the aggregate amount of all such Indebtedness of all such Restricted Subsidiaries would exceed $20 million, that on the date that such Restricted Subsidiary is acquired by Holdings, Holdings would have been able to Incur $1.00 of additional Indebtedness pursuant to Section 4.03(a) after giving effect to the Incurrence of such Indebtedness pursuant to this clause (iv) and (B) Refinancing Indebtedness Incurred by a Restricted Subsidiary in respect of Indebtedness Incurred by such Restricted Subsidiary pursuant to this clause (iv);

(v) Indebtedness (A) in respect of performance bonds, bankers' acceptances, letters of credit and surety or appeal bonds provided by Holdings and the Restricted Subsidiaries in the ordinary course of their business, and (B) under Hedging Obligations consisting of Interest Rate Agreements directly related (as determined in good faith by Holdings) to Indebtedness permitted to be Incurred by Holdings and its Restricted Subsidiaries pursuant to this Indenture and Currency Agreements Incurred in the ordinary course of business;

(vi) Indebtedness Incurred by Holdings or any Restricted Subsidiary (including Capitalized Lease Obligations) financing the purchase, lease or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of the Person owning such assets), in each case Incurred no more than 180 days after such purchase, lease or improvement of such property and any Refinancing Indebtedness in respect of such Indebtedness; provided, however, that at the time of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount of all Indebtedness incurred pursuant to this clause (vi) and then outstanding shall not exceed the greater of $25.0 million and 5% of Adjusted Consolidated Assets;

(vii) Indebtedness Incurred by Holdings or the Company in connection with the acquisition of a Related Business and any Refinancing Indebtedness in respect of such Indebtedness; provided, however, that the aggregate amount of Indebtedness Incurred and outstanding pursuant to this clause (vii) shall not exceed $50.0 million at any one time;

(viii) Attributable Debt Incurred by Holdings or the Company in respect of Sale/Leaseback Transactions; provided, however, that the aggregate amount of Attributable Debt Incurred and outstanding pursuant to this clause (viii) shall not exceed $75.0 million at any one time;

(ix) Indebtedness arising from agreements of Holdings or a Restricted Subsidiary providing for indemnification, purchase price adjustment or similar

obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition; provided, however, that the maximum assumable liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by Holdings and its Restricted Subsidiaries in connection with such disposition;

(x) any Guarantee by Holdings of Indebtedness or other obligations of any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness Incurred by such Restricted Subsidiary is permitted under the terms of this Indenture;

(xi) Indebtedness arising from Guarantees to suppliers, lessors, licensees, contractors, franchisees or customers Incurred in the ordinary course of business;

(xii) Indebtedness Incurred by a Receivables Entity in a Qualified Receivables Transaction that is not recourse to Holdings or any other Restricted Subsidiary of Holdings (except for Standard Securitization Undertakings); and

(xiii) Indebtedness (other than Indebtedness permitted to be Incurred pursuant to Section 4.03(a) or any other clause of this Section 4.03(b)) in an aggregate principal amount on the date of Incurrence that, when added to all other Indebtedness Incurred pursuant to this clause (xiii) and then outstanding, shall not exceed $50.0 million.

(c) Notwithstanding any other provision of this Section 4.03, the maximum amount of Indebtedness that Holdings or any Restricted Subsidiary may Incur pursuant to this Section shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. For purposes of determining the outstanding principal amount of any particular Indebtedness Incurred pursuant to this Section 4.03, (i) Indebtedness permitted by this Section 4.03 need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this Section permitting such Indebtedness and (ii) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in this Section, Holdings, in its sole discretion, shall classify or reclassify such Indebtedness and only be required to include the amount of such Indebtedness in one of such clauses.

SECTION 4.04. Limitation on Restricted Payments. (a) Holdings shall not, and shall not permit any Restricted Subsidiary, directly or indirectly, to (i) declare or pay any dividend or make any distribution on or in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving Holdings) or similar payment to the direct or indirect holders of its Capital Stock except dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) and except dividends or distributions payable to Holdings or another Restricted Subsidiary (and, if such Restricted Subsidiary has equity holders other than Holdings or other Restricted Subsidiaries, to its other equity holders on a pro rata basis), (ii) purchase, redeem, retire or otherwise acquire for value any Capital Stock of Holdings or any Restricted Subsidiary held by Persons other than Holdings or another Restricted Subsidiary, (iii) purchase, repurchase, redeem, defease or otherwise acquire or retire for

value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment any Subordinated Obligations of Holdings (other than the purchase, repurchase or other acquisition of Subordinated Obligations of Holdings purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of acquisition) or (iv) make any Investment (other than a Permitted Investment) in any Person (any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Investment being herein referred to as a "Restricted Payment") if at the time Holdings or such Restricted Subsidiary makes such Restricted Payment:

(1) a Default shall have occurred and be continuing (or would result therefrom);

(2) Holdings could not Incur at least $1.00 of additional Indebtedness under Section 4.03(a); or

(3) the aggregate amount of such Restricted Payment and all other Restricted Payments (the amount so expended, if other than in cash, to be determined in good faith by the Board of Directors, whose determination shall be conclusive and evidenced by a resolution of the Board of Directors) declared or made subsequent to the Closing Date would exceed the sum of:

(A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from the beginning of the fiscal quarter immediately following the fiscal quarter during which the Closing Date occurs to the end of the most recent fiscal quarter for which internal financial statements are available prior to the date of such Restricted Payment (or, in case such Consolidated Net Income will be a deficit, minus 100% of such deficit);

(B) the aggregate Net Cash Proceeds or fair market value of assets or property received by Holdings as a contribution to its equity capital or from the issue or sale of its Capital Stock (in each case other than Disqualified Stock and Excluded Contributions) subsequent to the Closing Date (other than an issuance or sale to (x) a Subsidiary of Holdings or (y) an employee stock ownership plan or other trust established by Holdings or any of its Subsidiaries);

(C) the amount by which Indebtedness or Disqualified Stock of Holdings or its Restricted Subsidiaries is reduced on Holdings' balance sheet upon the conversion or exchange (other than by a Subsidiary of Holdings) subsequent to the Closing Date of any Indebtedness or Disqualified Stock of Holdings or its Restricted Subsidiaries issued after the Closing Date for Capital Stock (other than Disqualified Stock) of Holdings (less the amount of any cash or the fair market value of other property distributed by Holdings or any Restricted Subsidiary upon such conversion or exchange); and

(D) the amount equal to the net reduction in Investments in any Person (other than a Restricted Subsidiary) resulting from (i) payments of dividends, repayments of the principal of loans or advances or other

transfers of assets to Holdings or any Restricted Subsidiary from such Person, (ii) the sale or liquidation for cash of such Investment or (iii) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by Holdings or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount was included in the calculation of the amount of Restricted Payments.

(b) The provisions of Section 4.04(a) shall not prohibit:

(i) any Restricted Payment made by exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of Holdings (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of Holdings or an employee stock ownership plan or other trust established by Holdings or any of its Subsidiaries); provided, however, that (A) such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale applied in the manner set forth in this clause (i) shall be excluded from the calculation of amounts under Section 4.04(a)(3)(B);

(ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of Holdings made by exchange for, or out of the proceeds of the substantially concurrent sale of, Indebtedness of Holdings that is permitted to be Incurred pursuant to Section 4.03(b); provided, however, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(iii) any purchase or redemption of Subordinated Obligations of Holdings from Net Available Cash to the extent permitted by Section 4.06; provided, however, that such purchase or redemption shall be excluded in the calculation of the amount of Restricted Payments;

(iv) dividends paid within 60 days after the date of declaration thereof if at such date of declaration such dividend would have complied with Section 4.04(a); provided, however, that such dividend shall be included in the calculation of the amount of Restricted Payments;

(v) any Restricted Payment made for the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of Holdings or any Restricted Subsidiaries held by any employee, former employee, director or former director of Holdings or any of its Subsidiaries (and any permitted transferees thereof) pursuant to any equity subscription agreement, stock option agreement or plan or other similar agreement; provided, however, that the aggregate amount of such Restricted Payments shall not exceed $5.0 million in any calendar year and $20.0 million in the aggregate; provided further, however, that such Restricted Payments shall be included in the calculation of the amount of Restricted Payments;

(vi) following the initial Equity Offering by Holdings, any payment of dividends or common stock buybacks by Holdings in an aggregate amount in any year not to exceed 6% of the aggregate Net Cash Proceeds actually received by Holdings in connection with such initial Equity Offering and any subsequent Equity Offering by Holdings; provided, however, that no Default or Event of Default shall have occurred and be continuing immediately before or after any such payment; provided further, however, that such dividends or common stock buybacks shall be included in the calculation of the amount of Restricted Payments;

(vii) any repurchase of Capital Stock deemed to occur upon exercise of stock options if such Capital Stock represents a portion of the exercise price of such option; provided, however, that such repurchase shall be included in the calculation of the amount of Restricted Payments;

(viii) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of Holdings issued in accordance with Section 4.03(b) to the extent such dividends are included in the definition of Consolidated Interest Expense; provided, however, that such dividends shall be included in the calculation of the amount of Restricted Payments;

(ix) Investments made with Excluded Contributions; provided, however, that such Investments shall be excluded in the calculation of the amount of Restricted Payments;

(x) any Restricted Payment made to fund the Recapitalization (including fees and expenses); provided, however, that such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments; or

(xi) other Restricted Payments in an aggregate amount not to exceed $10.0 million; provided, however, that such payments shall be included in the calculation of the amount of Restricted Payments.

SECTION 4.05. Limitation on Restrictions on Distributions from Restricted Subsidiaries. Holdings shall not, and shall not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to Holdings, (ii) make any loans or advances to Holdings or (iii) transfer any of its property or assets to Holdings, except:

(1) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Closing Date;

(2) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Indebtedness Incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by Holdings (other than Indebtedness Incurred as consideration in, in contemplation of, or to provide all or any portion of the funds or credit support utilized to consummate the transaction or series of related transactions pursuant to

which such Restricted Subsidiary became a Restricted Subsidiary or was otherwise acquired by Holdings) and outstanding on such date;

(3) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (1) or (2) of this Section 4.05 or this clause (3) or contained in any amendment to an agreement referred to in clause (1) or (2) of this Section 4.05 or this clause (3); provided, however, that the encumbrances and restrictions contained in any such Refinancing agreement or amendment are no less favorable to the Senior Discount Noteholders than the encumbrances and restrictions contained in such predecessor agreements;

(4) in the case of clause (iii), any encumbrance or restriction (A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, (B) contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements or mortgages or (C) in connection with purchase money obligations for property acquired in the ordinary course of business;

(5) with respect to a Restricted Subsidiary, any restriction imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;

(6) any encumbrance or restriction of a Receivables Entity effected in connection with a Qualified Receivables Transaction; provided, however, that such restrictions apply only to such Receivables Entity; and

(7) any encumbrance or restriction existing pursuant to other Indebtedness permitted to be Incurred subsequent to the Senior Discount Notes Issue Date pursuant to Section 4.03; provided, however, that any such encumbrance or restrictions are ordinary and customary with respect to the type of Indebtedness being Incurred (under the relevant circumstances).

SECTION 4.06. Limitation on Sales of Assets and Subsidiary Stock. (a) Holdings shall not, and shall not permit any Restricted Subsidiary to, make any Asset Disposition unless (i) Holdings or such Restricted Subsidiary receives consideration (including by way of relief from, or by any other Person assuming sole responsibility for, any liabilities, contingent or otherwise) at the time of such Asset Disposition at least equal to the fair market value (as determined in good faith by Holdings) of the shares and assets subject to such Asset Disposition, (ii) at least 75% of the consideration thereof received by Holdings or such Restricted Subsidiary is in the form of cash or cash equivalents (provided that the amount of (w) any liabilities (as shown on Holdings' or such Restricted Subsidiary's most recent balance sheet or in the notes thereto) of Holdings or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Senior Discount Notes) that are assumed by the transferee of any such assets without recourse to Holdings or any of the Restricted Subsidiaries, (x) any notes or other obligations received by Holdings or such Restricted Subsidiary from such transferee that are converted by Holdings or such Restricted Subsidiary into cash (to the

extent of the cash received) within 180 days following the closing of such Asset Disposition, (y) any Designated Noncash Consideration received by Holdings or any of its Restricted Subsidiaries in such Asset Disposition having an aggregate fair market value, taken together with all other Designated Noncash Consideration received pursuant to this clause (y) that is at that time outstanding, not to exceed 5% of Adjusted Consolidated Assets at the time of the receipt of such Designated Noncash Consideration (with the fair market value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value) and (z) any assets received in exchange for assets related to a Related Business of comparable market value in the good faith determination of the Board of Directors shall be deemed to be cash for purposes of this provision) and (iii) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by Holdings (or such Restricted Subsidiary, as the case may be) (A) first, to the extent Holdings elects (or is required by the terms of any Indebtedness), to prepay, repay, redeem or purchase Indebtedness (other than any Disqualified Stock and other than any Preferred Stock) of a Wholly Owned Subsidiary (in each case other than Indebtedness owed to Holdings or an Affiliate of Holdings) within 365 days after the later of the date of such Asset Disposition or the receipt of such Net Available Cash; (B) second, to the extent of the balance of Net Available Cash after application in accordance with clause (A), to the extent Holdings or such Restricted Subsidiary elects, to reinvest in Additional Assets (including by means of an Investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by Holdings or another Restricted Subsidiary) within 365 days from the later of such Asset Disposition or the receipt of such Net Available Cash; and (C) third, to the extent of the balance of such Net Available Cash after application in accordance with clauses (A) and (B), to make an Offer (as defined below) to purchase Senior Discount Notes pursuant to and subject to the conditions of Section 4.06(b); provided, however, that if Holdings elects (or is required by the terms of any other Senior Indebtedness of Holdings), such Offer may be made ratably to purchase the Senior Discount Notes and other Senior Indebtedness of Holdings; provided, however, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (A) or (C) above, Holdings or such Restricted Subsidiary shall retire such Indebtedness and shall cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased. Notwithstanding the foregoing provisions of this Section 4.06, Holdings and the Restricted Subsidiaries shall not be required to apply any Net Available Cash in accordance with this Section 4.06(a) except to the extent that the aggregate Net Available Cash from all Asset Dispositions that is not applied in accordance with this Section 4.06(a) exceeds $20.0 million.

(b) In the event of an Asset Disposition that requires the purchase of Senior Discount Notes (and other Senior Indebtedness of Holdings) pursuant to Section 4.06(a)(iii)(C), Holdings shall be required to purchase Senior Discount Notes (and other Senior Indebtedness of Holdings) tendered pursuant to an offer by Holdings for the Senior Discount Notes (and other Senior Indebtedness of Holdings) (the "Offer") at a purchase price of (a) 100% of the Accreted Value thereof at the date of purchase plus liquidated damages thereon, if any, to the date of purchased, if purchased on or prior to June 1, 2003, and (b) 100% of the principal amount thereof plus accrued and unpaid interest and liquidated damages, if any, to the date of purchase, if purchased after June 1, 2003, in each case in accordance with the procedures (including prorating in the event of oversubscription), set forth in Section 4.06(c). If the aggregate purchase price of Senior Discount Notes (and other Senior Indebtedness of Holdings) tendered pursuant to the

Offer is less than the Net Available Cash allotted to the purchase of the Senior Discount Notes (and other Senior Indebtedness of Holdings), Holdings may apply the remaining Net Available Cash for any purpose permitted by the terms of this Indenture. Holdings shall not be required to make an Offer for Senior Discount Notes (and other Senior Indebtedness of Holdings) pursuant to this Section 4.06 if the Net Available Cash available therefor (after application of the proceeds as provided in clauses (A) and (B) of Section 4.06(a)(iii)) is less than $10.0 million for any particular Asset Disposition (which lesser amount shall be carried forward for purposes of determining whether an Offer is required with respect to the Net Available Cash from any subsequent Asset Disposition).

(c) (1) Promptly, and in any event within 30 days after Holdings becomes obligated to make an Offer, Holdings shall be obligated to deliver to the Senior Discount Notes Trustee and send, by first-class mail to each Senior Discount Noteholder, a written notice stating that the Senior Discount Noteholder may elect to have his Senior Discount Notes purchased by Holdings either in whole or in part (subject to prorating as hereinafter described in the event the Offer is oversubscribed) in integral multiples of $1,000 of principal amount at maturity, at the applicable purchase price. The notice shall specify a purchase date not less than 30 days nor more than 60 days after the date of such notice (the "Purchase Date") and shall contain or incorporate by reference such information concerning the business of Holdings which Holdings in good faith believes will enable such Senior Discount Noteholders to make an informed decision and all instructions and materials necessary to tender Senior Discount Notes pursuant to the Offer, together with the address referred to in clause (3).

(2) Not later than the date upon which written notice of an Offer is delivered to the Senior Discount Notes Trustee as provided above, Holdings shall deliver to the Senior Discount Notes Trustee an Officers' Certificate as to (i) the amount of the Offer (the "Offer Amount"), (ii) the allocation of the Net Available Cash from the Asset Dispositions pursuant to which such Offer is being made and (iii) the compliance of such allocation with the provisions of Section 4.06(a). On such date, Holdings shall also irrevocably deposit with the Senior Discount Notes Trustee or with a paying agent (or, if Holdings is acting as its own paying agent, segregate and hold in trust) an amount equal to the Offer Amount to be invested in Temporary Cash Investments and to be held for payment in accordance with the provisions of this Section. Upon the expiration of the period for which the Offer remains open (the "Offer Period"), Holdings shall deliver to the Senior Discount Notes Trustee for cancelation the Senior Discount Notes or portions thereof that have been properly tendered to and are to be accepted by Holdings. The Senior Discount Notes Trustee (or the Paying Agent, if not the Senior Discount Notes Trustee) shall, on the date of purchase, mail or deliver payment to each tendering Senior Discount Noteholder in the amount of the purchase price. In the event that the aggregate purchase price of the Senior Discount Notes (and other Senior Indebtedness of Holdings) delivered by Holdings to the Senior Discount Notes Trustee is less than the Offer Amount applicable to the Senior Discount Notes (and other Senior Indebtedness of Holdings), the Senior Discount Notes Trustee shall deliver the excess to Holdings immediately after the expiration of the Offer Period for application in accordance with this Section 4.06.

(3) Senior Discount Noteholders electing to have a Senior Discount Note purchased shall be required to surrender the Senior Discount Note, with an appropriate form duly completed, to Holdings at the address specified in the notice at least three Business Days prior to the Purchase Date. Senior Discount Noteholders shall be entitled

to withdraw their election if the Senior Discount Notes Trustee or Holdings receives not later than one Business Day prior to the Purchase Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Senior Discount Noteholder, the principal amount at maturity of the Senior Discount Note which was delivered by the Senior Discount Noteholder for purchase and a statement that such Senior Discount Noteholder is withdrawing his election to have such Senior Discount Note purchased. If at the expiration of the Offer Period the aggregate principal amount (or Accreted Value, if applicable) of Senior Discount Notes and any other Senior Indebtedness of Holdings included in the Offer surrendered by holders thereof exceeds the Offer Amount, Holdings shall select the Senior Discount Notes and other Senior Indebtedness of Holdings to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by Holdings so that only Senior Discount Notes and other Senior Indebtedness of Holdings in denominations of $1,000 (principal amount at maturity), or integral multiples thereof, shall be purchased). Senior Discount Noteholders whose Senior Discount Notes are purchased only in part will be issued new Senior Discount Notes equal in principal amount at maturity to the unpurchased portion of the Senior Discount Notes surrendered.

(4) At the time Holdings delivers Senior Discount Notes to the Senior Discount Notes Trustee which are to be accepted for purchase, Holdings shall also deliver an Officers' Certificate stating that such Senior Discount Notes are to be accepted by Holdings pursuant to and in accordance with the terms of this Section. A Senior Discount Note shall be deemed to have been accepted for purchase at the time the Senior Discount Notes Trustee, directly or through an agent, mails or delivers payment therefor to the surrendering Senior Discount Noteholder.

(d) Holdings shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Discount Notes pursuant to this Section. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section, Holdings shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section by virtue thereof.

SECTION 4.07. Limitation on Transactions with Affiliates. (a) Holdings shall not, and shall not cause or permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate (each of the foregoing, an "Affiliate Transaction") involving aggregate consideration in excess of $5.0 million, unless (i) such Affiliate Transaction is on terms that are not materially less favorable to Holdings or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Holdings or such Restricted Subsidiary with an unrelated Person and (ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10.0 million, Holdings delivers to the Senior Discount Notes Trustee a resolution adopted by the majority of the Board of Directors, approving such Affiliate Transaction and set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above.

(b) The provisions of Section 4.07(a) shall not prohibit (i) any Restricted Payment permitted to be paid pursuant to Section 4.04, (ii) any issuance of securities, or

other payments, Guarantees, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors, (iii) the grant of stock options or similar rights to employees and directors of Holdings pursuant to plans approved by the Board of Directors, (iv) loans or advances to employees in the ordinary course of business in accordance with past practices of Holdings, but in any event not to exceed $5.0 million in the aggregate outstanding at any one time, (v) the payment of reasonable fees to directors of Holdings and its Restricted Subsidiaries who are not employees of Holdings or its Subsidiaries, (vi) any transaction between Holdings and a Restricted Subsidiary or between Restricted Subsidiaries, (vii) any transaction effected as part of a Qualified Receivables Transaction, (viii) indemnification agreements with, and the payment of fees and indemnities to, directors, officers and employees of Holdings and its Restricted Subsidiaries, in each case, in the ordinary course of business, (ix) any employment, compensation, noncompetition or confidentiality agreement entered into by Holdings and its Restricted Subsidiaries with its employees in the ordinary course of business, (x) the payment by Holdings of fees, expenses and other amounts to Cypress and its Affiliates in connection with the Recapitalization, (xi) payments by Holdings or any of its Restricted Subsidiaries to Cypress and its Affiliates made pursuant to any financial advisory, financing, underwriting or placement agreement, or in respect of other investment banking activities, in each case, as determined by the Board of Directors in good faith, (xii) any issuance of Capital Stock of Holdings (other than Disqualified Stock), (xiii) any agreement as in effect as of the date of this Indenture or any amendment or replacement hereto so long as any such amendment or replacement agreement is not more disadvantageous to the Senior Discount Noteholders of the Senior Discount Notes in any material respect than the original agreement as in effect on the Closing Date and (xiv) transactions in which Holdings or any of its Restricted Subsidiaries, as the case may be, delivers to the Senior Discount Notes Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to Holdings or such Restricted Subsidiary from a financial point of view or meets the requirements of Section 4.07(a).

SECTION 4.08. Change of Control. (a) Upon the occurrence of a Change of Control, unless all Senior Discount Notes have been called for redemption pursuant to paragraph 5 of the Senior Discount Notes, each Senior Discount Noteholder shall have the right to require Holdings to repurchase all or any part of such Senior Discount Noteholder's Senior Discount Notes at a purchase price in cash equal to (a) 101% of the Accreted Value thereof at the date of repurchase plus liquidated damages thereon, if any, to the date of repurchase, if repurchased on or prior to June 1, 2003, and (b) 101% of the principal amount thereof plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Senior Discount Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date), if repurchased after June 1, 2003, in each case in accordance with Section 4.08(b). Prior to the mailing of the notice referred to below, but in any event within 30 days following the date on which Holdings becomes aware that a Change of Control has occurred, if the purchase of the Senior Discount Notes would violate or constitute a default under any other Indebtedness of Holdings or its Subsidiaries, or not be permitted by (including because Subsidiaries of Holdings could not provide adequate funds therefor), then Holdings shall and shall cause its Subsidiaries, to the extent needed to permit such purchase of Senior Discount Notes, either (i) to repay all such Indebtedness and terminate all commitments outstanding thereunder or (ii) request the holders of such Indebtedness to give the requisite consents to permit the purchase of the Senior Discount Notes as provided below. Until such time as Holdings is able to repay

all such Indebtedness and terminate all commitments outstanding thereunder or such time as such requisite consents are obtained, Holdings shall not be required to make the Change of Control Offer or purchase the Senior Discount Notes pursuant to the provisions described below.

(b) Within 30 days following any Change of Control, unless all Senior Discount Notes have been called for redemption pursuant to paragraph 5 of the Senior Discount Notes, Holdings shall mail a notice to each Senior Discount Noteholder with a copy to the Senior Discount Notes Trustee (the "Change of Control Offer") stating:

(1) that a Change of Control has occurred and that such Senior Discount Noteholder has the right to require Holdings to purchase such Senior Discount Noteholder's Senior Discount Notes at a purchase price in cash equal to (a) 101% of the Accreted Value thereof at the date of repurchase plus liquidated damages thereon if any, to the date of repurchase, if repurchased on or prior to June 1, 2003, and (b) 101% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Senior Discount Noteholders of record on the relevant record date to receive interest on the relevant interest payment date), if repurchased after June 1, 2003;

(2) the circumstances and relevant facts regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(4) the instructions determined by Holdings, consistent with this Section, that a Senior Discount Noteholder must follow in order to have its Senior Discount Notes repurchased.

(c) Senior Discount Noteholders electing to have a Senior Discount Note repurchased shall be required to surrender the Senior Discount Note, with an appropriate form duly completed, to Holdings at the address specified in the notice at least three Business Days prior to the repurchase date. Senior Discount Noteholders shall be entitled to withdraw their election if the Senior Discount Notes Trustee or Holdings receives not later than one Business Day prior to the repurchase date a telegram, telex, facsimile transmission or letter setting forth the name of the Senior Discount Noteholder, the principal amount at maturity of the Senior Discount Note which was delivered for repurchase by the Senior Discount Noteholder and a statement that such Senior Discount Noteholder is withdrawing his election to have such Senior Discount Note repurchased.

(d) On the repurchase date, all Senior Discount Notes repurchased by Holdings under this Section shall be delivered to the Senior Discount Notes Trustee for cancelation, and Holdings shall pay the purchase price plus accrued and unpaid interest and liquidated damages, if any, to the Senior Discount Noteholders entitled thereto.

(e) Notwithstanding the foregoing provisions of this Section, Holdings will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in Section 4.08(b) applicable to a Change

of Control Offer made by Holdings and purchases all Senior Discount Notes validly tendered and not withdrawn under such Change of Control Offer.

(f) Holdings shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Discount Notes pursuant to this Section. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section, Holdings shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section by virtue thereof.

SECTION 4.09. Compliance Certificate. Holdings shall deliver to the Senior Discount Notes Trustee within 120 days after the end of each fiscal year of Holdings an Officers' Certificate stating that a review of Holdings' activities during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether Holdings has kept, observed, performed and fulfilled its obligations under this Indenture and further stating, as to each such Officer signing such certificate, whether to the best of such Officer's knowledge Holdings during such preceding fiscal year has kept, observed, performed and fulfilled each and every such covenant contained in this Indenture and that in the course of the performance by the signers of their duties as Officers of Holdings they would normally have knowledge of any Default and whether or not the signers know of any Default that occurred during such period. If they do know of any Default, the certificate shall describe the Default, its status and what action Holdings is taking or proposes to take with respect thereto. Holdings also shall comply with Section 314(a)(4) of the TIA.

SECTION 4.10. Further Instruments and Acts. Upon request of the Senior Discount Notes Trustee, Holdings shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 4.11. Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries. Holdings shall not sell or otherwise dispose of any shares of Capital Stock of a Restricted Subsidiary, and shall not permit any Restricted Subsidiary, directly or indirectly, to issue or sell or otherwise dispose of any shares of its Capital Stock except: (i) to Holdings or a Wholly Owned Subsidiary or to any director of a Restricted Subsidiary to the extent required as director's qualifying shares; (ii) if, immediately after giving effect to such issuance, sale or other disposition, neither Holdings nor any of its Subsidiaries own any Capital Stock of such Restricted Subsidiary or (iii) if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect thereto would have been permitted to be made under Section 4.04 if made on the date of such issuance, sale or other disposition. The provisions of this Section 4.11 shall not prohibit any transaction effected as part of a Qualified Receivables Transaction. The proceeds of any sale of such Capital Stock permitted hereby shall be treated as Net Available Cash from an Asset Disposition and shall be applied in accordance with Section 4.06.

SECTION 4.12. Limitation on Liens. Holdings shall not directly or indirectly Incur or permit to exist any Lien that secures Indebtedness of Holdings of any

nature whatsoever on any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned at the Closing Date or thereafter acquired, other than Permitted Liens, without effectively providing that the Senior Discount Notes shall be secured equally and ratably with (or on a senior basis to in the case of Subordinated Obligations of Holdings) the obligations so secured for so long as such obligations are so secured.

ARTICLE 5

Successor Company

SECTION 5.01. When Holdings May Merge or Transfer Assets. Holdings shall not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(i) the resulting, surviving or transferee Person (the "Successor Company") shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not Holdings) shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Senior Discount Notes Trustee, in form satisfactory to the Senior Discount Notes Trustee, all the obliga tions of Holdings under the Senior Discount Notes and this Indenture;

(ii) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Restricted Subsidiary as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transac tion), no Default shall have occurred and be continuing;

(iii) immediately after giving effect to such transaction, (A) the Successor Company would be able to Incur an additional $1.00 of Indebtedness pursuant to Section 4.03(a) or (B) the Consolidated Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be greater than such ratio for Holdings and its Restricted Subsidiaries immediately prior to such transaction;

(iv) immediately after giving effect to such transaction, the Successor Company shall have Consolidated Net Worth in an amount which is not less than the Consolidated Net Worth of Holdings immediately prior to such transaction; and

(v) Holdings shall have delivered to the Senior Discount Notes Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this Indenture.

The Successor Company shall succeed to, and be substituted for, and may exercise every right and power of, Holdings under this Indenture, but the predecessor Holdings in the case of a conveyance, transfer or lease of all or substantially all its assets shall not be released from the obligation to pay the principal of and interest on the Senior Discount Notes.

Notwithstanding clause (iii) above, a Wholly Owned Subsidiary may be consolidated with or merged into Holdings and Holdings may consolidate with or merge with or into another Person, if such Person is a single purpose corporation that has not conducted any business or Incurred any Indebtedness or other liabilities and such transaction is being consummated solely to change the state of incorporation of Holdings.

ARTICLE 6

Defaults and Remedies

SECTION 6.01. Events of Default. An "Event of Default" occurs if:

(1) Holdings defaults in any payment of interest on any Senior Discount Note when the same becomes due and payable, and such default continues for a period of 30 days;

(2) Holdings (i) defaults in the payment of Accreted Value or the principal of any Senior Discount Note when the same becomes due and payable at its Stated Maturity, upon redemption, upon declaration or otherwise, or (ii) fails to redeem or purchase Senior Discount Notes when required pursuant to this Indenture or the Senior Discount Notes;

(3) Holdings fails to comply with Section 5.01;

(4) Holdings fails to comply with Section 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.11 or 4.12 (other than a failure to purchase Senior Discount Notes when required under Section 4.06 or 4.08) and such failure continues for 30 days after the notice specified below;

(5) Holdings fails to comply with any of its agreements in the Senior Discount Notes or this Indenture (other than those referred to in (1), (2), (3) or (4) above) and such failure continues for 60 days after the notice specified below;

(6) Indebtedness of Holdings or any Significant Subsidiary is not paid within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default and the total amount of such Indebtedness unpaid or accelerated exceeds $25 million or its foreign currency equivalent at the time and such failure continues for 10 days after the notice specified below;

(7) Holdings or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case;

(B) consents to the entry of an order for relief against it in an involuntary case;

(C) consents to the appointment of a Custodian of it or for any substantial part of its property; or

(D) makes a general assignment for the benefit of its creditors;

or takes any comparable action under any foreign laws relating to insolvency;

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against Holdings or any Significant Subsidiary in an involuntary case;

(B) appoints a Custodian of Holdings or any Significant Subsidiary or for any substantial part of its property; or

(C) orders the winding up or liquidation of Holdings or any Significant Subsidiary;

or any similar relief is granted under any foreign laws and the order or decree remains unstayed and in effect for 60 days; or

(9) any judgment or decree for the payment of money in excess of $25 million or its foreign currency equivalent at the time is entered against Holdings or any Significant Subsidiary and is not discharged, waived or stayed and either (A) an enforcement proceeding has been commenced by any creditor upon such judgment or decree or (B) there is a period of 60 days following the entry of such judgment or decree during which such judgment or decree is not discharged, waived or the execution thereof stayed and such judgment or decree is not discharged, waived or the execution thereof stayed within 10 days after the notice specified below.

The foregoing shall constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

The term "Bankruptcy Law" means Title 11, United States Code, or any similar Federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A Default under clause (4), (5), (6) or (9) above is not an Event of Default until the Senior Discount Notes Trustee or the Senior Discount Noteholders of at least 25% in principal amount at maturity of the outstanding Senior Discount Notes notify Holdings of the Default and Holdings does not cure such Default within the time specified after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default".

Holdings shall deliver to the Senior Discount Notes Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any event which with the giving of notice or the lapse of time would become an Event of Default under clause (4), (5) or (9), its status and what action Holdings is taking or proposes to take with respect thereto.

SECTION 6.02. Acceleration. If an Event of Default (other than an Event of Default specified in Section 6.01(7) or (8) with respect to Holdings) occurs and is continuing, the Senior Discount Notes Trustee by notice to Holdings, or the Senior Discount Noteholders of at least 25% in principal amount at maturity of the outstanding Senior Discount Notes by notice to Holdings, may declare (a) the Accreted Value of all the Senior Discount Notes, if on or prior to June 1, 2003, or (b) the principal of and accrued but unpaid interest on all the Senior Discount Notes, if after June 1, 2003, to be due and payable. Upon such a declaration, such Accreted Value or principal and interest shall be due and payable immediately. If an Event of Default specified in Section 6.01(7) or (8) with respect to Holdings occurs, (a) the Accreted Value of all the Senior Discount Notes, if on or prior to June 1, 2003, or (b) the principal of and interest on all the Senior Discount Notes, if after June 1, 2003, shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Senior Discount Notes Trustee or any Senior Discount Noteholders. The Senior Discount Noteholders of a majority in principal amount at maturity of the Senior Discount Notes by notice to the Senior Discount Notes Trustee may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpay ment of Accreted Value or principal or interest that has become due solely because of acceleration. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

SECTION 6.03. Other Remedies. If an Event of Default occurs and is continuing, the Senior Discount Notes Trustee may pursue any available remedy to collect the payment of Accreted Value or principal of or interest on the Senior Discount Notes or to enforce the performance of any provision of the Senior Discount Notes or this Indenture.

The Senior Discount Notes Trustee may maintain a proceeding even if it does not possess any of the Senior Discount Notes or does not produce any of them in the proceeding. A delay or omission by the Senior Discount Notes Trustee or any Senior Discount Noteholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 6.04. Waiver of Past Defaults. The Holders of a majority in principal amount at maturity of the Senior Discount Notes by notice to the Senior Discount Notes Trustee may waive an existing Default and its consequences except (i) a Default in the payment of Accreted Value or the principal of or interest on a Senior Discount Note, (ii) a Default arising from the failure to redeem or purchase any Senior Discount Note when required pursuant to the terms of this Indenture or (iii) a Default in respect of a provision that under Section 9.02 cannot be amended without the consent of each Senior Discount Noteholder affected. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 6.05. Control by Majority. The Senior Discount Noteholders of a majority in principal amount at maturity of the Senior Discount Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Senior Discount Notes Trustee or of exercising any trust or power conferred on the

Senior Discount Notes Trustee. However, the Senior Discount Notes Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 7.01, that the Senior Discount Notes Trustee determines is unduly prejudicial to the rights of other Senior Discount Noteholders or would involve the Senior Discount Notes Trustee in personal liability; provided, however, that the Senior Discount Notes Trustee may take any other action deemed proper by the Senior Discount Notes Trustee that is not inconsistent with such direction. Prior to taking any action hereunder, the Senior Discount Notes Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

SECTION 6.06. Limitation on Suits. Except to enforce the right to receive payment of Accreted Value, principal, premium (if any) or interest when due, no Senior Discount Noteholder may pursue any remedy with respect to this Indenture or the Senior Discount Notes unless:

(1) the Senior Discount Noteholder gives to the Senior Discount Notes Trustee written notice stating that an Event of Default is continuing;

(2) the Senior Discount Noteholders of at least 25% in principal amount at maturity of the Senior Discount Notes make a written request to the Senior Discount Notes Trustee to pursue the remedy;

(3) such Senior Discount Noteholder or Senior Discount Noteholders offer to the Senior Discount Notes Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Senior Discount Notes Trustee does not comply with the request within 60 days after receipt of the request and the offer of security or indemnity; and

(5) the Senior Discount Noteholders of a majority in principal amount at maturity of the Senior Discount Notes do not give the Senior Discount Notes Trustee a direction inconsistent with the request during such 60-day period.

A Senior Discount Noteholder may not use this Indenture to prejudice the rights of another Senior Discount Noteholder or to obtain a preference or priority over another Senior Discount Noteholder.

SECTION 6.07. Rights of Senior Discount Noteholders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Senior Discount Noteholder to receive payment of Accreted Value, principal of and liquidated damages and interest on the Senior Discount Notes held by such Senior Discount Noteholder, on or after the respective due dates expressed in the Senior Discount Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Senior Discount Noteholder.

SECTION 6.08. Collection Suit by Senior Discount Notes Trustee. If an Event of Default specified in Section 6.01(1) or (2) occurs and is continuing, the Senior Discount Notes Trustee may recover judgment in its own name and as trustee of an express trust against Holdings for the whole amount then due and owing (together with

interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 7.07.

SECTION 6.09. Senior Discount Notes Trustee May File Proofs of Claim. The Senior Discount Notes Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Senior Discount Notes Trustee and the Senior Discount Noteholders allowed in any judicial proceedings relative to Holdings, its creditors or its property and, unless prohibited by law or applicable regulations, may vote on behalf of the Senior Discount Noteholders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Senior Discount Noteholder to make payments to the Senior Discount Notes Trustee and, in the event that the Senior Discount Notes Trustee shall consent to the making of such payments directly to the Senior Discount Noteholders, to pay to the Senior Discount Notes Trustee any amount due it for the reasonable compensation, expenses, disburse ments and advances of the Senior Discount Notes Trustee, its agents and its counsel, and any other amounts due the Senior Discount Notes Trustee under Section 7.07.

SECTION 6.10. Priorities. If the Senior Discount Notes Trustee collects any money or property pursuant to this Article 6, it shall pay out the money or property in the following order:

FIRST: to the Senior Discount Notes Trustee for amounts due under Section 7.07;

SECOND: to Senior Discount Noteholders for amounts due and unpaid on the Senior Discount Notes for Accreted Value, principal and interest, ratably, and any liquidated damages without preference or priority of any kind, according to the amounts due and payable on the Senior Discount Notes for Accreted Value, principal, any liquidated damages and interest, respectively; and

THIRD: to Holdings.

The Senior Discount Notes Trustee may fix a record date and payment date for any payment to Senior Discount Noteholders pursuant to this Section. At least 15 days before such record date, the Senior Discount Notes Trustee shall mail to each Senior Discount Noteholder and Holdings a notice that states the record date, the payment date and amount to be paid.

SECTION 6.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Senior Discount Notes Trustee for any action taken or omitted by it as Senior Discount Notes Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Senior Discount Notes Trustee, a suit by a Senior Discount Noteholder pursuant to Section 6.07 or a suit by Senior Discount Noteholders of more than 10% in principal amount at maturity of the Senior Discount Notes.

SECTION 6.12. Waiver of Stay or Extension Laws. Holdings (to the extent it may lawfully do so) shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and Holdings (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Senior Discount Notes Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 7

Senior Discount Notes Trustee

SECTION 7.01. Duties of Senior Discount Notes Trustee. (a) If an Event of Default has occurred and is continuing, the Senior Discount Notes Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Senior Discount Notes Trustee need only perform such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Senior Discount Notes Trustee; and

(2) in the absence of bad faith on its part, the Senior Discount Notes Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Senior Discount Notes Trustee and conforming to the require ments of this Indenture. However, the Senior Discount Notes Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Senior Discount Notes Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own wilful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section;

(2) the Senior Discount Notes Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Senior Discount Notes Trustee was negligent in ascertaining the pertinent facts; and

(3) the Senior Discount Notes Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Every provision of this Indenture that in any way relates to the Senior Discount Notes Trustee is subject to paragraphs (a), (b) and (c) of this Section.

(e) The Senior Discount Notes Trustee shall not be liable for interest on any money received by it except as the Senior Discount Notes Trustee may agree in writing with Holdings.

(f) Money held in trust by the Senior Discount Notes Trustee need not be segregated from other funds except to the extent required by law.

(g) No provision of this Indenture shall require the Senior Discount Notes Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Senior Discount Notes Trustee shall be subject to the provisions of this Section and to the provisions of the TIA.

SECTION 7.02. Rights of Senior Discount Notes Trustee. (a) The Senior Discount Notes Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Senior Discount Notes Trustee need not investigate any fact or matter stated in the document.

(b) Before the Senior Discount Notes Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel. The Senior Discount Notes Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(c) The Senior Discount Notes Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Senior Discount Notes Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers.

(e) The Senior Discount Notes Trustee may consult with counsel, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Senior Discount Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Senior Discount Notes Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other paper or document, but the Senior Discount Notes Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(g) The Senior Discount Notes Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Senior Discount Noteholders pursuant to the provisions of this Indenture, unless such Senior Discount Noteholders shall have offered to the Senior Discount Notes Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

SECTION 7.03. Individual Rights of Senior Discount Notes Trustee. The Senior Discount Notes Trustee in its individual or any other capacity may become the owner or pledgee of Senior Discount Notes and may otherwise deal with Holdings or its Affiliates with the same rights it would have if it were not Senior Discount Notes Trustee. Any Paying Agent, Registrar or co-paying agent may do the same with like rights. However, the Senior Discount Notes Trustee must comply with Sections 7.10 and 7.11.

SECTION 7.04. Senior Discount Notes Trustee's Disclaimer. The Senior Discount Notes Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Senior Discount Notes, it shall not be accountable for Holdings' use of the proceeds from the Senior Discount Notes, and it shall not be responsible for any statement of Holdings in this Indenture or in any document issued in connection with the sale of the Senior Discount Notes or in the Senior Discount Notes other than the Senior Discount Notes Trustee's certificate of authentication.

SECTION 7.05. Notice of Defaults. (a) The Senior Discount Notes Trustee shall not be deemed to have notice of any Default, other than a payment default, unless a Trust Officer shall have been advised in writing that a Default has occurred. No duty imposed upon the Senior Discount Notes Trustee in this Indenture shall be applicable with respect to any Default of which the Senior Discount Trustee is not deemed to have notice.

(b) If a Default occurs and is continuing and if it is known to the Senior Discount Notes Trustee, the Senior Discount Notes Trustee shall mail to each Senior Discount Noteholder notice of the Default within the earlier of 90 days after it occurs or 30 days after it is known to a Trust Officer or written notice of it is received by the Senior Discount Notes Trustee. Except in the case of a Default in payment of Accreted Value, principal, premium (if any) or interest on any Senior Discount Note (including payments pursuant to the redemption provisions of such Senior Discount Note), the Senior Discount Notes Trustee may withhold notice if and so long as a committee of its Trust Officers in good faith determines that withholding notice is in the interests of the Senior Discount Noteholders.

SECTION 7.06. Reports by Senior Discount Notes Trustee to Senior Discount Noteholders. As promptly as practicable after each June 30 beginning with the June 30 following the first anniversary of the date of this Indenture, and in any event prior to August 31 in each subsequent year, the Senior Discount Notes Trustee shall, to the extent that any of the events described in TIA ss. 313(a) occurred within the previous twelve months, but not otherwise, mail to each Senior Discount Noteholder a brief report dated as of June 30 that complies with Section 313(a) of the TIA. The Senior Discount Notes Trustee shall also comply with Section 313(b) of the TIA.

A copy of each report at the time of its mailing to Senior Discount Noteholders shall be filed with the SEC and each stock exchange (if any) on which the Senior Discount Notes are listed. Holdings agrees to notify promptly the Senior Discount Notes Trustee whenever the Senior Discount Notes become listed on any stock exchange and of any delisting thereof.

SECTION 7.07. Compensation and Indemnity. Holdings shall pay to the Senior Discount Notes Trustee from time to time such compensation as Holdings and the Senior Discount Notes Trustee shall from time to time agree in writing. The Senior Discount Notes Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. Holdings shall reimburse the Senior Discount Notes Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Senior Discount Notes Trustee's agents, counsel, accountants and experts. Holdings shall indemnify the Senior Discount Notes Trustee, and hold it harmless, against any and all loss, liability or expense (including reasonable attorneys' fees) incurred by or in connection with the offer and sale of the Senior Discount Notes or the administration of this trust and the performance of its duties hereunder. The Senior Discount Notes Trustee shall notify Holdings of any claim for which it may seek indemnity promptly upon obtaining actual knowledge thereof; provided, however, that any failure so to notify Holdings shall not relieve Holdings of its indemnity obligations hereunder. Holdings shall defend the claim and the indemnified party shall provide reasonable cooperation at Holdings' expense in the defense. Such indemnified parties may have separate counsel and Holdings shall pay the fees and expenses of such counsel; provided, however, that Holdings shall not be required to pay such fees and expenses if it assumes such indemnified parties' defense and, in such indemnified parties' reasonable judgment, there is no conflict of interest between Holdings and such parties in connection with such defense. Holdings need not reimburse any expense or indemnify against any loss, liability or expense incurred by an indemnified party through such party's own wilful misconduct and negligence.

To secure Holdings' payment obligations in this Section, the Senior Discount Notes Trustee shall have a lien prior to the Senior Discount Notes on all money or property held or collected by the Senior Discount Notes Trustee other than money or property held in trust to pay Accreted Value, principal of and interest and any liquidated damages on particular Senior Discount Notes.

Holdings' payment obligations pursuant to this Section shall survive the satisfaction or discharge of this Indenture, any rejection or termination of this Indenture under any bankruptcy law or the resignation or removal of the Senior Discount Notes Trustee. When the Senior Discount Notes Trustee incurs expenses after the occurrence of a Default specified in Section 6.01(7) or (8) with respect to Holdings, the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

SECTION 7.08. Replacement of Senior Discount Notes Trustee. The Senior Discount Notes Trustee may resign at any time by so notifying Holdings. The Holders of a majority in principal amount at maturity of the Senior Discount Notes may

remove the Senior Discount Notes Trustee by so notifying the Senior Discount Notes Trustee and may appoint a successor Senior Discount Notes Trustee. Holdings shall remove the Senior Discount Notes Trustee if:

(1) the Senior Discount Notes Trustee fails to comply with Section 7.10;

(2) the Senior Discount Notes Trustee is adjudged bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Senior Discount Notes Trustee or its property; or

(4) the Senior Discount Notes Trustee otherwise becomes incapable of acting.

If the Senior Discount Notes Trustee resigns, is removed by Holdings or by the Holders of a majority in principal amount at maturity of the Senior Discount Notes and such Senior Discount Noteholders do not reasonably promptly appoint a successor Senior Discount Notes Trustee, or if a vacancy exists in the office of Senior Discount Notes Trustee for any reason (the Senior Discount Notes Trustee in such event being referred to herein as the retiring Senior Discount Notes Trustee), Holdings shall promptly appoint a successor Senior Discount Notes Trustee.

A successor Senior Discount Notes Trustee shall deliver a written acceptance of its appointment to the retiring Senior Discount Notes Trustee and to Holdings. Thereupon the resignation or removal of the retiring Senior Discount Notes Trustee shall become effective, and the successor Senior Discount Notes Trustee shall have all the rights, powers and duties of the Senior Discount Notes Trustee under this Indenture. The successor Senior Discount Notes Trustee shall mail a notice of its succession to Senior Discount Noteholders. The retiring Senior Discount Notes Trustee shall promptly transfer all property held by it as Senior Discount Notes Trustee to the successor Senior Discount Notes Trustee, subject to the lien provided for in Section 7.07.

If a successor Senior Discount Notes Trustee does not take office within 60 days after the retiring Senior Discount Notes Trustee resigns or is removed, the retiring Senior Discount Notes Trustee or the Holders of 10% in principal amount at maturity of the Senior Discount Notes may petition any court of competent jurisdiction for the appointment of a successor Senior Discount Notes Trustee.

If the Senior Discount Notes Trustee fails to comply with Section 7.10, any Senior Discount Noteholder may petition any court of competent jurisdiction for the removal of the Senior Discount Notes Trustee and the appointment of a successor Senior Discount Notes Trustee.

Notwithstanding the replacement of the Senior Discount Notes Trustee pursuant to this Section, Holdings' obligations under Section 7.07 shall continue for the benefit of the retiring Senior Discount Notes Trustee.

SECTION 7.09. Successor Senior Discount Notes Trustee by Merger. If the Senior Discount Notes Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another

corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Senior Discount Notes Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Senior Discount Notes Trustee shall succeed to the trusts created by this Indenture any of the Senior Discount Notes shall have been authenticated but not delivered, any such successor to the Senior Discount Notes Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Senior Discount Notes so authenticated; and in case at that time any of the Senior Discount Notes shall not have been authenticated, any successor to the Senior Discount Notes Trustee may authenticate such Senior Discount Notes either in the name of any predecessor hereunder or in the name of the successor to the Senior Discount Notes Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Senior Discount Notes or in this Indenture provided that the certificate of the Senior Discount Notes Trustee shall have.

SECTION 7.10. Eligibility; Disqualification. The Senior Discount Notes Trustee shall at all times satisfy the requirements of TIA ss. 310(a). The Senior Discount Notes Trustee shall have a combined capital and surplus of at least $100,000,000 as set forth in its most recent published annual report of condition. The Senior Discount Notes Trustee shall comply with TIA ss. 310(b); provided, however, that there shall be excluded from the operation of TIA ss. 310(b)(1) any indenture or indentures under which other securities or certificates of interest or participation in other securities of Holdings are out standing if the requirements for such exclusion set forth in TIA ss. 310(b)(1) are met.

SECTION 7.11. Preferential Collection of Claims Against Holdings. The Senior Discount Notes Trustee shall comply with TIA ss. 311(a), excluding any creditor relationship listed in TIA ss. 311(b). A Senior Discount Notes Trustee who has resigned or been removed shall be subject to TIA ss. 311(a) to the extent indicated.

ARTICLE 8

Discharge of Indenture; Defeasance

SECTION 8.01. Discharge of Liability on Senior Discount Notes; Defeasance. (a) When (i) Holdings delivers to the Senior Discount Notes Trustee all outstanding Senior Discount Notes (other than Senior Discount Notes replaced pursuant to Section 2.07) for cancelation or (ii) all outstanding Senior Discount Notes have become due and payable, whether at maturity or as a result of the mailing of a notice of redemption pursuant to Article 3 hereof, and Holdings irrevocably deposits with the Senior Discount Notes Trustee funds or U.S. Government Obligations on which payment of principal and interest when due will be sufficient to pay at maturity or upon redemption all outstanding Senior Discount Notes, including interest thereon to maturity or such redemption date (other than Senior Discount Notes replaced pursuant to Section 2.07), and if in either case Holdings pays all other sums payable hereunder by Holdings, then this Indenture shall, subject to Section 8.01(c), cease to be of further effect. The Senior Discount Notes Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of Holdings accompanied by an Officers' Certificate and an Opinion of Counsel and at the cost and expense of Holdings.

(b) Subject to Sections 8.01(c) and 8.02, Holdings at any time may terminate (i) all of its obligations under the Senior Discount Notes and this Indenture ("legal defeasance option") or (ii) its obligations under Sections 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, 4.10, 4.11 and 4.12 and the operation of Section 5.01(iii), 5.01(iv), 6.01(4), 6.01(6), 6.01(7) (with respect to Significant Subsidiaries of Holdings only), 6.01(8) (with respect to Significant Subsidiaries of Holdings only) and 6.01(9) ("covenant defeasance option"). Holdings may exercise its legal defeasance option not withstanding its prior exercise of its covenant defeasance option.

If Holdings exercises its legal defeasance option, payment of the Senior Discount Notes may not be accelerated because of an Event of Default. If Holdings exer cises its covenant defeasance option, payment of the Senior Discount Notes may not be accelerated because of an Event of Default specified in Section 6.01(4), 6.01(6), 6.01(7) (with respect to Significant Subsidiaries of Holdings only) or 6.01(8) (with respect to Significant Subsidiaries of Holdings only) or because of the failure of Holdings to comply with clauses (iii) and (iv) of Section 5.01.

Upon satisfaction of the conditions set forth herein and upon request of Holdings, the Senior Discount Notes Trustee shall acknowledge in writing the discharge of those obligations that Holdings terminates.

(c) Notwithstanding clauses (a) and (b) above, Holdings' obligations in Sections 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 7.07, 7.08 and in this Article 8 shall survive until the Senior Discount Notes have been paid in full. Thereafter, Holdings' obligations in Sections 7.07, 8.04 and 8.05 shall survive.

SECTION 8.02. Conditions to Defeasance. Holdings may exercise its legal defeasance option or its covenant defeasance option only if:

(1) Holdings irrevocably deposits in trust with the Senior Discount Notes Trustee money or U.S. Government Obligations for the payment of principal, premium (if any) and interest on the Senior Discount Notes to maturity or redemption, as the case may be;

(2) Holdings delivers to the Senior Discount Notes Trustee a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due on all the Senior Discount Notes to maturity or redemption, as the case may be;

(3) 123 days pass after the deposit is made and during the 123-day period no Default specified in Section 6.01(7) or (8) with respect to Holdings occurs which is continuing at the end of the period;

(4) the deposit does not constitute a default under any other agreement binding on Holdings;

(5) Holdings delivers to the Senior Discount Notes Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute,

or is qualified as, a regulated investment company under the Investment Company Act of 1940;

(6) in the case of the legal defeasance option, Holdings shall have delivered to the Senior Discount Notes Trustee an Opinion of Counsel stating that (i) Holdings has received from, or there has been published by, the Internal Revenue Service a ruling, or (ii) since the date of this Indenture there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Senior Discount Noteholders will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(7) in the case of the covenant defeasance option, Holdings shall have delivered to the Senior Discount Notes Trustee an Opinion of Counsel to the effect that the Senior Discount Noteholders will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred; and

(8) Holdings delivers to the Senior Discount Notes Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Senior Discount Notes as contemplated by this Article 8 have been complied with.

Before or after a deposit, Holdings may make arrangements satisfactory to the Senior Discount Notes Trustee for the redemption of Senior Discount Notes at a future date in accordance with Article 3.

SECTION 8.03. Application of Trust Money. The Senior Discount Notes Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to this Article 8. It shall apply the deposited money and the money from U.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Senior Discount Notes.

SECTION 8.04. Repayment to Holdings. The Senior Discount Notes Trustee and the Paying Agent shall promptly turn over to Holdings upon request any excess money or securities held by them at any time.

Subject to any applicable abandoned property law, the Senior Discount Notes Trustee and the Paying Agent shall pay to Holdings upon written request any money held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, Senior Discount Noteholders entitled to the money must look to Holdings for payment as general creditors.

SECTION 8.05. Indemnity for Government Obligations. Holdings shall pay and shall indemnify the Senior Discount Notes Trustee against any tax, fee or other

charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

SECTION 8.06. Reinstatement. If the Senior Discount Notes Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Article 8 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, Holdings' obligations under this Indenture and the Senior Discount Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article 8 until such time as the Senior Discount Notes Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article 8; provided, however, that, if Holdings has made any payment of interest on or principal of any Senior Discount Notes because of the reinstatement of its obligations, Holdings shall be subrogated to the rights of the Senior Discount Noteholders of such Senior Discount Notes to receive such payment from the money or U.S. Government Obligations held by the Senior Discount Notes Trustee or Paying Agent.

ARTICLE 9

Amendments

SECTION 9.01. Without Consent of Senior Discount Noteholders. Holdings and the Senior Discount Notes Trustee may amend this Indenture or the Senior Discount Notes without notice to or consent of any Senior Discount Noteholder:

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to comply with Article 5;

(3) to provide for uncertificated Senior Discount Notes in addition to or in place of certificated Senior Discount Notes; provided, however, that the uncertificated Senior Discount Notes are issued in registered form for purposes of Section 163(f) of the Code or in a manner such that the uncertificated Senior Discount Notes are described in Section 163(f)(2)(B) of the Code;

(4) to add Guarantees with respect to the Senior Discount Notes or to secure the Senior Discount Notes;

(5) to add to the covenants of Holdings for the benefit of the Senior Discount Noteholders or to surrender any right or power herein conferred upon Holdings;

(6) to comply with any requirements of the SEC in connection with qualifying, or maintaining the qualification of, this Indenture under the TIA;

(7) to make any change that does not adversely affect the rights of any Senior Discount Noteholder; or

(8) to provide for the issuance of the Senior Discount Exchange Notes or Private Senior Discount Exchange Notes, which shall have terms substantially identical in all material respects to the Initial Senior Discount Notes (except that the transfer restrictions contained in the Initial Senior Discount Notes shall be modified or eliminated, as appropriate), and which shall be treated, together with any outstanding Initial Senior Discount Notes, as a single issue of securities.

After an amendment under this Section becomes effective, Holdings shall mail to Senior Discount Noteholders a notice briefly describing such amendment. The failure to give such notice to all Senior Discount Noteholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

SECTION 9.02. With Consent of Senior Discount Noteholders. Holdings and the Senior Discount Notes Trustee may amend this Indenture or the Senior Discount Notes with the written consent of the Holders of at least a majority in principal amount at maturity of the Senior Discount Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for the Senior Discount Notes), without notice to any other Senior Discount Noteholder. However, without the consent of each Holder of an outstanding Senior Discount Note affected, an amendment may not:

(1) reduce the principal amount of Senior Discount Notes whose Senior Discount Noteholders must consent to an amendment;

(2) reduce the rate of or extend the time for payment of interest or any liquidated damages on any Senior Discount Note;

(3) reduce the Accreted Value or principal of or extend the Stated Maturity of any Senior Discount Note;

(4) reduce the premium payable upon the redemption of any Senior Discount Note or change the time at which any Senior Discount Note may be redeemed in accordance with Article 3;

(5) make any Senior Discount Note payable in money other than that stated in the Senior Discount Note; or

(6) make any change in Section 6.04 or 6.07 or the second sentence of this Section 9.02.

It shall not be necessary for the consent of the Senior Discount Noteholders under this Section to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

After an amendment under this Section becomes effective, Holdings shall mail to Senior Discount Noteholders a notice briefly describing such amendment. The failure to give such notice to all Senior Discount Noteholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

SECTION 9.03. Compliance with Trust Indenture Act. Every amendment to this Indenture or the Senior Discount Notes shall comply with the TIA as then in effect.

SECTION 9.04. Revocation and Effect of Consents and Waivers. A consent to an amendment or a waiver by a Senior Discount Noteholder of a Senior Discount Note shall bind the Senior Discount Noteholder and every subsequent Senior Discount Noteholder of that Senior Discount Note or portion of the Senior Discount Note that evidences the same debt as the consenting Senior Discount Noteholder's Senior Discount Note, even if notation of the consent or waiver is not made on the Senior Discount Note. However, any such Senior Discount Noteholder or subsequent Senior Discount Noteholder may revoke the consent or waiver as to such Senior Discount Noteholder's Senior Discount Note or portion of the Senior Discount Note if the Senior Discount Notes Trustee receives the notice of revocation before the date the amendment or waiver becomes effective. After an amendment or waiver becomes effective, it shall bind every Senior Discount Noteholder. An amendment or waiver becomes effective once both (i) the requisite number of consents have been received by Holdings or the Senior Discount Notes Trustee and (ii) such amendment or waiver has been executed by Holdings and the Senior Discount Notes Trustee.

Holdings may, but shall not be obligated to, fix a record date for the purpose of determining the Senior Discount Noteholders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Senior Discount Noteholders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Senior Discount Noteholders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

SECTION 9.05. Notation on or Exchange of Senior Discount Notes. If an amendment changes the terms of a Senior Discount Note, the Senior Discount Notes Trustee may require the Senior Discount Noteholder of the Senior Discount Note to deliver it to the Senior Discount Notes Trustee. The Senior Discount Notes Trustee may place an appropriate notation on the Senior Discount Note regarding the changed terms and return it to the Senior Discount Noteholder. Alternatively, if Holdings or the Senior Discount Notes Trustee so determines, Holdings in exchange for the Senior Discount Note shall issue and the Senior Discount Notes Trustee shall authenticate a new Senior Discount Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Senior Discount Note shall not affect the validity of such amendment.

SECTION 9.06. Senior Discount Notes Trustee To Sign Amendments. The Senior Discount Notes Trustee shall sign any amendment authorized pursuant to this Article 9 if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Senior Discount Notes Trustee. If it does, the Senior Discount Notes Trustee may but need not sign it. In signing such amendment the Senior Discount Notes Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.01) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture and that such amendment is the legal, valid and binding obligation of Holdings enforceable against it in accordance with its terms, subject to customary exceptions, and complies with the provisions hereof (including Section 9.03).

ARTICLE 10

Miscellaneous

SECTION 10.01. Trust Indenture Act Controls. If any provision of this Indenture limits, qualifies or conflicts with another provision which is required to be included in this Indenture by the TIA, the required provision shall control.

SECTION 10.02. Notices. Any notice or communication shall be in writing and delivered in person or mailed by first-class mail addressed as follows:

if to Holdings:

WESCO International, Inc.
Commerce Court, Suite 700
Four Station Square
Pittsburgh, PA 15219

Attention: General Counsel

if to the Senior Discount Notes Trustee:

Bank One, N.A.
100 East Broad Street, 8th Floor
Columbus, OH 43215

Attention: Corporate Trust Department

Holdings or the Senior Discount Notes Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Senior Discount Noteholder shall be mailed to the Senior Discount Noteholder at the Senior Discount Noteholder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice or communication to a Senior Discount Noteholder or any defect in it shall not affect its sufficiency with respect to other Senior Discount Noteholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 10.03. Communication by Senior Discount Noteholders with Other Senior Discount Noteholders. Senior Discount Noteholders may communicate pursuant to TIA ss. 312(b) with other Senior Discount Noteholders with respect to their rights under this Indenture or the Senior Discount Notes. Holdings, the Senior Discount Notes Trustee, the Registrar and anyone else shall have the protection of TIA ss. 312(c).

SECTION 10.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by Holdings to the Senior Discount Notes Trustee to take or refrain from taking any action under this Indenture, Holdings shall furnish to the Senior Discount Notes Trustee:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Senior Discount Notes Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Senior Discount Notes Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 10.05. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(1) a statement that the individual making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

SECTION 10.06. When Senior Discount Notes Disregarded. In determining whether the Senior Discount Noteholders of the required principal amount at maturity of Senior Discount Notes have concurred in any direction, waiver or consent, Senior Discount Notes owned by Holdings or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with Holdings shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Senior Discount Notes Trustee shall be protected in relying on any such direction, waiver or consent, only Senior Discount Notes which the Senior Discount Notes Trustee knows are so owned shall be so disregarded. Subject to the fore going, only Senior Discount Notes outstanding at the time shall be considered in any such determination.

SECTION 10.07. Rules by Senior Discount Notes Trustee, Paying Agent and Registrar. The Senior Discount Notes Trustee may make reasonable rules for action by or a meeting of Senior Discount Noteholders. The Registrar and the Paying Agent may make reasonable rules for their functions.

SECTION 10.08. Legal Holidays. A "Legal Holiday" is a Saturday, a Sunday or a day on which banking institutions are not required to be open in the State of New York or the State of Ohio. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

SECTION 10.09. GOVERNING LAW. THIS INDENTURE AND THE SENIOR DISCOUNT NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

SECTION 10.10. No Recourse Against Others. A director, officer, employee or stockholder, as such, of Holdings shall not have any liability for any obligations of Holdings under the Senior Discount Notes or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Senior Discount Note, each Senior Discount Noteholder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Senior Discount Notes.

SECTION 10.11. Successors. All agreements of Holdings in this Indenture and the Senior Discount Notes shall bind its successors. All agreements of the Senior Discount Notes Trustee in this Indenture shall bind its successors.

SECTION 10.12. Multiple Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

SECTION 10.13. Table of Contents; Headings. The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

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

WESCO INTERNATIONAL, INC.,

by /s/ [Illegible]

Name:
Title:

BANK ONE, N.A., as Senior Discount Notes Trustee,

by /s/ Ruth H. Fussell

Name: RUTH H. FUSSELL
Title: VICE PRESIDENT
CORPORATE TRUST DEPT.

APPENDIX A

PROVISIONS RELATING TO INITIAL SENIOR DISCOUNT NOTES,
PRIVATE SENIOR DISCOUNT EXCHANGE
NOTES AND SENIOR DISCOUNT EXCHANGE NOTES

1. Definitions

1.1 Definitions

For the purposes of this Appendix A the following terms shall have the meanings indicated below:

"Applicable Procedures" means, with respect to any transfer or transaction involving a Regulation S Global Senior Discount Note or beneficial interest therein, the rules and procedures of the Depositary for such Global Senior Discount Note, Euroclear and Cedel, in each case to the extent applicable to such transaction and as in effect from time to time.

"Cedel" means Cedel Bank, S.A., or any successor securities clearing agency.

"Definitive Senior Discount Note" means a certificated Initial Senior Discount Note or Senior Discount Exchange Note (bearing the Restricted Senior Discount Notes Legend if the transfer of such Senior Discount Note is restricted by applicable law) that does not include the Global Senior Discount Notes Legend.

"Depositary" means The Depository Trust Company, its nominees and their respective successors.

"Euroclear" means the Euroclear Clearance System or any successor securities clearing agency.

"Global Senior Discount Notes Legend" means the legend set forth under that caption in Exhibit A to this Indenture.

"IAI" means an institutional "accredited investor" as described in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Initial Purchasers" means Chase Securities Inc. and Lehman Brothers Inc.

"Private Senior Discount Exchange Notes" means the Senior Discount Notes of Holdings issued in exchange for Initial Senior Discount Notes pursuant to this Indenture in connection with the Senior Discount Notes Private Exchange pursuant to the Senior Discount Notes Registration Agreement.

"Purchase Agreement" means the Purchase Agreement dated May 29, 1998, among the Company, Holdings and the Initial Purchasers.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Senior Discount Notes" means all Initial Senior Discount Notes offered and sold outside the United States in reliance on Regulation S.

"Restricted Period", with respect to any Senior Discount Notes, means the period of 40 consecutive days beginning on and including the later of (i) the day on which such Senior Discount Notes are first offered to persons other than distributors (as defined in Regulation S under the Securities Act) in reliance on Regulation S and (ii) the Senior Discount Notes Issue Date with respect to such Senior Discount Notes.

"Restricted Senior Discount Notes Legend" means the legend set forth in Section 2.3(e)(i) herein.

"Rule 501" means Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Rule 144A" means Rule 144A under the Securities Act.

"Rule 144A Senior Discount Notes" means all Initial Senior Discount Notes offered and sold to QIBs in reliance on Rule 144A.

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

"Senior Discount Notes Custodian" means the custodian with respect to a Global Senior Discount Note (as appointed by the Depositary) or any successor person thereto, who shall initially be the Senior Discount Notes Trustee.

"Senior Discount Notes Private Exchange" means an offer by Holdings, pursuant to the Senior Discount Notes Registration Agreement, to issue and deliver to certain purchasers, in exchange for the Initial Senior Discount Notes held by such purchasers as part of their initial distribution, a like aggregate principal amount at maturity of Private Senior Discount Exchange Notes.

"Senior Discount Notes Registered Exchange Offer" means the offer by Holdings, pursuant to the Senior Discount Notes Registration Agreement, to certain Holders of Initial Senior Discount Notes, to issue and deliver to such Holders, in exchange for their Initial Senior Discount Notes, a like aggregate principal amount at maturity of Senior Discount Exchange Notes registered under the Securities Act.

"Senior Discount Notes Registration Agreement" means the Exchange and Registration Rights Agreement dated June 5, 1998, among Holdings and the Initial Purchasers.

"Senior Discount Notes Shelf Registration Statement" means a registration statement filed by Holdings in connection with the offer and sale of Initial Senior Discount Notes pursuant to the Senior Discount Notes Registration Agreement.

"Transfer Restricted Senior Discount Notes" means Definitive Senior Discount Notes and any other Senior Discount Notes that bear or are required to bear the Restricted Senior Discount Notes Legend.

1.2 Other Definitions

Term:	Defined in Section:
"Agent Members"	2.1(b)
"IAI Global Senior Discount Note"	2.1(a)
"Global Senior Discount Note"	2.1(a)
"Regulation S Global Senior Discount Note"	2.1(a)
"Rule 144A Global Senior Discount Note"	2.1(a)

2. The Senior Discount Notes

2.1 Form and Dating

The Initial Senior Discount Notes issued on the date hereof will be (i) offered and sold by Holdings pursuant to the Purchase Agreement and (ii) resold, initially only to (A) QIBs in reliance on Rule 144A and (B) Persons other than U.S. Persons (as defined in Regulation S) in reliance on Regulation S. Such Initial Senior Discount Notes may thereafter be transferred to, among others, QIBs, purchasers in reliance on Regulation S and, except as set forth below, IAIs in accordance with Rule 501.

(a) Global Senior Discount Notes. Rule 144A Senior Discount Notes shall be issued initially in the form of one or more permanent global Senior Discount Notes in definitive, fully registered form (collectively, the "Rule 144A Global Senior Discount Note") and Regulation S Senior Discount Notes shall be issued initially in the form of one or more global Senior Discount Notes (collectively, the "Regulation S Global Senior Discount Note"), in each case without interest coupons and bearing the Global Senior Discount Notes Legend and Restricted Senior Discount Notes Legend, which shall be deposited on behalf of the purchasers of the Senior Discount Notes represented thereby with the Senior Discount Notes Custodian, and registered in the name of the Depositary or a nominee of the Depositary, duly executed by Holdings and authenticated by the Senior Discount Notes Trustee as provided in this Indenture. One or more global securities in definitive, fully registered form without interest coupons and bearing the Global Senior Discount Notes Legend and the Restricted Senior Discount Notes Legend (collectively, the "IAI Global Senior Discount Note") shall also be issued on the Closing Date, deposited with the Senior Discount Notes Custodian, and registered in the name of the Depositary or a nominee of the Depositary, duly executed by Holdings and authenticated by the Senior Discount Notes Trustee as provided in this Indenture to accommodate transfers of beneficial interests in the Senior Discount Notes to IAIs subsequent to the initial distribution. Beneficial ownership interests in the Regulation S Global Senior Discount Note will not be exchangeable for interests in the Rule 144A Global Senior Discount Note, the IAI Global Senior Discount Note or any other Senior Discount Note without a Restricted Senior Discount Notes Legend until the expiration of the Restricted Period. The Rule 144A Global Senior Discount Note, the IAI Global Senior Discount Note and the Regulation S Global Senior Discount Note are each referred to herein as a "Global Senior Discount Note" and are collectively referred to herein as "Global Senior Discount Notes." The aggregate principal amount at maturity of the Global Senior Discount Notes may from time to time be increased or decreased by adjustments made on the records of the Senior Discount Notes Trustee and the Depositary or its nominee as hereinafter provided.

(b) Book-Entry Provisions. This Section 2.1(b) shall apply only to a Global Senior Discount Note deposited with or on behalf of the Depositary.

Holdings shall execute and the Senior Discount Notes Trustee shall, in accordance with this Section 2.1(b) and pursuant to an order of Holdings, authenticate and deliver initially one or more Global Senior Discount Notes that (a) shall be registered in the name of the Depositary for such Global Senior Discount Note or Global Senior Discount Notes or the nominee of such Depositary and (b) shall be delivered by the Senior Discount Notes Trustee to such Depositary or pursuant to such Depositary's instructions or held by the Senior Discount Notes Trustee as Senior Discount Notes Custodian.

Members of, or participants in, the Depositary ("Agent Members") shall have no rights under this Indenture with respect to any Global Senior Discount Note held on their behalf by the Depositary or by the Senior Discount Notes Trustee as Senior Discount Notes Custodian or under such Global Senior Discount Note, and the Depositary may be treated by Holdings, the Senior Discount Notes Trustee and any agent of Holdings or the Senior Discount Notes Trustee as the absolute owner of such Global Senior Discount Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent Holdings, the Senior Discount Notes Trustee or any agent of Holdings or the Senior Discount Notes Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of such Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Senior Discount Note.

(c) Definitive Senior Discount Notes. Except as provided in Section 2.3 or 2.4, owners of beneficial interests in Global Senior Discount Notes will not be entitled to receive physical delivery of certificated Senior Discount Notes.

2.2 Authentication. The Senior Discount Notes Trustee shall authenticate and make available for delivery upon a written order of Holdings signed by two Officers (1) Initial Senior Discount Notes for original issue on the date hereof in an aggregate principal amount at maturity of $87 million and (2) the (A) Senior Discount Exchange Notes for issue only in a Senior Discount Notes Registered Exchange Offer and (B) Private Senior Discount Exchange Notes for issue only in the Senior Discount Notes Private Exchange, in the case of each of (A) and (B) pursuant to the Senior Discount Notes Registration Agreement and for a like principal amount at maturity of Initial Senior Discount Notes exchanged pursuant thereto. Such order shall specify the amount of the Senior Discount Notes to be authenticated, the date on which the original issue of Senior Discount Notes is to be authenticated and whether the Senior Discount Notes are to be Initial Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes. The aggregate principal amount at maturity of Senior Discount Notes outstanding at any time may not exceed $87 million, except as provided in Section 2.07 of this Indenture.

2.3 Transfer and Exchange. (a) Transfer and Exchange of Definitive Senior Discount Notes. When Definitive Senior Discount Notes are presented to the Registrar with a request:

(x) to register the transfer of such Definitive Senior Discount Notes; or

(y) to exchange such Definitive Senior Discount Notes for an equal principal amount at maturity of Definitive Senior Discount Notes of other authorized denominations,

the Registrar shall register the transfer or make the exchange as requested if its reasonable requirements for such transaction are met; provided, however, that the Definitive Senior Discount Notes surrendered for transfer or exchange:

(i) shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to Holdings and the Registrar, duly executed by the Senior Discount Noteholder thereof or his attorney duly authorized in writing; and

(ii) are accompanied by the following additional information and documents, as applicable:

(A) if such Definitive Senior Discount Notes are being delivered to the Registrar by a Senior Discount Noteholder for registration in the name of such Senior Discount Noteholder, without transfer, a certification from such Senior Discount Noteholder to that effect (in the form set forth on the reverse side of the Initial Senior Discount Note); or

(B) if such Definitive Senior Discount Notes are being transferred to Holdings, a certification to that effect (in the form set forth on the reverse side of the Initial Senior Discount Note); or

(C) if such Definitive Senior Discount Notes are being transferred pursuant to an exemption from registration in accordance with Rule 144 under the Securities Act or in reliance upon another exemption from the registration requirements of the Securities Act, (i) a certification to that effect (in the form set forth on the reverse side of the Initial Senior Discount Note) and (ii) if Holdings so requests, an opinion of counsel or other evidence reasonably satisfactory to it as to the compliance with the restrictions set forth in the legend set forth in Section 2.3(e)(i).

(b) Restrictions on Transfer of a Definitive Senior Discount Note for a Beneficial Interest in a Global Senior Discount Note. A Definitive Senior Discount Note may not be exchanged for a beneficial interest in a Global Senior Discount Note except upon satisfaction of the requirements set forth below. Upon receipt by the Senior Discount Notes Trustee of a Definitive Senior Discount Note, duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to Holdings and the Registrar, together with:

(i) certification (in the form set forth on the reverse side of the Initial Senior Discount Note) that such Definitive Senior Discount Note is being transferred (A) to a QIB in accordance with Rule 144A, (B) to an IAI that has furnished to the Senior Discount Notes Trustee a signed letter substantially in the form of Exhibit D or (C) outside the United States in an offshore transaction within the meaning of Regulation S and in compliance with Rule 904 under the Securities Act; and

(ii) written instructions directing the Senior Discount Notes Trustee to make, or to direct the Senior Discount Notes Custodian to make, an adjustment on its books

and records with respect to such Global Senior Discount Note to reflect an increase in the aggregate principal amount at maturity of the Senior Discount Notes represented by the Global Senior Discount Note, such instructions to contain information regarding the Depositary account to be credited with such increase,

then the Senior Discount Notes Trustee shall cancel such Definitive Senior Discount Note and cause, or direct the Senior Discount Notes Custodian to cause, in accordance with the standing instructions and procedures existing between the Depositary and the Senior Discount Notes Custodian, the aggregate principal amount at maturity of Senior Discount Notes represented by the Global Senior Discount Note to be increased by the aggregate principal amount at maturity of the Definitive Senior Discount Note to be exchanged and shall credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in the Global Senior Discount Note equal to the principal amount at maturity of the Definitive Senior Discount Note so canceled. If no Global Senior Discount Notes are then outstanding and the Global Senior Discount Note has not been previously exchanged for certificated securities pursuant to Section 2.4, Holdings shall issue and the Senior Discount Notes Trustee shall authenticate, upon written order of Holdings in the form of an Officers' Certificate, a new Global Senior Discount Note in the appropriate principal amount at maturity.

(c) Transfer and Exchange of Global Senior Discount Notes. (i) The transfer and exchange of Global Senior Discount Notes or beneficial interests therein shall be effected through the Depositary, in accordance with this Indenture (including applicable restrictions on transfer set forth herein, if any) and the procedures of the Depositary therefor. A transferor of a beneficial interest in a Global Senior Discount Note shall deliver a written order given in accordance with the Depositary's procedures containing information regarding the participant account of the Depositary to be credited with a beneficial interest in such Global Senior Discount Note or another Global Senior Discount Note and such account shall be credited in accordance with such order with a beneficial interest in the applicable Global Senior Discount Note and the account of the Person making the transfer shall be debited by an amount equal to the beneficial interest in the Global Senior Discount Note being transferred. Transfers by an owner of a beneficial interest in the Rule 144A Global Senior Discount Note or the IAI Global Senior Discount Note to a transferee who takes delivery of such interest through the Regulation S Global Senior Discount Note, whether before or after the expiration of the Restricted Period, will be made only upon receipt by the Senior Discount Notes Trustee of a certification from the transferor to the effect that such transfer is being made in accordance with Regulation S or (if available) Rule 144 under the Securities Act and that, if such transfer is being made prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or Cedel. In the case of a transfer of a beneficial interest in either the Regulation S Global Senior Discount Note or the Rule 144A Global Senior Discount Note for an interest in the IAI Global Senior Discount Note, the transferee must furnish a signed letter substantially in the form of Exhibit D to the Senior Discount Notes Trustee.

(ii) If the proposed transfer is a transfer of a beneficial interest in one Global Senior Discount Note to a beneficial interest in another Global Senior Discount Note, the Registrar shall reflect on its books and records the date and an increase in the principal amount at maturity of the Global Senior Discount Note to which such interest is being transferred in an amount equal to the principal amount at maturity of the interest to be so transferred, and the Registrar shall reflect on its books and

records the date and a corresponding decrease in the principal amount at maturity of Global Senior Discount Note from which such interest is being transferred.

(iii) Notwithstanding any other provisions of this Appendix (other than the provisions set forth in Section 2.4), a Global Senior Discount Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

(iv) In the event that a Global Senior Discount Note is exchanged for Definitive Senior Discount Notes pursuant to Section 2.4 prior to the consummation of the Senior Discount Notes Registered Exchange Offer or the effectiveness of the Senior Discount Notes Shelf Registration Statement with respect to such Senior Discount Notes, such Senior Discount Notes may be exchanged only in accordance with such procedures as are substantially consistent with the provisions of this Section 2.3 (including the certification requirements set forth on the reverse of the Initial Senior Discount Notes intended to ensure that such transfers comply with Rule 144A, Regulation S or such other applicable exemption from registration under the Securities Act, as the case may be) and such other procedures as may from time to time be adopted by Holdings.

(d) Restrictions on Transfer of Regulation S Global Senior Discount Note. (i) Prior to the expiration of the Restricted Period, interests in the Regulation S Global Senior Discount Note may only be held through Euroclear or Cedel. During the Restricted Period, beneficial ownership interests in the Regulation S Global Senior Discount Note may only be sold, pledged or transferred through Euroclear or Cedel in accordance with the Applicable Procedures and only (A) to Holdings, (B) so long as such security is eligible for resale pursuant to Rule 144A, to a person whom the selling holder reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A, (C) in an offshore transaction in accordance with Regulation S, (D) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if applicable) under the Securities Act, (E) to an IAI purchasing for its own account, or for the account of such an IAI, in a minimum principal amount at maturity of Senior Discount Notes of $250,000 or (F) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States. Prior to the expiration of the Restricted Period, transfers by an owner of a beneficial interest in the Regulation S Global Senior Discount Note to a transferee who takes delivery of such interest through the Rule 144A Global Senior Discount Note or the IAI Global Senior Discount Note will be made only in accordance with Applicable Procedures and upon receipt by the Senior Discount Notes Trustee of a written certification from the transferor of the beneficial interest in the form provided on the reverse of the Initial Senior Discount Note to the effect that such transfer is being made to (i) a person whom the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or (ii) an IAI purchasing for its own account, or for the account of such an IAI, in a minimum principal amount at maturity of the Senior Discount Notes of $250,000. Such written certification will no longer be required after the expiration of the Restricted Period. In the case of a transfer of a beneficial interest in the Regulation S Global Senior Discount Note for an interest in the IAI Global Senior Discount Note, the transferee must furnish a signed letter substantially in the form of Exhibit D to the Senior Discount Notes Trustee.

(ii) Upon the expiration of the Restricted Period, beneficial ownership interests in the Regulation S Global Senior Discount Note will be transferable in accordance with applicable law and the other terms of this Indenture.

(e) Legend.

(i) Except as permitted by the following paragraphs (ii), (iii) or (iv), each Senior Discount Note certificate evidencing the Global Senior Discount Notes and the Definitive Senior Discount Notes (and all Senior Discount Notes issued in exchange therefor or in substitution thereof) shall bear a legend in substantially the following form (each defined term in the legend being defined as such for purposes of the legend only):

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH HOLDINGS OR ANY AFFILIATE OF HOLDINGS WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO HOLDINGS, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT AT MATURITY OF THE SECURITIES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE

REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO HOLDINGS' AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

Each Definitive Senior Discount Note will also bear the following additional legend:

"IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

(ii) Upon any sale or transfer of a Transfer Restricted Senior Discount Note that is a Definitive Senior Discount Note, the Registrar shall permit the Senior Discount Noteholder thereof to exchange such Transfer Restricted Senior Discount Note for a Definitive Senior Discount Note that does not bear the legends set forth above and rescind any restriction on the transfer of such Transfer Restricted Senior Discount Note if the Senior Discount Noteholder certifies in writing to the Registrar that its request for such exchange was made in reliance on Rule 144 (such certification to be in the form set forth on the reverse of the Initial Senior Discount Note).

(iii) After a transfer of any Initial Senior Discount Notes or Private Exchange Senior Discount Notes during the period of the effectiveness of a Senior Discount Notes Shelf Registration Statement with respect to such Initial Senior Discount Notes or Private Senior Discount Exchange Notes, as the case may be, all requirements pertaining to the Restricted Senior Discount Notes Legend on such Initial Senior Discount Notes or such Private Senior Discount Exchange Notes will cease to apply and the requirements that any such Initial Senior Discount Notes or such Private Senior Discount Exchange Notes be issued in global form will continue to apply.

(iv) Upon the consummation of a Senior Discount Notes Registered Exchange Offer with respect to the Initial Senior Discount Notes pursuant to which Senior Discount Noteholders of such Initial Senior Discount Notes are offered Senior Discount Exchange Notes in exchange for their Initial Senior Discount Notes, all requirements pertaining to Initial Senior Discount Notes that Initial Senior Discount Notes be issued in global form will continue to apply, and Senior Discount Exchange Notes in global form without the Restricted Senior Discount Notes Legend will be available to Senior Discount Noteholders that exchange such Initial Senior Discount Notes in such Senior Discount Notes Registered Exchange Offer.

(v) Upon the consummation of a Senior Discount Notes Private Exchange with respect to the Initial Senior Discount Notes pursuant to which Holders of such Initial Senior Discount Notes are offered Private Senior Discount Exchange Notes in exchange for their Initial Senior Discount Notes, all requirements pertaining to such Initial Senior Discount Notes that Initial Senior Discount Notes be issued in global

form will continue to apply, and Private Senior Discount Exchange Notes in global form with the Restricted Senior Discount Notes Legend will be available to Senior Discount Noteholders that exchange such Initial Senior Discount Notes in such Senior Discount Notes Private Exchange.

(vi) Upon a sale or transfer after the expiration of the Restricted Period of any Initial Senior Discount Note acquired pursuant to Regulation S, all requirements that such Initial Senior Discount Note bear the Restricted Senior Discount Notes Legend will cease to apply and the requirements requiring any such Initial Senior Discount Note be issued in global form will continue to apply.

(f) Cancelation or Adjustment of Global Senior Discount Note. At such time as all beneficial interests in a Global Senior Discount Note have either been exchanged for Definitive Senior Discount Notes, transferred, redeemed, repurchased or canceled, such Global Senior Discount Note shall be returned by the Depositary to the Senior Discount Notes Trustee for cancelation or retained and canceled by the Senior Discount Notes Trustee. At any time prior to such cancelation, if any beneficial interest in a Global Senior Discount Note is exchanged for Definitive Senior Discount Notes, transferred in exchange for an interest in another Global Senior Discount Note, redeemed, repurchased or canceled, the principal amount at maturity of Senior Discount Notes represented by such Global Senior Discount Note shall be reduced and an adjustment shall be made on the books and records of the Senior Discount Notes Trustee (if it is then the Senior Discount Notes Custodian for such Global Senior Discount Note) with respect to such Global Senior Discount Note, by the Senior Discount Notes Trustee or the Senior Discount Notes Custodian, to reflect such reduction.

(g) Obligations with Respect to Transfers and Exchanges of Senior Discount Notes.

(i) To permit registrations of transfers and exchanges, Holdings shall execute and the Senior Discount Notes Trustee shall authenticate, Definitive Senior Discount Notes and Global Senior Discount Notes at the Registrar's request.

(ii) No service charge shall be made for any registration of transfer or exchange, but Holdings may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charge payable upon exchange or transfer pursuant to Section 3.06, 4.06, 4.08 and 9.05).

(iii) Prior to the due presentation for registration of transfer of any Senior Discount Note, Holdings, the Senior Discount Notes Trustee, the Paying Agent or the Registrar may deem and treat the person in whose name a Senior Discount Note is registered as the absolute owner of such Senior Discount Note for the purpose of receiving payment of principal of and interest on such Senior Discount Note and for all other purposes whatsoever, whether or not such Senior Discount Note is overdue, and none of Holdings, the Senior Discount Notes Trustee, the Paying Agent or the Registrar shall be affected by notice to the contrary.

(iv) All Senior Discount Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the

same benefits under this Indenture as the Senior Discount Notes surrendered upon such transfer or exchange.

(h) No Obligation of the Senior Discount Notes Trustee.

(i) The Senior Discount Notes Trustee shall have no responsibility or obligation to any beneficial owner of a Global Senior Discount Note, a member of, or a participant in the Depositary or any other Person with respect to the accuracy of the records of the Depositary or its nominee or of any participant or member thereof, with respect to any ownership interest in the Senior Discount Notes or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Depositary) of any notice (including any notice of redemption or repurchase) or the payment of any amount, under or with respect to such Senior Discount Notes. All notices and communications to be given to the Senior Discount Noteholders and all payments to be made to Senior Discount Noteholders under the Senior Discount Notes shall be given or made only to the registered Senior Discount Noteholders (which shall be the Depositary or its nominee in the case of a Global Senior Discount Note). The rights of beneficial owners in any Global Senior Discount Note shall be exercised only through the Depositary subject to the applicable rules and procedures of the Depositary. The Senior Discount Notes Trustee may rely and shall be fully protected in relying upon information furnished by the Depositary with respect to its members, participants and any beneficial owners.

(ii) The Senior Discount Notes Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Senior Discount Note (including any transfers between or among Depositary participants, members or beneficial owners in any Global Senior Discount Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

2.4 Definitive Senior Discount Notes

(a) A Global Senior Discount Note deposited with the Depositary or with the Senior Discount Notes Trustee as Senior Discount Notes Custodian pursuant to Section 2.1 shall be transferred to the beneficial owners thereof in the form of Definitive Senior Discount Notes in an aggregate principal amount at maturity equal to the principal amount at maturity of such Global Senior Discount Note, in exchange for such Global Senior Discount Note, only if such transfer complies with Section 2.3 and (i) the Depositary notifies Holdings that it is unwilling or unable to continue as a Depositary for such Global Senior Discount Note or if at any time the Depositary ceases to be a "clearing agency" registered under the Exchange Act, and a successor depositary is not appointed by Holdings within 90 days of such notice, or (ii) an Event of Default has occurred and is continuing or (iii) Holdings, in its sole discretion, notifies the Senior Discount Notes Trustee in writing that it elects to cause the issuance of certificated Senior Discount Notes under this Indenture.

(b) Any Global Senior Discount Note that is transferable to the beneficial owners thereof pursuant to this Section 2.4 shall be surrendered by the Depositary to the Senior Discount Notes Trustee, to be so transferred, in whole or from time to time in part,

without charge, and the Senior Discount Notes Trustee shall authenticate and deliver, upon such transfer of each portion of such Global Senior Discount Note, an equal aggregate principal amount at maturity of Definitive Senior Discount Notes of authorized denominations. Any portion of a Global Senior Discount Note transferred pursuant to this Section shall be executed, authenticated and delivered only in denominations of $1,000 (in principal amount at maturity) and any integral multiple thereof and registered in such names as the Depositary shall direct. Any certificated Initial Senior Discount Note in the form of a Definitive Senior Discount Note delivered in exchange for an interest in the Global Senior Discount Note shall, except as otherwise provided by Section 2.3(e), bear the Restricted Senior Discount Notes Legend.

(c) Subject to the provisions of Section 2.4(b), the registered Senior Discount Noteholder of a Global Senior Discount Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Senior Discount Noteholder is entitled to take under this Indenture or the Senior Discount Notes.

(d) In the event of the occurrence of any of the events specified in Section 2.4(a)(i), (ii) or (iii), Holdings will promptly make available to the Senior Discount Notes Trustee a reasonable supply of Definitive Senior Discount Notes in fully registered form without interest coupons.

EXHIBIT A

[FORM OF FACE OF INITIAL SENIOR DISCOUNT NOTE]

[Global Senior Discount Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO HOLDINGS OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

[Restricted Senior Discount Notes Legend]

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH HOLDINGS OR ANY AFFILIATE OF HOLDINGS WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO HOLDINGS, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL

BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT AT MATURITY OF THE SECURITIES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO HOLDINGS' AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

Each Definitive Senior Discount Note will also bear the following additional legend:

"IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

No. $_____

11 1/8% Senior Discount Note due 2008

CUSIP No. _____

WESCO International, Inc., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum [of Dollars] [listed on the Schedule of Increases or Decreases in Global Senior Discount Note attached hereto](1) on June 1, 2008.

Interest Payment Dates: June 1 and December 1, commencing on June 1, 2003.

Record Dates: May 15 and November 15.

- - - - ----------

(1) Use the Schedule of Increases and Decreases language if Note is in Global Form.

Additional provisions of this Senior Discount Note are set forth on the other side of this Senior Discount Note.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

WESCO INTERNATIONAL, INC.,

by

Name:
Title:

by

Name:
Title:

Dated:

SENIOR DISCOUNT NOTES TRUSTEE'S CERTIFICATE OF AUTHENTICATION

BANK ONE, N.A.,
as Senior Discount Notes Trustee, certifies
that this is one of
the Senior Discount Notes referred
to in the Indenture.

By:

Authorized Signatory

[FORM OF REVERSE SIDE OF SENIOR DISCOUNT NOTE]

11 1/8% Senior Discount Note due 2008

1. Interest

(a) WESCO INTERNATIONAL, INC., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called "Holdings"), promises to pay interest on the principal amount at maturity of this Senior Discount Note at the rate per annum shown above. Cash interest will not accrue or be payable on this Senior Discount Note prior to June 1, 2003. From June 1, 2003, Holdings will pay interest semiannually on June 1 and December 1 of each year. Interest on the Senior Discount Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from June 1, 2003. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

(b) Liquidated Damages. The holder of this Senior Discount Note is entitled to the benefits of an Exchange and Registration Rights Agreement, dated as of June 5, 1998, among Holdings and the Initial Purchasers named therein (the "Senior Discount Notes Registration Agreement"). Capitalized terms used in this paragraph (b) but not defined herein have the meanings assigned to them in the Senior Discount Notes Registration Agreement. If (i) the Senior Discount Notes Shelf Registration Statement or Senior Discount Notes Exchange Offer Registration Statement, as applicable under the Senior Discount Notes Registration Agreement, is not filed with the Commission on or prior to 90 days after the Senior Discount Notes Issue Date (or, in the case of a Senior Discount Notes Shelf Registration Statement required to be filed in response to a change in law or applicable interpretations of the Commission's staff, if later, within 45 days after publication of the change in law or interpretations, but in no event before 90 days after the Senior Discount Notes Issue Date), (ii) the Senior Discount Notes Exchange Offer Registration Statement or the Senior Discount Notes Shelf Registration Statement, as the case may be, is not declared effective within 200 days after the Senior Discount Notes Issue Date (or in the case of a Senior Discount Notes Shelf Registration Statement required to be filed in response to a change in law or the applicable interpretations of Commission's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 200 days after the Senior Discount Notes Issue Date), (iii) the Senior Discount Notes Registered Exchange Offer is not consummated on or prior to 230 days after the Senior Discount Notes Issue Date (other than in the event Holdings files a Senior Discount Notes Shelf Registration Statement), or (iv) the Senior Discount Notes Shelf Registration Statement is filed and declared effective within 200 days after the Senior Discount Notes Issue Date but shall thereafter cease to be effective (at any time that Holdings is obligated to maintain the effectiveness thereof) without being succeeded within 90 days by an additional Senior Discount Notes Registration Statement filed and declared effective (each such event referred to in clauses (i) through (iv), a "Registration Default"), Holdings shall pay liquidated damages to each holder of Transfer Restricted Senior Discount Notes, during the period of such Registration Default, in an amount equal to $0.192 per week per $1,000 Accreted Value of the Senior Discount Notes constituting Transfer Restricted Senior Discount Notes held by such holder until (i) the applicable Senior Discount Notes Registration Statement is filed, (ii) the Senior Discount Notes Exchange Offer Registration Statement is declared effective and the Senior Discount Notes Registered Exchange Offer is consummated, (iii) the Senior Discount Notes Shelf Registration Statement is declared effective or (iv) the Senior Discount

Notes Shelf Registration Statement again becomes effective, as the case may be. All accrued liquidated damages shall be paid to holders on the next semi-annual accretion date (if on or prior to June 1, 2003) or in the same manner as interest payments on the Senior Discount Notes on semi-annual payment dates which correspond to interest payment dates for the Senior Discount Notes (if after June 1, 2003). Following the cure of all Registration Defaults, the accrual of liquidated damages will cease. The Senior Discount Notes Trustee shall have no responsibility with respect to the determination of the amount of any such liquidated damages. For purposes of the foregoing, "Transfer Restricted Senior Discount Notes" means (i) each Initial Senior Discount Note until the date on which such Initial Senior Discount Note has been exchanged for a freely transferable Senior Discount Exchange Note in the Senior Discount Notes Registered Exchange Offer, (ii) each Initial Senior Discount Note or Private Senior Discount Exchange Note until the date on which such Initial Senior Discount Note or Private Senior Discount Exchange Note has been effectively registered under the Securities Act and disposed of in accordance with a Senior Discount Notes Shelf Registration Statement or (iii) each Initial Senior Discount Note or Private Senior Discount Exchange Note until the date on which such Initial Senior Discount Note or Private Senior Discount Exchange Note is distributed to the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act.

2. Method of Payment

Holdings will pay interest on the Senior Discount Notes (except defaulted interest) to the Persons who are registered holders of Senior Discount Notes at the close of business on the May 15 or November 15 next preceding the interest payment date even if Senior Discount Notes are canceled after the record date and on or before the interest payment date. Holders must surrender Senior Discount Notes to a Paying Agent to collect principal payments. Holdings will pay principal and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Senior Discount Notes represented by a Global Senior Discount Note (including principal, premium and interest) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company. Holdings will make all payments in respect of a certificated Senior Discount Note (including principal, premium and interest), by mailing a check to the registered address of each Senior Discount Noteholder thereof; provided, however, that payments on the Senior Discount Notes may also be made, in the case of a Senior Discount Noteholder of at least $1,000,000 aggregate principal amount at maturity of Senior Discount Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Senior Discount Noteholder elects payment by wire transfer by giving written notice to the Senior Discount Notes Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Senior Discount Notes Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, Bank One, N.A., a national banking association (the "Senior Discount Notes Trustee"), will act as Paying Agent and Registrar. Holdings may appoint and change any Paying Agent, Registrar or co-registrar without notice. Holdings or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co-registrar.

4. Indenture

Holdings issued the Senior Discount Notes under an Indenture dated as of June 5, 1998 (the "Indenture"), among Holdings and the Senior Discount Notes Trustee. The terms of the Senior Discount Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. ss.ss. 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Senior Discount Notes are subject to all such terms, and Senior Discount Noteholders are referred to the Indenture and the TIA for a statement of those terms.

The Senior Discount Notes are senior unsecured obligations of Holdings limited to $87 million aggregate principal amount at maturity at any one time outstanding (subject to Section 2.07 of the Indenture). This Senior Discount Note is one of the Initial Senior Discount Notes referred to in the Indenture issued in an aggregate principal amount at maturity of $87 million. The Senior Discount Notes include the Initial Senior Discount Notes and any Senior Discount Exchange Notes issued in exchange for Initial Senior Discount Notes. The Initial Senior Discount Notes and the Senior Discount Exchange Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of Holdings and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens and make asset sales. The Indenture also imposes limitations on the ability of Holdings to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of the property of Holdings.

5. Optional Redemption

Except as set forth in the following two paragraphs, the Senior Discount Notes will not be redeemable at the option of Holdings prior to June 1, 2003. Thereafter, the Senior Discount Notes will be redeemable at the option of Holdings, in whole or in part, on not less than 30 nor more than 60 days' prior notice, at the following redemption prices (expressed as percentages of principal amount at maturity), plus accrued and unpaid interest and liquidated damages (if any) to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on June 1, of the years set forth below:

Year	Redemption Price
2003	105.563%
2004	103.708%
2005	101.854%
2006 and thereafter	100.000%

In addition, at any time prior to June 1, 2001, Holdings may redeem, in whole but not in part, the Senior Discount Notes with the Net Cash Proceeds of one or more Equity Offerings by Holdings, at a redemption price equal to 111.125% of the Accreted Value at the

date of redemption plus liquidated damages, if any, thereon to the date of redemption. Any such redemption shall be made within 120 days of such Equity Offering upon not less than 30 nor more than 60 days' notice mailed to each holder of Senior Discount Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

At any time prior to June 1, 2003, the Senior Discount Notes may be redeemed, in whole but not in part, at the option of Holdings at any time within 180 days after a Change of Control, at a redemption price equal to the sum of (i) 100% of the Accreted Value thereof together with liquidated damages, if any, to the redemption date plus (ii) the Applicable Premium.

6. Sinking Fund

The Senior Discount Notes are not subject to any sinking fund.

7. Notice of Redemption

Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each Senior Discount Noteholder of Senior Discount Notes to be redeemed at his or her registered address. Senior Discount Notes in denominations larger than $1,000 (in principal amount at maturity) may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued interest on all Senior Discount Notes (or portions thereof) to be redeemed on the redemption date is deposited with the Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Senior Discount Notes (or such portions thereof) called for redemption.

8. Repurchase of Senior Discount Notes at the Option of Senior Discount Noteholders upon Change of Control

Upon a Change of Control, any Senior Discount Noteholder of Senior Discount Notes will have the right, subject to certain conditions specified in the Indenture, to cause Holdings to repurchase all or any part of the Senior Discount Notes of such Senior Discount Noteholder at a purchase price equal to (a) 101% of the Accreted Value thereof at the date of repurchase plus liquidated damages thereon, if any, to the date of repurchase, if repurchased on or prior to June 1, 2003, and (b) 101% of the principal amount of the Senior Discount Notes to be repurchased plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Senior Discount Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date), if repurchased after June 1, 2003, as provided in, and subject to the terms of, the Indenture.

9. Mandatory Principal Redemption

On June 1, 2003, Holdings will be required to redeem an amount equal to $354.96 per $1,000 principal amount at maturity of each Senior Discount Note then outstanding ($30,881,520 in aggregate principal amount at maturity of the Senior Discount Notes, assuming all of the Senior Discount Notes remain outstanding on such date (the "Mandatory Principal Redemption Amount")) on a pro rata basis at a redemption price of 100% of the principal amount at maturity of the Senior Discount Notes so redeemed. If the redemption of a Senior Discount Note pursuant to this paragraph 9 would result in an outstanding Senior Discount Note in a denomination (i) of less than $1,000 principal amount

at maturity or (ii) other than an integral multiple of $1,000 principal amount at maturity, such Senior Discount Note will be redeemed (A) in whole, in the case of clause (i), or (B) by an additional amount so that such Senior Discount Note will be in a denomination of an integral multiple of $1,000 principal amount at maturity, in the case of clause (ii).

10. Denominations; Transfer; Exchange

The Senior Discount Notes are in registered form without coupons in denominations of $1,000 (in principal amount at maturity) and whole multiples of $1,000. A Senior Discount Noteholder may transfer or exchange Senior Discount Notes in accordance with the Indenture. Upon any transfer or exchange, the Registrar and the Senior Discount Notes Trustee may require a Senior Discount Noteholder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Senior Discount Notes selected for redemption (except, in the case of a Senior Discount Note to be redeemed in part, the portion of the Senior Discount Note not to be redeemed) or to transfer or exchange any Senior Discount Notes for a period of 15 days prior to a selection of Senior Discount Notes to be redeemed.

11. Persons Deemed Owners

The registered Senior Discount Noteholder of this Senior Discount Note may be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Senior Discount Notes Trustee or Paying Agent shall pay the money back to Holdings at its written request unless an abandoned property law designates another Person. After any such payment, Senior Discount Noteholders entitled to the money must look only to Holdings and not to the Senior Discount Notes Trustee for payment.

13. Discharge and Defeasance

Subject to certain conditions, Holdings at any time may terminate some of or all its obligations under the Senior Discount Notes and the Indenture if Holdings deposits with the Senior Discount Notes Trustee money or U.S. Government Obligations for the payment of principal and interest on the Senior Discount Notes to redemption or maturity, as the case may be.

14. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Senior Discount Notes may be amended without prior notice to any Senior Discount Noteholder but with the written consent of the Senior Discount Noteholders of at least a majority in aggregate principal amount at maturity of the outstanding Senior Discount Notes and (ii) any default or noncompliance with any provision may be waived with the written consent of the Senior Discount Noteholders of at least a majority in principal amount at maturity of the outstanding Senior Discount Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Senior Discount Noteholder of Senior Discount Notes, Holdings and the Senior Discount Notes Trustee may amend the Indenture or the

Senior Discount Notes (i) to cure any ambiguity, omission, defect or inconsistency; (ii) to comply with Article 5 of the Indenture; (iii) to provide for uncertificated Senior Discount Notes in addition to or in place of certificated Senior Discount Notes; (iv) to add Guarantees with respect to the Senior Discount Notes; (v) to secure the Senior Discount Notes; (vi) to add additional covenants of Holdings for the benefit of the Senior Discount Noteholders or to surrender rights and powers conferred on Holdings; (vii) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA; (viii) to make any change that does not adversely affect the rights of any Senior Discount Noteholder; or (ix) to provide for the issuance of the Senior Discount Exchange Notes or Private Senior Discount Exchange Notes.

15. Defaults and Remedies

If an Event of Default occurs (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of Holdings) and is continuing, the Senior Discount Notes Trustee or the Senior Discount Noteholders of at least 25% in principal amount at maturity of the outstanding Senior Discount Notes may declare (a) the Accreted Value of all the Senior Discount Notes, if on or prior to June 1, 2003, or (b) the principal of and accrued but unpaid interest on all the Senior Discount Notes, if after June 1, 2003, to be due and payable. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of Holdings occurs, (a) the Accreted Value of all the Senior Discount Notes, if on or prior to June 1, 2003, or (b) the principal of and interest on all the Senior Discount Notes, if after June 1, 2003, will become immediately due and payable without any declaration or other act on the part of the Senior Discount Notes Trustee or any Senior Discount Noteholders. Under certain circumstances, the Senior Discount Noteholders of a majority in principal amount at maturity of the outstanding Senior Discount Notes may rescind any such acceleration with respect to the Senior Discount Notes and its consequences.

If an Event of Default occurs and is continuing, the Senior Discount Notes Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Senior Discount Noteholders unless such Senior Discount Noteholders have offered to the Senior Discount Notes Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of Accreted Value, principal, premium (if any) or interest when due, no Senior Discount Noteholder may pursue any remedy with respect to the Indenture or the Senior Discount Notes unless (i) such Senior Discount Noteholder has previously given the Senior Discount Notes Trustee notice that an Event of Default is continuing, (ii) Senior Discount Noteholders of at least 25% in principal amount at maturity of the outstanding Senior Discount Notes have requested the Senior Discount Notes Trustee in writing to pursue the remedy, (iii) such Senior Discount Noteholders have offered the Senior Discount Notes Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Senior Discount Notes Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the Senior Discount Noteholders of a majority in principal amount at maturity of the outstanding Senior Discount Notes have not given the Senior Discount Notes Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the Senior Discount Noteholders of a majority in principal amount at maturity of the outstanding Senior Discount Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Senior Discount Notes Trustee or of exercising any trust or power conferred on the Senior Discount Notes Trustee. The Senior Discount Notes Trustee, however, may

refuse to follow any direction that conflicts with law or the Indenture or that the Senior Discount Notes Trustee determines is unduly prejudicial to the rights of any other Senior Discount Noteholder or that would involve the Senior Discount Notes Trustee in personal liability. Prior to taking any action under the Indenture, the Senior Discount Notes Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. Senior Discount Notes Trustee Dealings with Holdings

Subject to certain limitations imposed by the TIA, the Senior Discount Notes Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Senior Discount Notes and may otherwise deal with and collect obligations owed to it by Holdings or its Affiliates and may otherwise deal with Holdings or its Affiliates with the same rights it would have if it were not Senior Discount Notes Trustee.

17. No Recourse Against Others

A director, officer, employee or stockholder, as such, of Holdings shall not have any liability for any obligations of Holdings under the Senior Discount Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Senior Discount Note, each Senior Discount Noteholder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Senior Discount Notes.

18. Authentication

This Senior Discount Note shall not be valid until an authorized signatory of the Senior Discount Notes Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Senior Discount Note.

19. Abbreviations

Customary abbreviations may be used in the name of a Senior Discount Noteholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. GOVERNING LAW

THIS SENIOR DISCOUNT NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

21. CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, Holdings has caused CUSIP numbers to be printed on the Senior Discount Notes and has directed the Senior Discount Notes Trustee to use CUSIP numbers in notices of redemption as a convenience to Senior Discount Noteholders. No

representation is made as to the accuracy of such numbers either as printed on the Senior Discount Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

Holdings will furnish to any Senior Discount Noteholder of Senior Discount Notes upon written request and without charge to the Senior Discount Noteholder a copy of the Indenture which has in it the text of this Senior Discount Note.

ASSIGNMENT FORM

To assign this Senior Discount Note, fill in the form below:

I or we assign and transfer this Senior Discount Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Senior Discount Note on the books of Holdings. The agent may substitute another to act for him.

- - - - ----------

Date: Your Signature:

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- - - - ----------

Sign exactly as your name appears on the other side of this Senior Discount Note.

CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR REGISTRATION OF
TRANSFER RESTRICTED SENIOR DISCOUNT NOTES

This certificate relates to $_____ principal amount at maturity of Senior Discount Notes held in (check applicable space) ____ book-entry or _____ definitive form by the undersigned.

The undersigned (check one box below):

|_| has requested the Senior Discount Notes Trustee by written order to deliver in exchange for its beneficial interest in the Global Senior Discount Note held by the Depositary a Senior Discount Note or Senior Discount Notes in definitive, registered form of authorized denominations and an aggregate principal amount at maturity equal to its beneficial interest in such Global Senior Discount Note (or the portion thereof indicated above);

|_| has requested the Senior Discount Notes Trustee by written order to exchange or register the transfer of a Senior Discount Note or Senior Discount Notes.

In connection with any transfer of any of the Senior Discount Notes evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that such Senior Discount Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) |_| to Holdings; or

(2) |_| pursuant to an effective registration statement under the Securities Act of 1933; or

(3) |_| inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(4) |_| outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933; or

(5) |_| to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933) that has furnished to the Senior Discount Notes Trustee a signed letter containing certain representations and agreements; or

(6) |_| pursuant to another available exemption from registration provided by Rule 144 under the Securities Act of 1933.

Unless one of the boxes is checked, the Senior Discount Notes Trustee will refuse to register any of the Senior Discount Notes evidenced by this certificate in the name of any Person other than the registered holder thereof; provided, however, that if box (4), (5) or (6) is checked, the Senior Discount Notes Trustee may require, prior to registering any such transfer of the Senior Discount Notes, such legal opinions, certifications and other information as Holdings has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

Your Signature

Signature Guarantee:

Date:

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Senior Discount Notes Trustee

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Signature of Signature Guarantee

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TO BE COMPLETED BY PURCHASER IF (3) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Senior Discount Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding Holdings as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated:

NOTICE: To be executed by an executive officer

[TO BE ATTACHED TO GLOBAL SENIOR DISCOUNT NOTES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SENIOR DISCOUNT NOTE

The initial principal amount at maturity of this Global Senior Discount Note is $[ ]. The following increases or decreases in this Global Senior Discount Note have been made:

Date of Exchange	Amount of decrease in Principal Amount at Maturity of this Global Senior Discount Note	Amount of increase in Principal Amount at Maturity of this Global Senior Discount Note	Principal Amount at Maturity of this Global Senior Discount Note following such decrease or increase	Signature of authorized signatory of Senior Discount Notes Trustee or Senior Discount Notes Custodian

OPTION OF SENIOR DISCOUNT NOTEHOLDER TO ELECT PURCHASE

If you want to elect to have this Senior Discount Note purchased by Holdings pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, check the box:

Asset Sale |_| Change of Control |_|

If you want to elect to have only part of this Senior Discount Note purchased by Holdings pursuant to Section 4.06 or 4.08 of the Indenture, state the amount:

$

Date:_____ Your Signature:_____
(Sign exactly as your name appears on the other side of the Senior Discount Note)

Signature Guarantee: _____
Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Senior Discount Notes Trustee

EXHIBIT B

[FORM OF FACE OF SENIOR DISCOUNT EXCHANGE NOTE]

No. $_____

11 1/8% Senior Discount Note due 2008

CUSIP No. _____

WESCO International, Inc., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum [of Dollars] [listed on the Schedule of Increases or Decreases in Global Senior Discount Note attached hereto(2) on June 1, 2008.

Interest Payment Dates: June 1 and December 1, commencing on June 1, 2003.

Record Dates: May 15 and November 15.

- - - - ----------

(2) Use the Schedule of Increases and Decreases language if Note is in Global Form.

Additional provisions of this Senior Discount Note are set forth on the other side of this Senior Discount Note.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

WESCO INTERNATIONAL, INC.,

by

Name:
Title:

by

Name:
Title:

Dated:

SENIOR DISCOUNT NOTES TRUSTEE'S CERTIFICATE OF AUTHENTICATION

BANK ONE, N.A.,
as Senior Discount Notes Trustee, certifies that this is one of the Senior Discount Notes referred to in the Indenture.

By:

Authorized Signatory

- - - - ----------

(*) If the Senior Discount Note is to be issued in global form, add the Global Senior Discount Notes Legend and the attachment from Exhibit A captioned "TO BE ATTACHED TO GLOBAL SENIOR DISCOUNT NOTES - SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SENIOR DISCOUNT NOTE".

[FORM OF REVERSE SIDE OF SENIOR DISCOUNT EXCHANGE NOTE]

11 1/8% Senior Discount Note due 2008

1. Interest.

WESCO INTERNATIONAL, INC., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called "Holdings"), promises to pay interest on the principal amount at maturity of this Senior Discount Note at the rate per annum shown above. Cash interest will not accrue or be payable on this Senior Discount Note prior to June 1, 2003. From June 1, 2003, Holdings will pay interest semiannually on June 1 and December 1 of each year. Interest on the Senior Discount Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from June 1, 2003. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. Method of Payment

Holdings will pay interest on the Senior Discount Notes (except defaulted interest) to the Persons who are registered holders of Senior Discount Notes at the close of business on the May 15 or November 15 next preceding the interest payment date even if Senior Discount Notes are canceled after the record date and on or before the interest payment date. Senior Discount Noteholders must surrender Senior Discount Notes to a Paying Agent to collect principal payments. Holdings will pay principal and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Senior Discount Notes represented by a Global Senior Discount Note (including principal, premium and interest) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company. Holdings will make all payments in respect of a certificated Senior Discount Note (including principal, premium and interest), by mailing a check to the registered address of each Senior Discount Noteholder thereof; provided, however, that payments on the Senior Discount Notes may also be made, in the case of a Senior Discount Noteholder of at least $1,000,000 aggregate principal amount at maturity of Senior Discount Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Senior Discount Noteholder elects payment by wire transfer by giving written notice to the Senior Discount Notes Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Senior Discount Notes Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, Bank One, N.A., a national banking association (the "Senior Discount Notes Trustee"), will act as Paying Agent and Registrar. Holdings may appoint and change any Paying Agent, Registrar or co-registrar without notice. Holdings or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co-registrar.

4. Indenture

Holdings issued the Senior Discount Notes under an Indenture dated as of June 5, 1998 (the "Indenture"), among Holdings and the Senior Discount Notes Trustee. The terms of the Senior Discount Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. ss.ss. 77aaa- 77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Senior Discount Notes are subject to all such terms, and Senior Discount Noteholders are referred to the Indenture and the TIA for a statement of those terms.

The Senior Discount Notes are senior unsecured obligations of Holdings limited to $87 million aggregate principal amount at maturity at any one time outstanding. This Senior Discount Note is one of the Initial Senior Discount Notes referred to in the Indenture. The Senior Discount Notes include the Initial Senior Discount Notes and any Senior Discount Exchange Notes and Private Senior Discount Exchange Notes issued in exchange for the Initial Senior Discount Notes pursuant to the Indenture. The Initial Senior Discount Notes, the Senior Discount Exchange Notes and the Private Senior Discount Exchange Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of Holdings and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens and make Asset Sales. The Indenture also imposes limitations on the ability of Holdings to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of the property of Holdings.

5. Optional Redemption

Except as set forth in the following two paragraphs, the Senior Discount Notes will not be redeemable at the option of Holdings prior to June 1, 2003. Thereafter, the Senior Discount Notes will be redeemable at the option of Holdings, in whole or in part, on not less than 30 nor more than 60 days' prior notice, at the following redemption prices (expressed as percentages of principal amount at maturity), plus accrued and unpaid interest and liquidated damages (if any) to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on June 1 of the years set forth below:

Year	Redemption Price
2003	105.563%
2004	103.708%
2005	101.854%
2006 and thereafter	100.000%

In addition, at any time prior to June 1, 2001, Holdings may redeem, in whole but not in part, the Senior Discount Notes with the Net Cash Proceeds of one or more Equity Offerings by Holdings, at a redemption price equal to 111.125% of the Accreted Value at the

date of redemption plus liquidated damages, if any, thereon to the date of redemption. Any such redemption shall be made within 120 days of such Equity Offering upon not less than 30 nor more than 60 days' notice mailed to each holder of Senior Discount Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

At any time prior to June 1, 2003, the Senior Discount Notes may be redeemed, in whole but not in part, at the option of Holdings at any time within 180 days after a Change of Control, at a redemption price equal to the sum of (i) 100% of the Accreted Value thereof together with liquidated damages, if any, to the redemption date plus (ii) the Applicable Premium.

6. Sinking Fund

The Senior Discount Notes are not subject to any sinking fund.

7. Notice of Redemption

Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each Senior Discount Noteholder of Senior Discount Notes to be redeemed at his or her registered address. Senior Discount Notes in denominations larger than $1,000 (in principal amount at maturity) may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued interest on all Senior Discount Notes (or portions thereof) to be redeemed on the redemption date is deposited with the Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Senior Discount Notes (or such portions thereof) called for redemption.

8. Repurchase of Senior Discount Notes at the Option of Senior Discount Noteholders upon Change of Control

Upon a Change of Control, any Senior Discount Noteholder of Senior Discount Notes will have the right, subject to certain conditions specified in the Indenture, to cause Holdings to repurchase all or any part of the Senior Discount Notes of such Senior Discount Noteholder at a purchase price equal to (a) 101% of the Accreted Value thereof at the date of repurchase plus liquidated damages thereon, if any, to the date of repurchase, if repurchased on or prior to June 1, 2003, and (b) 101% of the principal amount of the Senior Discount Notes to be repurchased plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Senior Discount Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date), if repurchased after June 1, 2003, as provided in, and subject to the terms of, the Indenture.

9. Mandatory Principal Redemption

On June 1 , 2003, Holdings will be required to redeem an amount equal to $354.96 per $1,000 principal amount at maturity of each Senior Discount Note then outstanding ($30,881,520 in aggregate principal amount at maturity of the Senior Discount Notes, assuming all of the Senior Discount Notes remain outstanding on such date (the "Mandatory Principal Redemption Amount")) on a pro rata basis at a redemption price of 100% of the principal amount at maturity of the Senior Discount Notes so redeemed. If the redemption of a Senior Discount Note pursuant to this paragraph 9 would result in an outstanding Senior Discount Note in a denomination (i) of less than $1,000 principal amount

at maturity or (ii) other than an integral multiple of $1,000 principal amount at maturity, such Senior Discount Note will be redeemed (A) in whole, in the case of clause (i), or (B) by an additional amount so that such Senior Discount Note will be in a denomination of an integral multiple of $1,000 principal amount at maturity, in the case of clause (ii).

10. Denominations; Transfer; Exchange

The Senior Discount Notes are in registered form without coupons in denominations of $1,000 (in principal amount and maturity) and whole multiples of $1,000. A Senior Discount Noteholder may transfer or exchange Senior Discount Notes in accordance with the Indenture. Upon any transfer or exchange, the Registrar and the Senior Discount Notes Trustee may require a Senior Discount Noteholder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Senior Discount Notes selected for redemption (except, in the case of a Senior Discount Note to be redeemed in part, the portion of the Senior Discount Note not to be redeemed) or to transfer or exchange any Senior Discount Notes for a period of 15 days prior to a selection of Senior Discount Notes to be redeemed or 15 days before an interest payment date.

11. Persons Deemed Owners

The registered Senior Discount Noteholder of this Senior Discount Note may be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Senior Discount Notes Trustee or Paying Agent shall pay the money back to Holdings at its written request unless an abandoned property law designates another Person. After any such payment, Senior Discount Noteholders entitled to the money must look only to Holdings and not to the Senior Discount Notes Trustee for payment.

13. Discharge and Defeasance

Subject to certain conditions, Holdings at any time may terminate some of or all its obligations under the Senior Discount Notes and the Indenture if Holdings deposits with the Senior Discount Notes Trustee money or U.S. Government Obligations for the payment of principal and interest on the Senior Discount Notes to redemption or maturity, as the case may be.

14. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Senior Discount Notes may be amended without prior notice to any Senior Discount Noteholder but with the written consent of the Senior Discount Noteholders of at least a majority in aggregate principal amount at maturity of the outstanding Senior Discount Notes and (ii) any default or noncompliance with any provision may be waived with the written consent of the Senior Discount Noteholders of at least a majority in principal amount at maturity of the outstanding Senior Discount Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Senior Discount Noteholder of Senior Discount Notes, Holdings and the Senior Discount Notes Trustee may amend the Indenture or the

Senior Discount Notes (i) to cure any ambiguity, omission, defect or inconsistency; (ii) to comply with Article 5 of the Indenture; (iii) to provide for uncertificated Senior Discount Notes in addition to or in place of certificated Senior Discount Notes; (iv) to add Guarantees with respect to the Senior Discount Notes; (v) to secure the Senior Discount Notes; (vi) to add additional covenants of Holdings for the benefit of the Senior Discount Noteholders or to surrender rights and powers conferred on Holdings; (vii) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA; (viii) to make any change that does not adversely affect the rights of any Senior Discount Noteholder; or (ix) to provide for the issuance of the Senior Discount Exchange Notes or Private Senior Discount Exchange Notes.

15. Defaults and Remedies

If an Event of Default occurs (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of Holdings) and is continuing, the Senior Discount Notes Trustee or the Senior Discount Noteholders of at least 25% in principal amount at maturity of the outstanding Senior Discount Notes may declare (a) the Accreted Value of all the Senior Discount Notes, if on or prior to June 1, 2003, or (b) the principal of and accrued but unpaid interest on all the Senior Discount Notes, if after June 1, 2003, to be due and payable. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of Holdings occurs, (a) the Accreted Value of all the Senior Discount Notes, if on or prior to June 1, 2003, or (b) the principal of and interest on all the Senior Discount Notes, if after June 1, 2003, will become immediately due and payable without any declaration or other act on the part of the Senior Discount Notes Trustee or any Senior Discount Noteholders. Under certain circumstances, the Senior Discount Noteholders of a majority in principal amount at maturity of the outstanding Senior Discount Notes may rescind any such acceleration with respect to the Senior Discount Notes and its consequences.

If an Event of Default occurs and is continuing, the Senior Discount Notes Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Senior Discount Noteholders unless such Senior Discount Noteholders have offered to the Senior Discount Notes Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of Accreted Value, principal, premium (if any) or interest when due, no Senior Discount Noteholder may pursue any remedy with respect to the Indenture or the Senior Discount Notes unless (i) such Senior Discount Noteholder has previously given the Senior Discount Notes Trustee notice that an Event of Default is continuing, (ii) Senior Discount Noteholders of at least 25% in principal amount at maturity of the outstanding Senior Discount Notes have requested the Senior Discount Notes Trustee in writing to pursue the remedy, (iii) such Senior Discount Noteholders have offered the Senior Discount Notes Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Senior Discount Notes Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the Senior Discount Noteholders of a majority in principal amount at maturity of the outstanding Senior Discount Notes have not given the Senior Discount Notes Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the Senior Discount Noteholders of a majority in principal amount at maturity of the outstanding Senior Discount Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Senior Discount Notes Trustee or of exercising any trust or power conferred on the Senior Discount Notes Trustee. The Senior Discount Notes Trustee, however, may

refuse to follow any direction that conflicts with law or the Indenture or that the Senior Discount Notes Trustee determines is unduly prejudicial to the rights of any other Senior Discount Noteholder or that would involve the Senior Discount Notes Trustee in personal liability. Prior to taking any action under the Indenture, the Senior Discount Notes Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. Senior Discount Notes Trustee Dealings with Holdings

Subject to certain limitations imposed by the TIA, the Senior Discount Notes Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Senior Discount Notes and may otherwise deal with and collect obligations owed to it by Holdings or its Affiliates and may otherwise deal with Holdings or its Affiliates with the same rights it would have if it were not Senior Discount Notes Trustee.

17. No Recourse Against Others

A director, officer, employee or stockholder, as such, of Holdings shall not have any liability for any obligations of Holdings under the Senior Discount Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Senior Discount Note, each Senior Discount Noteholder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Senior Discount Notes.

18. Authentication

This Senior Discount Note shall not be valid until an authorized signatory of the Senior Discount Notes Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Senior Discount Note.

19. Abbreviations

Customary abbreviations may be used in the name of a Senior Discount Noteholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. GOVERNING LAW

THIS SENIOR DISCOUNT NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

21. CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, Holdings has caused CUSIP numbers to be printed on the Senior Discount Notes and has directed the Senior Discount Notes Trustee to use CUSIP numbers in notices of redemption as a convenience to Senior Discount Noteholders. No

representation is made as to the accuracy of such numbers either as printed on the Senior Discount Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

Holdings will furnish to any Senior Discount Noteholder of Senior Discount Notes upon written request and without charge to the Senior Discount Noteholder a copy of the Indenture which has in it the text of this Senior Discount Note.

ASSIGNMENT FORM

To assign this Senior Discount Note, fill in the form below:

I or we assign and transfer this Senior Discount Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Senior Discount Note on the books of Holdings. The agent may substitute another to act for him.

- - - - ----------

Date: Your Signature:

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Sign exactly as your name appears on the other side of this Senior Discount Note. Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Senior Discount Notes Trustee.

OPTION OF SENIOR DISCOUNT NOTEHOLDER TO ELECT PURCHASE

If you want to elect to have this Senior Discount Note purchased by Holdings pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, check the box:

Asset Sale |_| Change of Control |_|

If you want to elect to have only part of this Senior Discount Note purchased by Holdings pursuant to Section 4.06 or 4.08 of the Indenture, state the amount:

$

Date:_____ Your Signature:_____
(Sign exactly as your name appears on the other side of the Senior Discount Note)

Signature Guarantee: _____
Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Senior Discount Notes Trustee.

EXHIBIT C

Form of
Transferee Letter of Representation

WESCO International, Inc.

In care of Bank One, N.A.
Bank One Trust Company, N.A.
c/o First Chicago Trust Company
14 Wall Street
8th Floor, Suite 4607
New York, NY 10002

Ladies and Gentlemen:

This certificate is delivered to request a transfer of $ principal amount at maturity of the 11 1/8% Senior Discount Notes due 2008 (the "Senior Discount Notes") of WESCO International, Inc. ("Holdings").

Upon transfer, the Senior Discount Notes would be registered in the name of the new beneficial owner as follows:

Name:

Address:

Taxpayer ID Number:

The undersigned represents and warrants to you that:

1. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the "Securities Act")) purchasing for our own account or for the account of such an institutional "accredited investor" at least $250,000 principal amount at maturity of the Senior Discount Notes, and we are acquiring the Senior Discount Notes not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Senior Discount Notes, and we invest in or purchase Senior Discount Notes similar to the Senior Discount Notes in the normal course of our business. We, and any accounts for which we are acting, are each able to bear the economic risk of our or its investment.

2. We understand that the Senior Discount Notes have not been registered under the Securities Act and, unless so registered, may not be sold except as permitted in the following sentence. We agree on our own behalf and on behalf of any investor account for which we are purchasing Senior Discount Notes to offer, sell or otherwise transfer such Senior Discount Notes prior to the date that is two years after the later of the date of original issue and the last date on which Holdings or any affiliate of Holdings was the owner of such

Senior Discount Notes (or any predecessor thereto) (the "Resale Restriction Termination Date") only (a) to Holdings, (b) pursuant to a registration statement that has been declared effective under the Securities Act, (c) in a transaction complying with the requirements of Rule 144A under the Securities Act ("Rule 144A"), to a person we reasonably believe is a qualified institutional investor under Rule 144A (a "QIB") that purchases for its own account or for the account of a QIB and to whom notice is given that the transfer is being made in reliance on Rule 144A, (d) pursuant to offers and sales that occur outside the United States within the meaning of Regulation S under the Securities Act, (e) to an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act that is purchasing for its own account or for the account of such an institutional "accredited investor," in each case in a minimum principal amount at maturity of Notes of $250,000, or (f) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of our property or the property of such investor account or accounts be at all times within our or their control and in compliance with any applicable state securities laws. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. If any resale or other transfer of the Notes is proposed to be made pursuant to clause (e) above prior to the Resale Restriction Termination Date, the transferor shall deliver a letter from the transferee substantially in the form of this letter to Holdings and the Senior Discount Notes Trustee, which shall provide, among other things, that the transferee is an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act and that it is acquiring such Senior Discount Notes for investment purposes and not for distribution in violation of the Securities Act. Each purchaser acknowledges that Holdings and the Senior Discount Notes Trustee reserve the right prior to the offer, sale or other transfer prior to the Resale Termination Date of the Senior Discount Notes pursuant to clause (d), (e) or (f) above to require the delivery of an opinion of counsel, certifications or other information satisfactory to Holdings and the Senior Discount Notes Trustee.

TRANSFEREE:_____,

by:_____

EXHIBIT 4.8

WESCO INTERNATIONAL, INC.

$87,000,000

11-1/8% Senior Discount Notes due 2008

EXCHANGE AND REGISTRATION RIGHTS AGREEMENT

June 5, 1998

CHASE SECURITIES INC.
LEHMAN BROTHERS INC.
c/o Chase Securities Inc.
270 Park Avenue, 4th floor
New York, New York 10017

Ladies and Gentlemen:

WESCO International, Inc., a Delaware corporation ("Holdings"), proposes to issue and sell to Chase Securities Inc. ("CSI") and Lehman Brothers Inc. (together with CSI, the "Initial Purchasers"), upon the terms and subject to the conditions set forth in a purchase agreement dated May 29, 1998 (the "Purchase Agreement"), $87,000,000 aggregate principal amount at maturity of its 11-1/8% Senior Discount Notes due 2008 (the "Senior Discount Notes"). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase Agreement.

As an inducement to the Initial Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to the obligations of the Initial Purchasers thereunder, Holdings agrees with the Initial Purchasers, for the benefit of the holders (including the Initial Purchasers) of the Senior Discount Notes, the Senior Discount Exchange Notes (as defined herein) and the Private Senior Discount Exchange Notes (as defined herein) (collectively, the "Holders"), as follows:

1. Senior Discount Notes Registered Exchange Offer. Holdings shall (i) prepare and, not later than 90 days following the date of original issuance of the Senior Discount Notes (the "Senior Discount Notes Issue Date"), file with the Commission a registration statement (the "Senior Discount Notes Exchange Offer Registration Statement") on an appropriate form under the Securities Act with respect to a proposed offer to the Holders of the Senior Discount Notes (the "Senior Discount Notes Registered Exchange Offer") to issue and deliver to such Holders, in exchange for the Senior Discount Notes, a like aggregate principal amount at maturity of debt securities of Holdings (the "Senior Discount Exchange Notes") that are identical in all material respects to the Senior Discount Notes, except for the transfer restrictions relating to the Senior Discount Notes, (ii) use its reasonable best efforts to cause the Senior Discount Notes Exchange Offer Registration Statement to become effective under the Securities Act no later than 200 days after the Senior Discount Notes Issue Date and the Senior Discount Notes Registered Exchange Offer to be consummated no later than 230 days after the Senior Discount Notes Issue Date and (iii) keep the Senior Discount Notes Exchange Offer Registration Statement effective for not less than 20 business days (or longer, if required by applicable law) after the date on which notice of the Senior Discount Notes Registered Exchange Offer is mailed to the Holders (such period being called the "Senior Discount Notes Exchange Offer Registration Period"). The Senior Discount Exchange Notes will be issued under the Senior Discount Notes Indenture or an indenture (the "Senior Discount Exchange Notes Indenture") between Holdings and the Senior Discount Notes Trustee or such other bank or trust company that is reasonably satisfactory to the Initial Purchasers, as trustee (the "Senior Discount Exchange Notes Trustee"), such indenture to be identical in all material respects to the Senior Discount Notes Indenture, except for the transfer restrictions relating to the Senior Discount Notes (as described above).

Upon the effectiveness of the Senior Discount Notes Exchange Offer Registration Statement, Holdings shall promptly commence the Senior Discount Notes Registered Exchange Offer, it being the objective of such Senior Discount Notes Registered Exchange Offer to enable each Holder electing to exchange Senior Discount Notes for Senior Discount Exchange Notes (assuming that such Holder (a) is not an affiliate of Holdings or a Senior Discount Notes Exchanging Dealer (as defined herein) not complying with the requirements of the next sentence, (b) is not an Initial Purchaser holding Senior Discount Notes that have, or that are reasonably likely to have, the status of an unsold allotment in an initial distribution, (c) acquires the Senior Discount Exchange Notes in the ordinary course of such Holder's business and (d) has no arrangements or understandings with any person to participate in the distribution of the Senior Discount Exchange Notes) and to trade such Senior Discount Exchange Notes from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the securities laws of the several states of the United States. Holdings, the Initial Purchasers and each Senior Discount Notes Exchanging Dealer acknowledge that, pursuant to current interpretations by the Commission's staff of Section 5 of the Securities Act, each Holder that is a broker-dealer electing to exchange Senior Discount Notes, acquired for its own account as a result of market-making activities or other trading activities, for Senior Discount Exchange Notes (a "Senior Discount Notes Exchanging Dealer"), is required to deliver a prospectus containing substantially the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution"

section of such prospectus in connection with a sale of any such Senior Discount Exchange Notes received by such Senior Discount Notes Exchanging Dealer pursuant to the Senior Discount Notes Registered Exchange Offer.

If, prior to the consummation of the Senior Discount Notes Registered Exchange Offer, any Holder holds any Senior Discount Notes acquired by it that have, or that are reasonably likely to be determined to have, the status of an unsold allotment in an initial distribution, or any Holder is not entitled to participate in the Senior Discount Notes Registered Exchange Offer, Holdings shall, upon the request of any such Holder, simultaneously with the delivery of the Senior Discount Exchange Notes in the Senior Discount Notes Registered Exchange Offer, issue and deliver to any such Holder, in exchange for the Senior Discount Notes held by such Holder (the "Senior Discount Notes Private Exchange"), a like aggregate principal amount at maturity of debt securities of Holdings (the "Private Senior Discount Exchange Notes") that are identical in all material respects to the Senior Discount Exchange Notes, except for the transfer restrictions relating to such Private Senior Discount Exchange Notes. The Private Senior Discount Exchange Notes will be issued under the same indenture as the Senior Discount Exchange Notes, and Holdings shall use its reasonable best efforts to cause the Private Senior Discount Exchange Notes to bear the same CUSIP number as the Senior Discount Exchange Notes.

In connection with the Senior Discount Notes Registered Exchange Offer, Holdings shall:

(a) mail to each Holder a copy of the prospectus forming part of the Senior Discount Notes Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) keep the Senior Discount Notes Registered Exchange Offer open for not less than 20 business days (or longer, if required by applicable law) after the date on which notice of the Senior Discount Notes Registered Exchange Offer is mailed to the Holders;

(c) utilize the services of a depositary for the Senior Discount Notes Registered Exchange Offer with an address in the Borough of Manhattan, The City of New York;

(d) permit Holders to withdraw tendered Senior Discount Notes at any time prior to the close of business, New York City time, on the last business day on which the Senior Discount Notes Registered Exchange Offer shall remain open; and

(e) otherwise comply in all respects with all laws that are applicable to the Senior Discount Notes Registered Exchange Offer.

As soon as practicable after the close of the Senior Discount Notes Registered Exchange Offer and any Senior Discount Notes Private Exchange, as the case may be, Holdings shall:

(a) accept for exchange all Senior Discount Notes tendered and not validly withdrawn pursuant to the Senior Discount Notes Registered Exchange Offer and the Senior Discount Notes Private Exchange;

(b) deliver to the Senior Discount Notes Trustee for cancelation all Senior Discount Notes so accepted for exchange; and

(c) cause the Senior Discount Notes Trustee or the Senior Discount Exchange Notes Trustee, as the case may be, promptly to authenticate and deliver to each Holder, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes, as the case may be, equal in principal amount at maturity to the Senior Discount Notes of such Holder so accepted for exchange.

Holdings shall use its reasonable best efforts to keep the Senior Discount Notes Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein in order to permit such prospectus to be used by all persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such persons must comply with such requirements in order to resell the Senior Discount Exchange Notes; provided that (i) in the case where such prospectus and any amendment or supplement thereto must be delivered by a Senior Discount Notes Exchanging Dealer, such period shall be the lesser of 180 days and the date on which all Senior Discount Notes Exchanging Dealers have sold all Senior Discount Exchange Notes held by them and (ii) Holdings shall make such prospectus and any amendment or supplement thereto available to any broker-dealer for use in connection with any resale of any Senior Discount Exchange Notes for a period of not less than 180 after the consummation of the Senior Discount Notes Registered Exchange Offer.

The Senior Discount Notes Indenture or the Senior Discount Exchange Notes Indenture, as the case may be, shall provide that the Senior Discount Notes, the Senior Discount Exchange Notes and the Private Senior Discount Exchange Notes shall vote and consent together on all matters as one class and that none of the Senior Discount Notes, the Senior Discount Exchange Notes or the Private Senior Discount Exchange Notes will have the right to vote or consent as a separate class on any matter.

Principal or interest on each Senior Discount Exchange Note and Private Senior Discount Exchange Note issued pursuant to the Senior Discount Notes Registered Exchange Offer and in the Senior Discount Notes Private Exchange will accrete or accrue, as applicable, from the last semi-annual accretion date or interest payment date on which principal accreted or interest was paid, as applicable, on the Senior Discount Notes surrendered in exchange therefor or, if no principal has accreted or no interest has been paid, as applicable, on the Senior Discount Notes, from the Senior Discount Notes Issue Date.

Each Holder participating in the Senior Discount Notes Registered Exchange Offer shall be required to represent to Holdings that at the time of the consummation of the Senior Discount Notes Registered Exchange Offer (i) any Senior Discount Exchange Notes received by such Holder will be acquired in the ordinary course of business, (ii) such Holder will have no arrangements or understandings with any person to participate in the distribution of the Senior

Discount Notes or the Senior Discount Exchange Notes within the meaning of the Securities Act and (iii) such Holder is not an affiliate of Holdings or, if it is such an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

Notwithstanding any other provisions hereof, Holdings will ensure that (i) any Senior Discount Notes Exchange Offer Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations of the Commission thereunder, (ii) any Senior Discount Notes Exchange Offer Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of any Senior Discount Notes Exchange Offer Registration Statement, and any supplement to such prospectus, does not, as of the consummation of the Senior Discount Notes Registered Exchange Offer, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2. Shelf Registration. If (i) because of any change in law or applicable interpretations thereof by the Commission's staff Holdings is not permitted to effect the Senior Discount Notes Registered Exchange Offer as contemplated by Section 1 hereof, or (ii) any Senior Discount Notes validly tendered pursuant to the Senior Discount Notes Registered Exchange Offer are not exchanged for Senior Discount Exchange Notes within 230 days after the Senior Discount Notes Issue Date, or (iii) any Initial Purchaser so requests with respect to Senior Discount Notes or Private Senior Discount Exchange Notes not eligible to be exchanged for Senior Discount Exchange Notes in the Senior Discount Notes Registered Exchange Offer and held by it following the consummation of the Senior Discount Notes Registered Exchange Offer, or (iv) any applicable law or interpretations do not permit any Holder to participate in the Senior Discount Notes Registered Exchange Offer, or (v) any Holder that participates in the Senior Discount Notes Registered Exchange Offer does not receive freely transferable Senior Discount Exchange Notes in exchange for tendered Senior Discount Notes, or (vi) Holdings so elects, then the following provisions shall apply:

(a) Holdings shall use its reasonable best efforts to file as promptly as practicable with the Commission, and thereafter shall use its reasonable best efforts to cause to be declared effective, a shelf registration statement on an appropriate form under the Securities Act relating to the offer and sale of the Transfer Restricted Securities (as defined below) by the Holders thereof from time to time in accordance with the methods of distribution set forth in such registration statement (hereafter, a "Senior Discount Notes Shelf Registration Statement" and, together with any Senior Discount Notes Exchange Offer Registration Statement, a "Senior Discount Notes Registration Statement").

(b) Holdings shall use its reasonable best efforts to keep the Senior Discount Notes Shelf Registration Statement continuously effective in order to permit the prospectus forming part thereof to be used by Holders of Transfer Restricted Securities for a period ending on the earlier of (i) two years from the Senior Discount Notes Issue Date or such shorter period that will terminate when all the Transfer Restricted Securities covered by the Senior Discount Notes Shelf Registration Statement have been sold pursuant thereto and (ii) the date on which the Senior Discount Notes become eligible for resale without volume restrictions pursuant to Rule 144 under the Securities Act (in any such case, such period being called the "Shelf Registration Period"). Holdings shall be deemed not to have used its reasonable best efforts to keep the Senior Discount Notes Shelf Registration Statement effective during the requisite period if it voluntarily takes any action that would result in Holders of Transfer Restricted Securities covered thereby not being able to offer and sell such Transfer Restricted Securities during that period, unless (A) such action is required by applicable law or (B) such action was permitted by Section 3(b).

(c) Notwithstanding any other provisions hereof, Holdings will ensure that (i) any Senior Discount Notes Shelf Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations of the Commission thereunder, (ii) any Senior Discount Notes Shelf Registration Statement and any amendment thereto (in either case, other than with respect to information included therein in reliance upon or in conformity with written information furnished to Holdings by or on behalf of any Holder specifically for use therein (the "Holders' Information")) does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of any Senior Discount Notes Shelf Registration Statement, and any supplement to such prospectus (in either case, other than with respect to Holders' Information), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

3. Liquidated Damages. (a) The parties hereto agree that the Holders of Transfer Restricted Securities will suffer damages if Holdings fails to fulfill its obligations under Section 1 or Section 2, as applicable, and that it would not be feasible to ascertain the extent of such damages. Accordingly, if (i) the applicable Senior Discount Notes Registration Statement is not filed with the Commission on or prior to 90 days after the Senior Discount Notes Issue Date (or, in the case of a Senior Discount Notes Shelf Registration Statement required to be filed in response to a change in law or applicable interpretations of the Commission's staff, if later, within 45 days after publication of the change in law or interpretations, but in no event before 90 days after the Senior Discount Notes Issue Date), (ii) the Senior Discount Notes Exchange Offer Registration Statement or the Senior Discount Notes Shelf Registration Statement, as the case may be, is not declared effective within 200 days after the Senior Discount Notes Issue Date (or in the case of a Senior Discount Notes Shelf Registration Statement required to be filed in response to a change in law or the applicable interpretations of Commission's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 200 days after the Senior Discount Notes Issue Date), (iii) the Senior Discount Notes Registered Exchange Offer is not consummated on or prior to 230 days after the Senior Discount Notes Issue Date (other than in the event Holdings files a Senior Discount Notes Shelf Registration Statement), or (iv) the Senior Discount Notes Shelf Registration Statement is filed and declared effective within 200 days after the Senior Discount Notes Issue Date (or in the case of a Senior Discount Notes Shelf Registration Statement required to be filed in response to a change in law or the applicable interpretations of Commission's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 200 days after the Senior Discount Notes Issue Date) but shall thereafter cease to be effective (at any time that Holdings is obligated to maintain the effectiveness thereof) without being succeeded within 90 days by an additional Senior Discount Notes Registration Statement filed and declared effective (each such event referred to in clauses (i) through (iv), a "Registration Default"), Holdings will be obligated to pay liquidated damages to each Holder of Transfer Restricted Securities, during the period of one or more such Registration Defaults, in an amount equal to $ 0.192 per week per $1,000 Accreted Value (as defined in the Senior Discount Notes Indenture) of Transfer Restricted Securities held by such Holder until (i) the applicable Senior Discount Notes Registration Statement is filed, (ii) the Senior Discount Notes Exchange Offer Registration Statement is declared effective and the Senior Discount Notes Registered Exchange Offer is consummated, (iii) the Senior Discount Notes Shelf Registration Statement is declared effective or (iv) the Senior Discount Notes Shelf Registration Statement again becomes effective, as the case may be. Following the cure of all Registration Defaults, the accrual of liquidated damages will cease. As used herein, the term "Transfer Restricted Securities" means (i) each Senior Discount Note until the date on which such Senior Discount Note has been exchanged for a freely transferable Senior Discount Exchange Note in the Senior Discount Notes Registered Exchange Offer, (ii) each Senior Discount Note or Private Senior Discount Exchange Note until the date on which it has been effectively registered under the Securities Act and disposed of in accordance with the Senior Discount Notes Shelf Registration Statement or (iii) each Senior Discount Note or Private Senior Discount Exchange Note until the date on which it is distributed to

the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act. Notwithstanding anything to the contrary in this Section 3(a), Holdings shall not be required to pay liquidated damages to a Holder of Transfer Restricted Securities if such Holder failed to comply with its obligations to make the representations set forth in the second to last paragraph of Section 1 or failed to provide the information required to be provided by it, if any, pursuant to Section 4(n).

(b) Notwithstanding the foregoing provisions of Section 3(a), Holdings may issue a notice that the Senior Discount Notes Shelf Registration Statement is unusable pending the announcement of a material development or event and may issue any notice suspending use of the Senior Discount Notes Shelf Registration Statement required under applicable securities laws to be issued and, in the event that the aggregate number of days in any consecutive twelve-month period for which all such notices are issued and effective exceeds 45 days in the aggregate, then Holdings will be obligated to pay liquidated damages to each Holder of Transfer Restricted Securities in an amount equal to $0.192 per week per $1,000 Accreted Value of Transfer Restricted Securities held by such Holder. Upon Holdings declaring that the Senior Discount Notes Shelf Registration Statement is usable after the period of time described in the preceding sentence the accrual of liquidated damages shall cease; provided, however, that if after any such cessation of the accrual of liquidated damages the Senior Discount Notes Shelf Registration Statement again ceases to be usable beyond the period permitted above, liquidated damages will again accrue pursuant to the foregoing provisions.

(c) Holdings shall notify the Senior Discount Notes Trustee and the Paying Agent under the Senior Discount Notes Indenture immediately upon the happening of each and every Registration Default. Holdings shall pay the liquidated damages due on the Transfer Restricted Securities by depositing with the Paying Agent (which may not be Holdings for these purposes), in trust, for the benefit of the Holders thereof, prior to 10:00 a.m., New York City time, on the next semi-annual accretion date (if on or prior to June 1, 2003) or interest payment date (if after June 1, 2003) specified by the Senior Discount Notes Indenture and the Senior Discount Notes, sums sufficient to pay the liquidated damages then due. The liquidated damages due shall be payable on each semi-annual accretion date (if on or prior to June 1, 2003) or interest payment date (if after June 1, 2003) specified by the Senior Discount Notes Indenture and the Senior Discount Notes to the record holder on such date (if on or prior to June 1, 2003) or the record holder entitled to receive the interest payment to be made on such date (if after June 1, 2003). Each obligation to pay liquidated damages shall be deemed to accrue from and including the date of the applicable Registration Default.

(d) The parties hereto agree that the liquidated damages provided for in this Section 3 constitute a reasonable estimate of and are intended to constitute the sole damages that will be suffered by Holders of Transfer Restricted Securities by reason of the failure of (i) the Senior Discount Notes Shelf Registration Statement or the Senior Discount Notes Exchange Offer Registration Statement to be filed, (ii) the Senior Discount Notes Shelf Registration Statement to remain effective or (iii) the Senior Discount Notes Exchange Offer Registration Statement to be declared effective and the Senior Discount Notes Registered Exchange Offer to be consummated, in each case to the extent required by this Agreement.

4. Registration Procedures. In connection with any Senior Discount Notes Registration Statement, the following provisions shall apply:

(a) Holdings shall (i) furnish to each Initial Purchaser, prior to the filing thereof with the Commission, a copy of the Senior Discount Notes Registration Statement and each amendment thereof and each supplement, if any, to the prospectus included therein; (ii) include the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution" section of the prospectus forming a part of the Senior Discount Notes Exchange Offer Registration Statement, and include the information set forth in Annex D hereto in the Letter of Transmittal delivered

pursuant to the Senior Discount Notes Registered Exchange Offer; and (iii) if requested by any Initial Purchaser, include the information required by Items 507 or 508 of Regulation S-K, as applicable, in the prospectus forming a part of the Senior Discount Notes Exchange Offer Registration Statement.

(b) Holdings shall advise each Initial Purchaser, each Senior Discount Notes Exchanging Dealer and the Holders (if applicable) and, if requested by any such person, confirm such advice in writing (which advice pursuant to clauses (ii)-(v) hereof shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made):

(i) when any Senior Discount Notes Registration Statement and any amendment thereto has been filed with the Commission and when such Senior Discount Notes Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for amendments or supplements to any Senior Discount Notes Registration Statement or the prospectus included therein or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of any Senior Discount Notes Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by Holdings of any notification with respect to the suspension of the qualification of the Senior Discount Notes, the Senior Discount Exchange Notes or the Private Senior Discount Exchange Notes for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires the making of any changes in any Senior Discount Notes Registration Statement or the prospectus included therein in order that the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) Holdings will make every reasonable effort to obtain the withdrawal at the earliest possible time of any order suspending the effectiveness of any Senior Discount Notes Registration Statement.

(d) Holdings will furnish to each Holder of Transfer Restricted Securities included within the coverage of any Senior Discount Notes Shelf Registration Statement, without charge, at least one conformed copy of such Senior Discount Notes Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules and, if any such Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference).

(e) Holdings will, during the Shelf Registration Period, promptly deliver to each Holder of Transfer Restricted Securities included within the coverage of any Senior Discount Notes Shelf Registration Statement, without charge, as many copies of the prospectus (including each preliminary prospectus) included in such Senior Discount Notes Shelf Registration Statement and any amendment or supplement thereto as such Holder may reasonably request; and Holdings consents to the use of such prospectus or any amendment or supplement thereto by each of the selling Holders of Transfer Restricted Securities in connection with the offer and sale of the Transfer Restricted Securities covered by such prospectus or any amendment or supplement thereto.

(f) Holdings will, during the period not exceeding 180 days following the expiration of the Senior Discount Notes Registered Exchange Offer, furnish to each Initial Purchaser and each Senior Discount Notes Exchanging Dealer, and to any other Holder who so requests, without charge, at least one conformed copy of the Senior Discount Notes Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules and, if any Initial Purchaser or Senior Discount Notes Exchanging Dealer or any such Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference).

(g) Holdings will, during the Senior Discount Notes Exchange Offer Registration Period or the Shelf Registration Period, as applicable, promptly deliver to each Initial Purchaser, each Senior Discount Notes Exchanging Dealer and such other persons that are required to deliver a prospectus following the Senior Discount Notes Registered Exchange Offer, without charge, as many copies of the final prospectus included in the Senior Discount Notes Exchange Offer Registration Statement or the Senior Discount Notes Shelf Registration Statement and any amendment or supplement thereto as such Initial Purchaser, Senior Discount Notes Exchanging Dealer or other persons may reasonably request; and Holdings consents to the use of such prospectus or any amendment or supplement thereto by any such Initial Purchaser, Senior Discount Notes Exchanging Dealer or other persons, as applicable, as aforesaid.

(h) Prior to the effective date of any Senior Discount Notes Registration Statement, Holdings will use its reasonable best efforts to register or qualify, or cooperate with the Holders of Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes included therein and their respective counsel in connection with the registration or qualification of, such Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes for offer and sale under the securities or blue sky laws of such jurisdictions as any such Holder reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes covered by such Senior Discount Notes Registration Statement; provided that Holdings will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process or to taxation in any such jurisdiction where it is not then so subject.

(i) Holdings will cooperate with the Holders of Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes to facilitate the timely preparation and delivery of certificates representing Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes to be sold pursuant to any Senior Discount Notes Registration Statement free of any restrictive legends and in such denominations and registered in such names as the Holders thereof may request in writing prior to sales of Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes pursuant to such Senior Discount Notes Registration Statement.

(j) If any event contemplated by Section 4(b)(ii) through (v) occurs during the period for which Holdings is required to maintain an effective Senior Discount Notes Registration Statement, Holdings will promptly prepare and file with the Commission a post-effective amendment to the Senior Discount Notes Registration Statement or a supplement to the related prospectus or file any other required document so that, as thereafter delivered to purchasers of the Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes from a Holder, the prospectus will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) Not later than the effective date of the applicable Senior Discount Notes Registration Statement, Holdings will provide a CUSIP number for the Senior Discount Notes, the Senior Discount Exchange Notes and the Private Senior Discount Exchange Notes, as the case may be, and provide the applicable trustee with printed certificates for the Senior Discount Notes, the Senior Discount Exchange Notes or the Private Senior Discount Exchange Notes, as the case may be, in a form eligible for deposit with The Depository Trust Company.

(l) Holdings will comply with all applicable rules and regulations of the Commission and Holdings will make generally available to its security holders as soon as practicable after the effective date of the applicable Senior Discount Notes Registration Statement an earning statement covering at least 12 months satisfying the provisions of Section 11(a) of the Securities Act.

(m) Holdings will cause the Senior Discount Notes Indenture or the Senior Discount Exchange Notes Indenture, as the case may be, to be qualified under the Trust Indenture Act as required by applicable law in a timely manner.

(n) Holdings may require each Holder of Transfer Restricted Securities to be registered pursuant to any Senior Discount Notes Shelf Registration Statement to furnish to Holdings such information concerning the Holder and the distribution of such Transfer Restricted Securities as Holdings may from time to time reasonably require for inclusion in such Senior Discount Notes Shelf Registration Statement, and Holdings may exclude from such registration the Transfer Restricted Securities of any Holder that fails to furnish such information within a reasonable time after receiving such request.

(o) In the case of a Senior Discount Notes Shelf Registration Statement, each Holder of Transfer Restricted Securities to be registered pursuant thereto agrees by acquisition of such Transfer Restricted Securities that, upon receipt of any notice from Holdings pursuant to Section 4(b)(ii) through (v), such Holder will discontinue disposition of such Transfer Restricted Securities until such Holder's receipt of copies of the supplemental or amended prospectus contemplated by Section 4(j) or until advised in writing (the "Advice") by Holdings that the use of the applicable prospectus may be resumed. If Holdings shall give any notice under Section 4(b)(ii) through (v) during the period that Holdings is required to maintain an effective Senior Discount Notes Registration Statement (the "Effectiveness Period"), such Effectiveness Period shall be extended by the number of days during such period from and including the date of the giving of such notice to and including the date when each seller of Transfer Restricted Securities covered by such Senior Discount Notes Registration Statement shall have received (x) the copies of the supplemental or amended prospectus contemplated by Section 4(j) (if an amended or supplemental prospectus is required) or (y) the Advice (if no amended or supplemental prospectus is required).

(p) In the case of a Senior Discount Notes Shelf Registration Statement, Holdings shall enter into such customary agreements (including, if requested, an underwriting agreement in customary form) and take all such other action, if any, as Holders of a majority in aggregate principal amount at maturity of the Senior Discount Notes, Senior Discount Exchange Notes and Private Senior Discount Exchange Notes being sold or the managing underwriters (if any) shall reasonably request in order to facilitate any disposition of Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes pursuant to such Senior Discount Notes Shelf Registration Statement.

(q) In the case of a Senior Discount Notes Shelf Registration Statement, Holdings shall (i) make reasonably available for inspection by a representative of, and Special Counsel (as defined below) acting for, Holders of a majority in aggregate principal amount at maturity of the Senior Discount Notes, Senior Discount Exchange Notes and

Private Senior Discount Exchange Notes being sold and any underwriter participating in any disposition of Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes pursuant to such Senior Discount Notes Shelf Registration Statement, all relevant financial and other records, pertinent corporate documents and properties of Holdings and its subsidiaries and (ii) use its reasonable best efforts to have its officers, directors, employees, accountants and counsel supply all relevant information reasonably requested by such representative, Special Counsel or any such underwriter (an "Inspector") in connection with such Senior Discount Notes Shelf Registration Statement.

(r) In the case of a Senior Discount Notes Shelf Registration Statement, Holdings shall, if requested by Holders of a majority in aggregate principal amount at maturity of the Senior Discount Notes, Senior Discount Exchange Notes and Private Senior Discount Exchange Notes being sold, their Special Counsel or the managing underwriters (if any) in connection with such Senior Discount Notes Shelf Registration Statement, use its reasonable best efforts to cause (i) its counsel to deliver an opinion relating to the Senior Discount Notes Shelf Registration Statement and the Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes, as applicable, in customary form, (ii) its officers to execute and deliver all customary documents and certificates requested by Holders of a majority in aggregate principal amount at maturity of the Senior Discount Notes, Senior Discount Exchange Notes and Private Senior Discount Exchange Notes being sold, their Special Counsel or the managing underwriters (if any) and (iii) its independent public accountants to provide a comfort letter or letters in customary form, subject to receipt of appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards No. 72.

5. Registration Expenses. Holdings will bear all expenses incurred in connection with the performance of its obligations under Sections 1, 2, 3 and 4 and, other than in connection with the Senior Discount Notes Exchange Offer Registration Statement, Holdings will reimburse the Initial Purchasers and the Holders for the reasonable fees and disbursements of one firm of attorneys chosen by the Holders of a majority in aggregate principal amount at maturity of the Senior Discount Notes, the Senior Discount Exchange Notes and the Private Senior Discount Exchange Notes to be sold pursuant to each Senior Discount Notes Registration Statement (the "Special Counsel") acting for the Initial Purchasers or Holders in connection therewith.

6. Indemnification. (a) In the event of a Senior Discount Notes Shelf Registration Statement or in connection with any prospectus delivery pursuant to an Senior Discount Notes Exchange Offer Registration Statement by an Initial Purchaser or Senior Discount Notes Exchanging Dealer, as applicable, Holdings shall indemnify and hold harmless each Holder (including, without limitation, any such Initial Purchaser or Senior Discount Notes Exchanging Dealer), its affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls such Holder within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 6 and Section 7 as a Holder) from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, without limitation, any loss, claim, damage, liability or action relating to purchases and sales of Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes), to which that Holder may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any such Senior Discount Notes Registration Statement or any prospectus forming part thereof or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and shall reimburse each Holder promptly upon demand for any legal or other expenses reasonably incurred by that Holder in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss,

claim, damage, liability or action as such expenses are incurred; provided, however, that Holdings shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with any Holders' Information; and provided, further, that with respect to any such untrue statement in or omission from any related preliminary prospectus, the indemnity agreement contained in this Section 6(a) shall not inure to the benefit of any Holder from whom the person asserting any such loss, claim, damage, liability or action received Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes to the extent that such loss, claim, damage, liability or action of or with respect to such Holder results from the fact that both (A) a copy of the final prospectus was not sent or given to such person at or prior to the written confirmation of the sale of such Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes to such person and (B) the untrue statement in or omission from the related preliminary prospectus was corrected in the final prospectus unless, in either case, such failure to deliver the final prospectus was a result of non-compliance by Holdings with Section 4(d), 4(e), 4(f) or 4(g).

(b) In the event of a Senior Discount Notes Shelf Registration Statement, each Holder shall indemnify and hold harmless Holdings, its affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls Holdings within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 6(b) and Section 7 as Holdings), from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which Holdings may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any such Senior Discount Notes Registration Statement or any prospectus forming part thereof or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with any Holders' Information furnished to Holdings by such Holder, and shall reimburse Holdings for any legal or other expenses reasonably incurred by Holdings in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that no such Holder shall be liable for any indemnity claims hereunder in excess of the amount of net proceeds received by such Holder from the sale of Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes pursuant to such Senior Discount Notes Shelf Registration Statement.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party pursuant to Section 6(a) or 6(b), notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 6 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 6. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 6 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof

other than the reasonable costs of investigation; provided, however, that an indemnified party shall have the right to employ its own counsel in any such action, but the fees, expenses and other charges of such counsel for the indemnified party will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has reasonably concluded (based upon advice of counsel to the indemnified party) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (3) a conflict or potential conflict exists (based upon advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (4) the indemnifying party has not in fact employed counsel reasonably satisfactory to the indemnified party to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm of attorneys (in addition to any local counsel) at any one time for all such indemnified party or parties. Each indemnified party, as a condition of the indemnity agreements contained in Sections 6(a) and 6(b), shall use all reasonable efforts to cooperate with the indemnifying party in the defense of any such action or claim. No indemnifying party shall be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

7. Contribution. If the indemnification provided for in Section 6 is unavailable or insufficient to hold harmless an indemnified party under Section 6(a) or 6(b), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by Holdings from the offering and sale of the Senior Discount Notes, on the one hand, and a Holder with respect to the sale by such Holder of Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes, on the other, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of Holdings, on the one hand, and such Holder, on the other, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by Holdings, on the one hand, and a Holder, on the other, with respect to such offering and such sale shall be deemed to be in the same proportion as the total net proceeds from the offering of the Senior Discount Notes (before deducting expenses) received by or on behalf of Holdings as set forth in the table on the cover of the Offering Memorandum, on the one hand, bear to the total proceeds received by such Holder with respect to its sale of Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes, on the other. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to Holdings or information supplied by Holdings, on the one hand, or to any Holders' Information supplied by such Holder, on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 7 were to be determined by pro rata allocation or by any other method of allocation that

does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 7 shall be deemed to include, for purposes of this Section 7, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending or preparing to defend any such action or claim. Notwithstanding the provisions of this Section 7, an indemnifying party that is a Holder of Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes shall not be required to contribute any amount in excess of the amount by which the total price at which the Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes sold by such indemnifying party to any purchaser exceeds the amount of any damages which such indemnifying party has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

8. Rules 144 and 144A. Holdings shall use its reasonable best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner and, if at any time Holdings is not required to file such reports, it will, upon the written request of any Holder of Transfer Restricted Securities, make publicly available other information so long as necessary to permit sales of such Holder's securities pursuant to Rules 144 and 144A. Holdings covenants that it will take such further action as any Holder of Transfer Restricted Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Transfer Restricted Securities without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A (including, without limitation, the requirements of Rule 144A(d)(4)). Upon the written request of any Holder of Transfer Restricted Securities, Holdings shall deliver to such Holder a written statement as to whether it has complied with such requirements. Notwithstanding the foregoing, nothing in this Section 8 shall be deemed to require Holdings to register any of its securities pursuant to the Exchange Act.

9. Underwritten Registrations. If any of the Transfer Restricted Securities covered by any Senior Discount Notes Shelf Registration Statement are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering will be selected by the Holders of a majority in aggregate principal amount at maturity of such Transfer Restricted Securities included in such offering, subject to the consent of Holdings (which shall not be unreasonably withheld or delayed), and such Holders shall be responsible for all underwriting commissions and discounts in connection therewith.

No person may participate in any underwritten registration hereunder unless such person (i) agrees to sell such person's Transfer Restricted Securities on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

10. Miscellaneous. (a) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless Holdings has obtained the written consent of Holders of a majority in aggregate principal amount at maturity of the Senior Discount Notes, the Senior Discount Exchange Notes and the Private Senior Discount Exchange Notes, taken as a single class. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose Senior Discount Notes, Senior Discount Exchange Notes or Private Senior Discount Exchange Notes are being sold pursuant to a Senior Discount Notes Registration Statement and that does not directly or indirectly affect the rights of other Holders may be given by Holders of a majority in aggregate principal amount at maturity of the Senior Discount Notes, the Senior Discount Exchange Notes and the Private Senior Discount Exchange Notes being sold by such Holders pursuant to such Senior Discount Notes Registration Statement.

(b) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail, telecopier or air courier guaranteeing next-day delivery:

(1) if to a Holder, at the most current address given by such Holder to Holdings in accordance with the provisions of this Section 10(b), which address initially is, with respect to each Holder, the address of such Holder maintained by the Registrar under the Senior Discount Notes Indenture, with a copy in like manner to Chase Securities Inc. and Lehman Brothers Inc.;

(2) if to an Initial Purchaser, initially at its address set forth in the Purchase Agreement; and

(3) if to Holdings, initially at the address of Holdings set forth in the Purchase Agreement.

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; one business day after being delivered to a next-day air courier; five business days after being deposited in the mail; and when receipt is acknowledged by the recipient's telecopier machine, if sent by telecopier.

(c) Successors And Assigns. This Agreement shall be binding upon Holdings and its successors and assigns.

(d) Counterparts. This Agreement may be executed in any number of counterparts (which may be delivered in original form or by telecopier) and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(e) Definition of Terms. For purposes of this Agreement, (a) the term "business day" means any day on which the New York Stock Exchange, Inc. is open for trading, (b) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act and (c) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(h) Remedies. In the event of a breach by Holdings or by any Holder of any of their obligations under this Agreement, each Holder or Holdings, as the case may be, in addition to being entitled to exercise all rights granted by law, including recovery of damages (other than the recovery of damages for a breach by Holdings of its obligations under Sections 1 or 2 hereof for which liquidated damages have been paid pursuant to Section 3 hereof), will be entitled to specific performance of its rights under this Agreement. Holdings and each Holder agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(i) No Inconsistent Agreements. Holdings represents, warrants and agrees that (i) it has not entered into, shall not, on or after the date of this Agreement, enter into any agreement that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof, (ii) it has not previously entered into any agreement which remains in

effect granting any registration rights with respect to any of its debt securities to any person and (iii) without limiting the generality of the foregoing, without the written consent of the Holders of a majority in aggregate principal amount at maturity of the then outstanding Transfer Restricted Securities, it shall not grant to any person the right to request Holdings to register any debt securities of Holdings under the Securities Act unless the rights so granted are not in conflict or inconsistent with the provisions of this Agreement.

(j) No Piggyback on Registrations. Neither Holdings nor any of its security holders (other than the Holders of Transfer Restricted Securities in such capacity) shall have the right to include any securities of Holdings in any Shelf Registration or Senior Discount Notes Registered Exchange Offer other than Transfer Restricted Securities.

(k) Severability. The remedies provided herein are cumulative and not exclusive of any remedies provided by law. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

Please confirm that the foregoing correctly sets forth the agreement among Holdings and the Initial Purchasers.

Very truly yours,

WESCO INTERNATIONAL, INC.

by

Name:
Title:

Accepted:

CHASE SECURITIES INC.

by

Authorized Signatory

LEHMAN BROTHERS INC.

by

Authorized Signatory

ANNEX A

Each broker-dealer that receives Senior Discount Exchange Notes for its own account pursuant to the Senior Discount Notes Registered Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Discount Exchange Notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Senior Discount Exchange Notes received in exchange for Senior Discount Notes where such Senior Discount Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. Holdings has agreed that, for a period of 180 days after the Expiration Date (as defined herein), it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution"

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ANNEX B

Each broker-dealer that receives Senior Discount Exchange Notes for its own account in exchange for Senior Discount Notes, where such Senior Discount Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Discount Exchange Notes. See "Plan of Distribution".

ANNEX C

PLAN OF DISTRIBUTION

Each broker-dealer that receives Senior Discount Exchange Notes for its own account pursuant to the Senior Discount Notes Registered Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Senior Discount Exchange Notes. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Senior Discount Exchange Notes received in exchange for Senior Discount Notes where such Senior Discount Notes were acquired as a result of market-making activities or other trading activities. Holdings has agreed that, for a period of 180 days after the Expiration Date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until [ ] 199[ ], all dealers effecting transactions in the Senior Discount Exchange Notes may be required to deliver a prospectus.

Holdings will not receive any proceeds from any sale of Senior Discount Exchange Notes by broker-dealers. Senior Discount Exchange Notes received by broker-dealers for their own account pursuant to the Senior Discount Notes Registered Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Senior Discount Exchange Notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Senior Discount Exchange Notes. Any broker-dealer that resells Senior Discount Exchange Notes that were received by it for its own account pursuant to the Senior Discount Notes Registered Exchange Offer and any broker or dealer that participates in a distribution of such Senior Discount Exchange Notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of Senior Discount Exchange Notes and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an Aunderwriter@ within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date Holdings will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. Holdings has agreed to pay all expenses incident to the Senior Discount Notes Registered Exchange Offer (including the expenses of one counsel for the Holders of the Senior Discount Notes) other than commissions or concessions of any broker-dealers and will indemnify the Holders of the Senior Discount Notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

|_| CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name:
Address:

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Senior Discount Exchange Notes. If the undersigned is a broker-dealer that will receive Senior Discount Exchange Notes for its own account in exchange for Senior Discount Notes that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such Senior Discount Exchange Notes; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

Exhibit 10.14

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CREDIT AGREEMENT

dated as of

June 5, 1998

among

WESCO INTERNATIONAL, INC.,

WESCO DISTRIBUTION, INC.,
as U.S. Borrower,

WESCO DISTRIBUTION - CANADA, INC.,
as Canadian Borrower,

The Lenders Party Hereto,

THE CHASE MANHATTAN BANK,
as U.S. Administrative Agent,
Syndication Agent, U.S. Collateral Agent
and U.S. Swingline Lender,

THE CHASE MANHATTAN BANK OF CANADA, as Canadian
Administrative Agent, Canadian Collateral Agent
and Canadian Swingline Lender,

and

LEHMAN COMMERCIAL PAPER INC.,
as Documentation Agent

CHASE SECURITIES INC.,
as Arranger

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Exhibit E-1	--	Form of Canadian Subsidiary Guarantee Agreement
Exhibit F	--	Form of Indemnity, Subrogation and Contribution Agreement
Exhibit G	--	Form of U.S. Pledge Agreement
Exhibit H	--	Form of U.S. Security Agreement
Exhibit H-1	--	Form of Canadian Security Agreement
Exhibit I	--	Form of Mortgage
Exhibit J	--	Form of B/A Equivalent Note
Exhibit K	--	Form of Landlord Waiver
Exhibit L	--	Form of Canadian Affiliate Guarantee Agreement
Exhibit M	--	Form of U.S. Borrower Guarantee Agreement

CREDIT AGREEMENT, dated as of June 5, 1998, among WESCO INTERNATIONAL, INC., a Delaware corporation ("Parent"), WESCO DISTRIBUTION, INC., a Delaware corporation (the "U.S. Borrower"), WESCO DISTRIBUTION - CANADA, INC., a corporation organized and existing under the laws of the Province of Ontario (the "Canadian Borrower"), the LENDERS party hereto, THE CHASE MANHATTAN BANK, a New York banking corporation, as U.S. Administrative Agent, Syndication Agent, U.S. Collateral Agent and U.S. Swingline Lender, THE CHASE MANHATTAN BANK OF CANADA, a Canadian chartered bank, as Canadian Administrative Agent, Canadian Collateral Agent and Canadian Swingline Lender, and LEHMAN COMMERCIAL PAPER INC., as Documentation Agent.

Pursuant to the terms of the Recapitalization Agreement (such term and each other capitalized term used but not defined in this introductory statement having the meanings assigned to such terms in Article I), Investor intends to purchase not less than approximately 80% of the outstanding shares of Class A Common Stock. In connection therewith, (a) Cypress and certain of its Affiliates will contribute an aggregate amount of not less than $400,000,000 (less the amount of the Roll-Over Equity) (the "Contributed Amount") in cash to Investor, (b) Investor will purchase newly issued shares of Class A Common Stock for an amount in cash equal to the Contributed Amount (the "New Stock Purchase"), (c) Investor will purchase from certain Existing Stockholders a portion of their shares of Class A Common Stock (the "Existing Stock Purchase" and, together with the New Stock Purchase, the "Stock Purchase"), (d) Parent will consummate the Redemption, (e) each of the options to purchase Class A Common Stock that are outstanding immediately prior to the Redemption (other than certain options held by the Remaining Stockholders as part of the Roll-Over Equity) will be canceled and the holder thereof will be entitled to receive an amount in cash equal to the difference between the Per-Share Purchase Price and the exercise price of such option and (f) the Remaining Stockholders will continue to hold Class A Common Stock and options to purchase Class A Common Stock (the "Roll-Over Equity") having a value, based on the Per-Share Purchase Price, of not less than $95,000,000. In addition, in connection with the Recapitalization, (a) the U.S. Borrower will issue $300,000,000 in aggregate principal amount of its Senior Subordinated Notes in a public offering or in a Rule 144A or other private placement, (b) Parent will receive not less than $50,000,000 in gross cash proceeds from the issuance of its Senior Discount Notes in a public offering or in a Rule 144A or other private placement, (c) Parent will repay or will cause to be repaid all outstanding indebtedness in connection with (i) the Existing Credit Agreements and (ii) the Existing Notes and (d) the Receivables Subsidiary will consummate the Permitted Receivables Financing and pursuant thereto will receive an aggregate amount of up to $250,000,000 on the Closing Date.

The Borrowers have requested (a) the U.S. $ Revolving Lenders to extend credit to the U.S. Borrower in the form of U.S. $ Revolving Loans during the U.S. $ Revolving Availability Period in an aggregate principal amount at any time outstanding not in excess of $59,245,282.98 minus the sum of the U.S. $ LC Exposure and the U.S. $ Swingline Exposure at such time, (b) the C $ Revolving Lenders to extend credit to the Canadian Borrower in the form of C $ Revolving Loans during the C $ Revolving Availability Period in an aggregate principal amount at any time outstanding not in excess of $40,754,717.02 minus the sum of the C $ LC Exposure and the C $ Swingline Exposure at such time, (c) the Tranche A Lenders to extend credit in the form of Tranche A Term Loans on the Closing Date in an aggregate principal amount not in excess of $80,000,000, (d) the Tranche B Lenders to extend credit in the form of Tranche B Term Loans on the Closing Date in an aggregate principal amount not in excess of $90,000,000, (e) the Delayed Draw Lenders to extend credit in the form of Delayed Draw Term Loans during the Delayed Draw Availability Period in an aggregate principal amount not in excess of $100,000,000, (f) the U.S. Issuing Bank to issue U.S. $ Letters of Credit during the U.S. $ LC Availability Period in an aggregate face amount at any time outstanding not in excess of $25,000,000, (g) the U.S. Swingline Lender to extend credit in the form of U.S. $ Swingline Loans during the U.S. $ Revolving Availability Period in an aggregate principal amount at any time outstanding not in excess of $20,000,000, (h) the Canadian Issuing Bank to issue C $ Letters of Credit during the C $ LC Availability Period in an aggregate face amount at any time outstanding not in excess of $5,000,000, and (i) the Canadian Swingline Lender to extend credit in the form of C $ Swingline Loans during the C $ Revolving Availability Period in an aggregate amount at any time outstanding not in excess of $5,000,000.

The proceeds of the Term Loans, the Revolving Loans, the Additional Revolving Loans, any Letters of Credit and any Swingline Loans from and after the Closing Date will be used by the Borrowers as provided in Section 5.11.

The Lenders and the Swingline Lenders are willing to extend such credit to the Borrowers and the Issuing Banks are willing to issue Letters of Credit for the account of the Borrowers on the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Acceptance Fee" means a fee payable in Canadian Dollars by the Canadian Borrower to a C $ Revolving Lender with respect to the acceptance of a B/A or the purchase of a B/A Equivalent Note, calculated on the face amount of the B/A or the B/A Equivalent Note at the rate per annum equal to the B/A Spread on the basis of the number of days in the applicable Contract Period and a year of 365 days (it being agreed that the B/A Spread in respect of a B/A Equivalent Note is equivalent to the B/A Spread otherwise applicable to the B/A Borrowing which has been replaced by the purchase of such B/A Equivalent Note pursuant to Section 2.20(g)).

"Additional Revolving Availability Period" means the period from and including July 1, 1998, to but excluding the earlier of (a) the Revolving Maturity Date and (b) the date of termination of the Additional Revolving Commitments and the Canadian Revolving Commitments.

"Additional Revolving Commitment" means, with respect to any Lender, the commitment, if any, of such Lender to make Additional Revolving Loans during the Additional Revolving Availability Period, expressed as an amount representing the maximum aggregate principal amount of such Lender's Additional Revolving Loans hereunder, as such commitment may be (a) temporarily or permanently reduced from time to time pursuant to Sections 2.08 and 2.22 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 2.19 or 10.04. The initial aggregate amount of the Additional Revolving Lenders' Additional Revolving Commitments is $0.

"Additional Revolving Lender" means each C $ Revolving Lender, lending through a U.S. Office (or, if any C $ Revolving Lender is not a Canadian Schedule I chartered bank, the Affiliate designated by such C $ Revolving Lender that is a U.S. chartered bank or other financial institution (each, a "Designated U.S. Affiliate")) with an Additional Revolving Commitment or, if the Additional Revolving Commitment shall equal zero, a Lender (individually or together with its Designated U.S. Affiliate) that may be required, pursuant to Section 2.22, to make Additional Revolving Loans.

"Additional Revolving Loan" means any loan made by an Additional Revolving Lender pursuant to its Additional Revolving Commitment.

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Agents" means the U.S. Administrative Agent and the Canadian Administrative Agent.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the U.S. Administrative Agent or Canadian Administrative Agent, as applicable.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agents" means the U.S. Administrative Agent, the Canadian Administrative Agent, the Syndication Agent, the U.S. Collateral Agent, the Canadian Collateral Agent and the Documentation Agent.

"Aggregate Redemption Price" means the aggregate purchase price of the Repurchased Shares which, pursuant to the Recapitalization Agreement, is equal to the product of (a) the Per-Share Purchase Price and (b) the number of such Repurchased Shares.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Base CD Rate in effect on such day plus 1% and (c) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Base CD Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate, the Base CD Rate or the Federal Funds Effective Rate, respectively.

"Applicable Percentage" means, with respect to any (a) U.S. $ Revolving Lender, the percentage of the Total U.S. $ Revolving Commitment represented by such Lender's U.S. $ Revolving Commitment, (b) C $ Revolving Lender, the percentage of the Total C $ Revolving Commitment represented by such Lender's C $ Revolving Commitment and (c) Additional Revolving Lender, the percentage of the Total Additional Revolving Commitment represented by such Lender's Additional Revolving Commitment. In the event any Revolving Commitments or Additional Revolving Commitments shall have expired or been terminated, the Applicable Percentages shall be determined on the basis of the relevant Revolving Commitments or Additional Revolving Commitments most recently in effect, but giving effect to any assignments pursuant to Section 10.04.

"Applicable Rate" means, (a) for any day with respect to any ABR Loan (excluding Swingline Loans) or Eurodollar Loan or with respect to the Commitment Fees payable hereunder in respect of the U.S. $ Revolving Commitments and the Additional Revolving Commitments, as the case may be, the applicable rate per annum set forth below under the caption "ABR Spread", "Eurodollar Spread" or "Commitment Fee Rate", as the case may be, based upon the Leverage Ratio as of the most recent determination date, provided that until the date of delivery to the U.S. Administrative Agent, pursuant to Section 5.01(b), of Parent's and the U.S. Borrower's consolidated financial statements for Parent's and the U.S. Borrower's first four full fiscal quarters commencing after the Closing Date, the "Applicable Rate" with respect to any ABR Loan or Eurodollar Loan that is a U.S. $ Revolving Loan or Additional Revolving Loan and the Commitment Fee Rate shall be the applicable rate per annum set forth below in Category 1:

Leverage Ratio:	ABR Spread	Eurodollar Spread	Commitment Fee Rate
Category 1 Equal to or greater than 3.25 to 1.00	1.25%	2.25%	0.500%
Category 2 Less than 3.25 to 1.00 but equal to or greater than 2.50 to 1.00	1.00%	2.00%	0.500%
Category 3 Less than 2.50 to 1.00 but equal to or greater than 2.00 to 1.00	0.75%	1.75%	0.500%
Category 4 Less than 2.00 to 1.00	0.50%	1.50%	0.400%

(b) for any day with respect to any ABR Loan or Eurodollar Loan that is a Tranche A Term Loan, as the case may be, the applicable rate per annum set forth below under the caption "ABR Spread--Term Loan A" or "Eurodollar Spread--Term Loan A", as the case may be, based upon the Leverage Ratio as of the most recent determination date, provided that until the date of delivery to the U.S. Administrative Agent, pursuant to Section 5.01(b), of Parent's and the U.S. Borrower's consolidated financial statements for Parent's and the U.S.

Borrower's first four full fiscal quarters commencing after the Closing Date, the "Applicable Rate" with respect to any ABR Loan or Eurodollar Loan that is a Tranche A Term Loan shall be the applicable rate per annum set forth below in Category 1:

Leverage Ratio:	ABR Spread--Term Loan A	Eurodollar Spread--Term Loan A
Category 1		
Equal to or greater than 3.25 to 1.00	1.25%	2.25%
Category 2		
Less than 3.25 to 1.00 but equal to or greater than 2.50 to 1.00	1.00%	2.00%
Category 3		
Less than 2.50 to 1.00 but equal to or greater than 2.00 to 1.00	0.75%	1.75%
Category 4		
Less than 2.00 to 1.00	0.50%	1.50%

(c) for any day with respect to any ABR Loan or Eurodollar Loan that is a Tranche B Term Loan, as the case may be, the applicable rate per annum set forth below under the caption "ABR Spread--Term Loan B" or "Eurodollar Spread--Term Loan B" as the case may be, based upon the Leverage Ratio as of the most recent determination date, provided that until the date of delivery to the U.S. Administrative Agent, pursuant to Section 5.01(b), of Parent's and the U.S. Borrower's consolidated financial statements for Parent's and the U.S. Borrower's first four full fiscal quarters commencing after the Closing Date, the "Applicable Rate" with respect to any ABR Loan or Eurodollar that is a Tranche B Term Loan shall be the applicable rate per annum set forth below in Category 1:

Leverage Ratio:	ABR Spread--Term Loan B	Eurodollar Spread--Term Loan B
Category 1		
Equal to or greater than 2.50 to 1.00	1.50%	2.50%
Category 2		
Less than 2.50 to 1.00	1.25%	2.25%

(d) for any day with respect to any ABR Loan or Eurodollar Loan that is a Delayed Draw Term Loan, or with respect to the Commitment Fees payable hereunder in respect of the Delayed Draw Term Loans, the applicable rate per annum set forth below under the caption "ABR Spread -- Delayed Draw Term Loan", "Eurodollar Spread -- Delayed Draw Term Loan" or "Commitment Fee Rate", as the case may be, based upon the Leverage Ratio as of the most recent determination date, provided that until the date of delivery to the U.S. Administrative Agent, pursuant to Section 5.01(b), of Parent's and the U.S. Borrower's consolidated financial statements for Parent's and the U.S. Borrower's first four full fiscal quarters commencing after the Closing Date, the "Applicable Rate" with respect to any ABR Loan or Eurodollar Loan that is a Delayed Draw Term Loan shall be the applicable rate per annum set forth below in Category 1:

Leverage Ratio:	ABR Spread--Delayed Draw Term Loan	Eurodollar Spread--Delayed Draw Term Loan	Commitment Fee Rate
Category 1			
Equal to or greater than 2.50 to 1.00	1.50%	2.50%	0.500%
Category 2			
Less than 2.50 to 1.00	1.25%	2.25%	0.500%

and (e) for any day with respect to any Canadian Prime Rate Loan, B/A Borrowing or with respect to the Canadian Commitment Fees in respect of the C $ Revolving Commitments payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption "Canadian Prime Rate--C $ Revolving Loan", "B/A Spread-C $ Revolving Loan" or "Canadian Commitment Fee Rate", as the case may be, based upon the Leverage Ratio as of the most recent determination date, provided that until the date of delivery to the Canadian Administrative Agent, pursuant to Section 5.01(b), of Parent's and the U.S. Borrower's consolidated financial statements for Parent's and the U.S. Borrower's first four full fiscal quarters commencing after the

Closing Date, the "Applicable Rate" with respect to any Canadian Prime Rate Loan shall be the applicable rate per annum set forth below in Category 1:

Leverage Ratio:	Canadian Prime Rate--C $ Revolving Loan	B/A Spread--C $ Revolving Loan	Canadian Commitment Fee Rate
Category 1 Equal to or greater than 3.25 to 1.00	1.25%	2.25%	0.500%
Category 2 Less than 3.25 to 1.00 but equal to or greater than 2.50 to 1.00	1.00%	2.00%	0.500%
Category 3 Less than 2.50 to 1.00 but equal to or greater than 2.00 to 1.00	0.75%	1.75%	0.500%
Category 4 Less than 2.00 to 1.00	0.50%	1.50%	0.400%

For purposes of the foregoing, (a) the Leverage Ratio shall be determined as of the end of each fiscal quarter of Parent's fiscal year based upon Parent's consolidated financial statements delivered pursuant to Section 5.01(a) or (b), and (b) each change in the Applicable Rate resulting from a change in the Leverage Ratio shall be effective during the period commencing on and including the date of (such day, the "Applicable Rate Determination Date") delivery to the U.S. Administrative Agent of such consolidated financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change, provided that the Leverage Ratio shall be deemed to be in Category 1 if the U.S. Borrower fails to deliver the consolidated financial statements required to be delivered by it pursuant to Section 5.01(a) or (b), during the period from the expiration of the time for delivery thereof until such consolidated financial statements are delivered.

"Approved Fund" means with respect to any Lender that is a fund that invests in bank loans, any other fund that invests in bank loans and is advised or managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Assessment Rate" means, for any day, the annual assessment rate in effect on such day that is payable by a member of the Bank Insurance Fund classified as "well-capitalized" and within supervisory subgroup "B" (or a comparable successor risk classification) within the meaning of 12 C.F.R. Part 327 (or any successor provision) to the Federal Deposit Insurance Corporation for insurance by such Corporation of time deposits made in Dollars at the offices of such member in the United States, provided that if, as a result of any change in any law, rule or regulation, it is no longer possible to determine the Assessment Rate as aforesaid, then the Assessment Rate shall be such annual rate as shall be determined by the U.S. Administrative Agent in its reasonable judgment to be representative of the cost of such insurance to the Lenders.

"Assigned Dollar Value" means in respect of any C $ Revolving Borrowing, the Dollar Equivalent of the amount set forth in the initial Borrowing Request with respect thereto or, in the case of a B/A Borrowing, the Dollar Equivalent of the face amount of the Bankers' Acceptances or B/A Equivalent Notes relating thereto. Thereafter, Assigned Dollar Value shall mean, (a) in respect of any C $ Revolving Borrowing, the Dollar Equivalent of the principal amount of the Loans relating to such Borrowing (or the face amounts of the Bankers' Acceptances or B/A Equivalent Notes relating thereto) as determined on the most recent Reset Date based on the Spot Exchange Rate, (b) in respect of the undrawn amount of any C $ Letter of Credit, the Dollar Equivalent thereof determined based upon the Spot Exchange Rate as of (i) the date that is three Business Days prior to the date of issuance of such C $ Letter of Credit, until the first day after such date of issuance which is the last day of March, June, September or December and (ii) thereafter, the most recent date that is the last day of March, June, September or December, (c) in respect of a C $ LC Disbursement, the Dollar Equivalent thereof determined based upon the Spot Exchange Rate as of the date such C $ LC Disbursement was made and (d) in respect of a C $ Swingline Loan, the Dollar Equivalent thereof based upon the applicable Spot Exchange Rate as of the date that the C $ Swingline Loan was made. The Assigned Dollar Value of a Loan included in any Borrowing shall equal the portion of the Assigned Dollar Value of such Borrowing represented by such Loan.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.04), and accepted by the U.S. Administrative Agent, (and, in the case of an assignment of C $ Revolving Commitments, C

$ Revolving Loans, Additional Revolving Commitments or Additional Revolving Loans, accepted by the Canadian Administrative Agent), in the form of Exhibit A or any other form approved by the applicable Administrative Agent.

"Assumed Debt" means the existing debt of the U.S. Borrower in an aggregate principal amount of up to $23,200,000, incurred in connection with certain acquisitions by the U.S. Borrower.

"B/A Borrowing" means a Borrowing comprised of a Bankers' Acceptance or, as applicable, a B/A Equivalent Note.

"B/A Equivalent Note" has the meaning set forth in Section 2.20(g).

"B/A Spread" means, for any day, with respect to any B/A Borrowing, the Applicable Rate that would apply to such Borrowing on such day.

"Bankers' Acceptance" and "B/A" mean a bill of exchange denominated in Canadian Dollars, drawn by the Canadian Borrower and accepted by a C $ Revolving Lender in accordance with this Agreement, provided that with respect to a C $ Revolving Lender that is not a chartered bank under the Bank Act (Canada) or that has notified the Canadian Administrative Agent that it is otherwise unable to accept such bills of exchange, it shall mean a B/A Equivalent Note.

"Base CD Rate" means the sum of (a) the Three-Month Secondary CD Rate multiplied by the Statutory Reserve Rate plus (b) the Assessment Rate.

"Barclays" means Barclays Bank Plc, a banking corporation organized under the laws of the United Kingdom.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrowers" means the U.S. Borrower and the Canadian Borrower.

"Borrowing" means (a) Loans of the same Class and Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect, (b) a U.S. $ Swingline Loan or (c) a C $ Swingline Loan.

"Borrowing Request" means a request by either of the Borrowers for a Borrowing or Borrowings in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed, provided that, (a) when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market and (b) when used in connection with a C $ Revolving Loan, the term "Business Day" shall also exclude any day on which banks are required or permitted to be closed in the city of Toronto.

"C $ LC Availability Period" means the period from and including the Closing Date to but excluding the earlier of (a) the date that is five Business Days prior to the Revolving Maturity Date and (b) the date of termination of the C $ Revolving Commitments.

"C $ LC Disbursement" means a payment or disbursement made by the applicable Canadian Issuing Bank pursuant to a C $ Letter of Credit.

"C $ LC Exposure" means at any time, the sum of (a) the Assigned Dollar Value at such time of the aggregate undrawn amount of all outstanding C $ Letters of Credit at such time, plus (b) the Assigned Dollar Value at such time of the aggregate principal amount of all C $ LC Disbursements that have not yet been reimbursed at such time. The C $ LC Exposure of any C $ Revolving Lender at any time shall mean its Applicable Percentage of the aggregate C $ LC Exposure at such time.

"C $ LC Participation Fee" has the meaning set forth in Section 2.12(c).

"C $ Letter of Credit" means any letter of credit issued by the Canadian Issuing Bank pursuant to Section 2.05A.

"C $ Revolving Availability Period" means the period from and including the Closing Date to but excluding the earlier of (a) the Revolving Maturity Date and (b) the date of termination of the C $ Revolving Commitments.

"C $ Revolving Borrowing" means a Borrowing comprised of C $ Revolving Loans.

"C $ Revolving Commitment" means, with respect to any C $ Revolving Lender at any time, the commitment, if any, of such Lender to make C $ Revolving Loans and accept Bankers' Acceptances during the C $ Revolving Availability Period and to acquire participations in C $ Letters of Credit and C $ Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's C $ Revolving Exposure hereunder, as such commitment may be (a) temporarily or permanently reduced or increased from time to time pursuant to Sections 2.08 and 2.22 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 2.19 or 10.04. The initial amount of each C $ Revolving Lender's C $ Revolving Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its C $ Revolving Commitment, as applicable. The initial aggregate amount of the C $ Revolving Lenders' C $ Revolving Commitments is $40,754,717.02.

"C $ Revolving Exposure" means, with respect to any Lender at any time, the sum of (a) the Assigned Dollar Value at such time of all outstanding C $ Revolving Loans of such Lender, plus (b) the aggregate amount at such time of such Lender's C $ Swingline Exposure, plus (c) the aggregate amount at such time of such Lender's C $ LC Exposure.

"C $ Revolving Lender" means a Lender, which on the date such Person becomes a Lender shall be a Canadian chartered bank or other Canadian financial institution, with a C $ Revolving Commitment or, if the C $ Revolving Commitment shall equal zero, a Lender that may be required, pursuant to Section 2.22, to make C $ Revolving Loans.

"C $ Revolving Loan" means any loan made by a Lender, and any Bankers' Acceptance accepted by a Lender, pursuant to its C $ Revolving Commitment.

"C $ Swingline Exposure" means at any time the Assigned Dollar Value of the aggregate principal amount at such time of all outstanding C $ Swingline Loans. The C $ Swingline Exposure of any C $ Revolving Lender at any time shall mean its Applicable Percentage of the aggregate C $ Swingline Exposure at such time.

"C $ Swingline Loan" means a Loan made pursuant to Section 2.04A.

"Calculation Date" means (a) the last Business Days' of each March, June, September and December and (b) in respect of C $ Revolving Loans at any time when (i) the aggregate C $ Revolving Exposure exceeds 85% of the Total C $ Revolving Commitments and (ii) there has been a material change in the Spot Exchange Rate since the immediately preceding Calculation Date, any other date the Canadian Administrative Agent may determine (upon at least three Business Days' prior notice to the U.S. Borrower) in its discretion to be a Calculation Date (but not more than one date during any calendar week).

"CAM" means the mechanism for the allocation and exchange of interests in the Credit Facilities and collections thereunder established under Article IX.

"CAM Exchange" means the exchange of the Lenders' interests provided for in Section 9.01.

"CAM Exchange Date" means the first date after the Closing Date on which there shall occur (a) any event described in paragraph (h) or (i) of Article VII with respect to Parent or either of the Borrowers or (b) an acceleration of the maturity of Loans pursuant to Article VII.

"CAM Percentage" means, as to each Lender, a fraction, expressed as a decimal, of which (a) the numerator shall be the sum of (i) the aggregate Designated Obligations owed to such Lender and (ii) the U.S. $ LC Exposure and the C $ LC Exposure of such Lender, in each case immediately prior to the CAM Exchange Date, and (b) the denominator shall be the sum of (i) the aggregate Designated Obligations owed to all the Lenders and (ii) the aggregate LC Exposure of all the Lenders, in each case immediately prior to such CAM Exchange Date. For purposes of computing each Lender's CAM Percentage, all Designated Obligations that are denominated in Canadian Dollars and C $ LC Exposures shall be translated into Dollars at the Spot Exchange Rate in effect on the CAM Exchange Date.

"Canadian" means, with respect to any Subsidiary, that such Subsidiary is organized under the laws of Canada or a province thereof.

"Canadian Administrative Agent" means The Chase Manhattan Bank of Canada, in its capacity as administrative agent for the C $ Revolving Lenders hereunder.

"Canadian Affiliate Guarantee Agreement" means the Affiliate Guarantee Agreement, substantially in the form of Exhibit L, among the Foreign Subsidiaries and the Canadian Collateral Agent for the benefit of the Canadian Secured Parties.

"Canadian Borrower" means WESCO Distribution - Canada, Inc., a corporation organized and existing under the laws of the Province of Ontario. The Canadian Borrower is a wholly owned subsidiary of the U.S. Borrower.

"Canadian Borrower Subsidiaries" means any subsidiary of the Canadian Borrower.

"Canadian Collateral Agent" means the "Canadian Collateral Agent", as defined in the Canadian Security Agreement.

"Canadian Commitment Fee" has the meaning given such term in Section 2.12(a).

"Canadian Dollars" or "C$" means lawful money of Canada.

"Canadian Fronting Fee" has the meaning set forth in Section 2.12(c).

"Canadian Issuing Bank" means (a) the Primary Canadian Issuing Bank and (b) each other Lender designated by the Canadian Borrower from time to time, with the consent of the Canadian Administrative Agent (not to be unreasonably withheld) and such C $ Revolving Lender, to act as issuer of C $ Letters of Credit hereunder. Each Canadian Issuing Bank may, in its discretion, arrange for one or more C $ Letters of Credit to be issued by Affiliates of such Canadian Issuing Bank, in which case the term "Canadian Issuing Bank" shall include any such Affiliate with respect to C $ Letters of Credit issued by such Affiliate.

"Canadian Prime Rate Borrowing" means a Borrowing comprised of Canadian Prime Rate Loans.

"Canadian Prime Rate Loan" means a Loan denominated in Canadian Dollars that bears interest at a rate based upon the Canadian Prime Rate.

"Canadian Prime Rate" means, on any day, the annual rate of interest (rounded upwards, if necessary, to the nearest 1/16 of 1%) equal to the greater of:

(a) the annual rate of interest determined by the Canadian Administrative Agent as the annual rate of interest announced from time to time by the Canadian Administrative Agent as its prime rate in effect at its principal office in Toronto on such day for determining interest rates on Canadian Dollar denominated commercial loans in Canada; and

(b) the annual rate of interest equal to the sum of (i) the CDOR Rate in effect on such day and (ii) 1%.

"Canadian Receivables Sale Agreement" means the Canadian Receivables Sale Agreement dated as of June 5, 1998, among the Receivables Subsidiary, the Canadian Borrower and the U.S. Borrower, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof (including to add additional parties), and any successor or replacement receivables sale agreement entered into in connection with a new Permitted Receivables Financing to replace the Permitted Receivables Financing contemplated at the Closing Date.

"Canadian Secured Parties" has the meaning assigned to such term in the Canadian Security Agreement.

"Canadian Security Agreement" means the Security Agreement, substantially in the Form of Exhibit H-1, among the Canadian Borrower, the Canadian Borrower Subsidiaries, the Foreign Subsidiaries and the Canadian Collateral Agent for the benefit of the Canadian Secured Parties.

"Canadian Security Documents" means the Parent Guarantee Agreement, the Canadian Subsidiary Guarantee Agreement, the Canadian Security Agreement, the Canadian Affiliate Guarantee Agreement, the Mortgages and such other agreements as may from time to time be executed pursuant to Sections 5.12 and 5.13.

"Canadian Subsidiary Guarantee Agreement" means the Subsidiary Guarantee Agreement, substantially in the form of Exhibit E-1, made by the Canadian Borrower Subsidiaries in favor of the Canadian Collateral Agent for the benefit of the Canadian Secured Parties.

"Canadian Swingline Lender" means The Chase Manhattan Bank of Canada, in its capacity as the lender of C $ Swingline Loans.

"Capital Expenditures" means, for any period, the additions to property, plant and equipment and other capital expenditures of Parent and its consolidated subsidiaries that are or would be required to be set forth in a consolidated statement of cash flows of Parent for such period prepared in accordance with GAAP, including the cost of assets acquired pursuant to capital leases incurred by Parent and its consolidated subsidiaries during such period, provided that Capital Expenditures shall exclude (a) amounts paid for Reinvestment Assets and (b) any amount representing capitalized interest on capital leases.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Capital Leases" means the capital leases of Parent, the Borrowers and the Subsidiaries that are in effect immediately prior to the Closing Date and listed on Schedule 1.01(b).

"CDOR Rate" means, on any date, the annual rate of interest that is the rate based on an average rate applicable to C $ bankers' acceptances for a term of 30 days appearing on the "Reuters Screen CDOR Page" (as defined in the International Swaps and Derivatives Association, Inc. definitions, as modified and amended from time to time) at approximately 10:00 a.m. (Toronto time), on such date, or if such date is not a Business Day, then on the immediately preceding Business Day, provided that if such rate does not appear on the Reuters Screen CDOR Page as contemplated, then the CDOR Rate on any date shall be calculated as the rate for the term referred to above applicable to C $ bankers' acceptances quoted by the Canadian Administrative Agent as of 10:00 a.m. (Toronto time) on such date or, if such date is not a Business Day, then on the immediately preceding Business Day.

"CDW Realco" means CDW Realco, Inc., a Delaware corporation.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. ss. 9601 et seq.

"Change in Control" means (a) the failure by the Investor Group to own, directly or indirectly, beneficially and of record (and possess the right to vote), shares representing 100% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of Investor; (b) at any time after the consummation of the Recapitalization, (i) the failure by Cypress and its Affiliates to own, directly or indirectly, beneficially and of record (and possess the right to vote), Class A Common Stock representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of Parent, (ii) the acquisition of ownership, directly or indirectly, beneficially or of record (or the possession of the right to vote), by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) other than Cypress and its Affiliates, of Class A Common Stock representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of Parent or (iii) occupation of a majority of the seats (other than vacant seats) on the board of directors of Parent by Persons who were neither (A) nominated by the board of directors of Parent nor (B) appointed by directors so nominated; and (c) at any time, (i) the failure by Parent to own, directly, beneficially and of record (and possess the right to vote), shares representing 100% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the U.S. Borrower or (ii) the occurrence of any change in control (or similar event, howsoever denominated) with

respect to Parent or either of the Borrowers under and as defined in any indenture or agreement in respect of any Material Indebtedness to which Parent, either of the Borrowers or any of the Subsidiaries is a party, to the extent that such change in control (or similar event) (A) gives rise to any right on the part of the holder of such Material Indebtedness to accelerate the maturity of such Material Indebtedness or require the repayment thereof and (B) such right has not been waived.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or any of the Issuing Banks (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's or such Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Chase Equity" means Chase Equity Associates L.P.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are U.S. $ Revolving Loans, C $ Revolving Loans, Additional Revolving Loans, Tranche A Term Loans, Tranche B Term Loans, Delayed Draw Term Loans, U.S. $ Swingline Loans or C $ Swingline Loans and, when used in reference to any Commitment, refers to whether such Commitment is a Delayed Draw Commitment, U.S. $ Revolving Commitment, C $ Revolving Commitment or Additional Revolving Commitment.

"Class A Common Stock" means the Class A Common Stock, par value $0.1 per share, of Parent.

"Class B Common Stock" means the Class B Common Stock, par value $0.1 per share, of Parent.

"Closing Date" means June 5, 1998.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means any and all "Collateral", as defined in any applicable Security Document.

"Collateral Agents" means the U.S. Collateral Agent and the Canadian Collateral Agent.

"Commitment" means with respect to any Lender, such Lender's Delayed Draw Commitment, U.S. $ Revolving Commitment, C $ Revolving Commitment or Additional Revolving Commitment and, in the case of the U.S. Swingline Lender, the U.S. $ Swingline Commitment and, in the case of the Canadian Swingline Lender, the C $ Swingline Commitment, or any combination thereof (as the context requires).

"Commitment Fees" has the meaning set forth in Section 2.12.

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period, plus, without duplication and to the extent deducted from revenues in determining Consolidated Net Income, the sum of (a) the aggregate amount of Consolidated Net Cash Interest Expense for such period, (b) the aggregate amount of letter of credit fees and other charges, fees and charges under bankers' acceptance financings and net cash costs under Hedging Agreements expensed during such period, (c) the aggregate amount of income tax expense for such period, (d) all amounts attributable to depreciation, amortization and other similar noncash charges for such period, including the amortization of debt discounts and deferred financing charges, (e) Transaction Costs, (f) all extraordinary, non-recurring or unusual charges during such period, (g) fees and expenses in connection with any financing, refinancing and Permitted Acquisition (whether or not consummated), (h) compensation expense resulting from the issuance of capital stock, stock options or stock appreciation rights issued to employees, including officers, of Investor, Parent, either of the Borrowers or any Subsidiary, or the exercise of such options or rights, in each case to the extent the obligation (if any) associated therewith is not expected to be settled by the payment of cash by Parent or any Affiliate of Parent, and compensation expense resulting from the repurchase of any such capital stock, options and rights, (i) any one-time expenses incurred or payments made in connection with the Transactions in an amount not to exceed $12,000,000 and (j) one-time non-cash charges relating to reserve adjustments for worker's compensation, and other balance sheet adjustments and write-offs in connection with or resulting from the Transactions, and minus, without duplication and to the extent added to revenues in determining Consolidated Net Income for such period, all extraordinary, non-recurring or unusual gains during such period, all as determined on a

consolidated basis with respect to Parent and its consolidated subsidiaries in accordance with GAAP, provided that in the event that Parent, either of the Borrowers or any Subsidiary makes a Permitted Acquisition or investment permitted under Section 6.04(p) or (s) on any date during such period, the Consolidated EBITDA for such period shall be computed on the assumption that such Permitted Acquisition or such investment and any related financing thereof was completed on the first day of such period.

"Consolidated Net Cash Interest Expense" means, for any period, interest expense (including the interest component in respect of Capital Lease Obligations and excluding the amortization of debt discounts, deferred financing charges and other non-cash interest expenses) of Parent, the Borrowers and the Subsidiaries during such period, and interest-equivalent costs associated with any Permitted Receivables Financing, whether accounted for as interest expense or loss on the sale of Receivables, net of any cash interest income recorded during such period (including any interest-equivalent income associated with any Permitted Receivables Financing), determined on a consolidated basis in accordance with GAAP (except for interest-equivalent costs associated with any Permitted Receivables Financing, whether accounted for as interest expense or loss on the sale of Receivables), provided that in the event that Parent, either of the Borrowers or any Subsidiary makes a Permitted Acquisition or investment permitted under Section 6.04(p) or (s) on any date during such period, the Consolidated Net Cash Interest Expense for such period shall be computed on the assumption that any Indebtedness incurred or repaid in connection with such Permitted Acquisition or such investment was incurred or repaid on the first day of such period.

"Consolidated Net Income" means, for any period, net income or loss of Parent, the Borrowers and the Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, provided that there shall be excluded (a) the income of any Person in which any other Person (other than Parent, the Borrowers or any of the Subsidiaries or any director holding qualifying shares in compliance with applicable law) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to Parent, the Borrowers or any of the Subsidiaries by such Person during such period, and (b) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with Parent, either of the Borrowers or any of the Subsidiaries or the date that Person's assets are acquired by Parent, either of the Borrowers or any of the Subsidiaries.

"Contract Period" means the term of a B/A or B/A Equivalent Note selected by the Canadian Borrower in accordance with Section 2.20 commencing on the date of such Borrowing or any rollover date, as applicable, of such B/A or B/A Equivalent Note (which shall be a Business Day) and expiring on a Business Day that shall be either 30 days, 60 days, 90 days or (subject to availability from all the C $ Revolving Lenders) 180 days thereafter, provided that no Contract Period shall extend beyond the Revolving Maturity Date. Notwithstanding the foregoing, whenever the last day of any Contract Period would otherwise occur on a day that is not a Business Day, the last day of such Contract Period shall occur on the next succeeding Business Day and such extension of time shall in such case be included in computing the Acceptance Fee in respect of the relevant B/A unless such next succeeding Business Day would fall in the next calendar month, in which case such Contract Period shall end on the next preceding Business Day.

"Contributed Amount" has the meaning set forth in the introductory statement of this Agreement.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power or by contract. The terms "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Facility" means a category of Commitments and extensions of credit thereunder. For purposes hereof, each of the following comprises a separate Credit Facility: (a) the U.S. $ Revolving Commitments, the U.S. $ Revolving Loans, the U.S. $ Swingline Exposure and the U.S. $ LC Exposure; (b) the C $ Revolving Commitments, the C $ Revolving Loans, the C $ Swingline Exposure and the C $ LC Exposure; (c) the Additional Revolving Commitments and the Additional Revolving Loans; (d) the Tranche A Term Loans; (e) the Tranche B Term Loans; and (f) the Delayed Draw Commitments and the Delayed Draw Term Loans.

"Cypress" means The Cypress Group L.L.C., a Delaware limited liability company.

"Default" means any event or condition that constitutes an Event of Default or that upon notice, lapse of time or both would, unless cured or waived, become an Event of Default pursuant to Article VII.

"Delayed Draw Availability Period" means the period from and including the Closing Date to but excluding the Delayed Draw Commitment Termination Date.

"Delayed Draw Commitment" means, with respect to any Lender, the commitment, if any, of such Lender to make Delayed Draw Term Loans hereunder during the Delayed Draw Availability Period, expressed as an amount representing the maximum aggregate principal amount of the Delayed Draw Term Loans to be made by such Lender hereunder. The initial amount of each Delayed Draw Lender's Delayed Draw Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Delayed Draw Commitment, as applicable. The initial aggregate amount of the Delayed Draw Lenders' Delayed Draw Commitments is $100,000,000.

"Delayed Draw Commitment Termination Date" means June 5, 2000.

"Delayed Draw Lender" means a Lender with a Delayed Draw Commitment or an outstanding Delayed Draw Term Loan.

"Delayed Draw Maturity Date" means June 5, 2005.

"Delayed Draw Term Loan" means a Loan made pursuant to clause (c) of Section 2.01.

"Delayed Draw Term Loan Closing Date" means each date, which shall be a Business Day on or before the Delayed Draw Commitment Termination Date, on which a Delayed Draw Term Loan is made.

"Denomination Date" means, in relation to any Canadian Dollar Borrowing, the date that is three Business Days before the date such Borrowing is made.

"Designated Obligations" means all Obligations of the Loan Parties in respect of (a) principal of and interest on the Loans (including B/As, B/A Equivalent Notes and Acceptance Fees with respect thereto) and (b) Fees, whether or not the same shall at the time of any determination be due and payable under the terms of the Loan Documents.

"Designated U.S. Affiliate" has the meaning set forth in the definition of the term "Additional Revolving Lender".

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.06.

"Discount Proceeds" means, for any B/A (or, as applicable, any B/A Equivalent Note), an amount (rounded to the nearest whole cent, and with one-half of one cent being rounded upwards) calculated on the applicable date of the Borrowing of which such B/A or B/A Equivalent Note is a part or any rollover date for such Borrowing by multiplying:

(a) the face amount of the B/A (or, as applicable, the B/A Equivalent Note); by

(b) the quotient of one divided by the sum of one plus the product of:

(i) the Discount Rate (expressed as a decimal) applicable to such B/A (or as applicable, such B/A Equivalent Note), and

(ii) a fraction, the numerator of which is the Contract Period of the B/A (or, as applicable, the B/A Equivalent Note) and the denominator of which is the number of days in the applicable calendar year,

with such quotient being rounded up or down to the fifth decimal place, and .000005 being rounded up.

"Discount Rate" means:

(a) with respect to any C $ Revolving Lender that is a Schedule I chartered bank under the Bank Act (Canada), as applicable to a B/A (or, as applicable, a B/A Equivalent Note) being purchased by such Lender on any day, the average (as determined by the Canadian Administrative Agent) of the respective percentage discount rates (expressed to two decimal places and rounded upward, if necessary, to the nearest 0.01%) quoted by the Schedule I Reference Banks as the

percentage discount rate at which the Schedule I Reference Banks would, in accordance with their normal practices, at or about 10:00 a.m., Toronto time, on such date, be prepared to purchase bankers' acceptances accepted by the Schedule I Reference Banks having a face amount and term comparable to the face amount and term of such B/A or B/A Equivalent Note; and

(b) with respect to any C $ Revolving Lender that is not a Schedule I chartered bank under the Bank Act (Canada), as applicable to a B/A (or, as applicable, a B/A Equivalent Note) being purchased by such Lender on any day, the average (as determined by the Canadian Administrative Agent) of the respective percentage discount rates (expressed to two decimal places and rounded upward, if necessary, to the nearest 0.01%) quoted by the Schedule II Reference Banks as the percentage discount rates at which the Schedule II Reference Banks would, in accordance with their normal practices, at or about 10:00 a.m., Toronto time, on such date, be prepared to purchase bankers' acceptances accepted by the Schedule II Reference Banks having a face amount and term comparable to the face amount and term of such B/A; provided, however, that no Discount Rate calculated pursuant to this clause (b) shall exceed the Discount Rate calculated pursuant to clause (a) above in respect of the same issue of Bankers' Acceptances plus 7 basis points (0.07%) per annum.

"Documentation Agent" means Lehman Commercial Paper Inc., in its capacity as documentation agent for the Lenders hereunder.

"Dollars" or "$" refers to lawful money of the United States of America.

"Dollar Equivalent" means, with respect to any amount of Canadian Dollars on any date, the amount of Dollars that may be purchased with such amount of Canadian Dollars at the Spot Exchange Rate on such date.

"Domestic" means, with respect to any Subsidiary, that such Subsidiary is organized in the United States.

"Environmental Laws" means all applicable laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, or binding agreements issued, promulgated or entered into by or with any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, handling, treatment, storage, disposal, Release or threatened Release of any Hazardous Material or, to the extent relating to the environment, to health and safety matters.

"Environmental Liability" means any liability (including any liability for damages, natural resource damage, costs of environmental investigation, monitoring or remediation, administrative oversight costs, fines, penalties or indemnities) of Parent, either of the Borrowers or any of the Subsidiaries resulting from or based upon (a) actual or alleged violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of, or the actual or alleged exposure to, any Hazardous Materials, (c) the Release or threatened Release of any Hazardous Materials into the environment or (d) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Partners" means Co-Investment Partners, L.P., a Delaware limited partnership.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means Parent and each subsidiary of Parent.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the U.S. Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan under Section 4041(c) or 4042 of ERISA; (e) the receipt by the U.S. Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the U.S. Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Multiemployer Plan; or (g) the receipt by the U.S. Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the U.S. Borrower or any ERISA

Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurodollar", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"Event of Default" has the meaning assigned to such term in Article VII.

"Excess Cash Flow" means, for any period, the sum (without duplication) of:

(a) the Consolidated Net Income for such period, adjusted to exclude any gains or losses (in each case net of Taxes applicable with respect to such gains or losses during such period) attributable to Prepayment Events; plus

(b) depreciation, amortization and other noncash charges or losses (in each case net of Taxes applicable with respect to such charges or losses during such period) deducted in determining such Consolidated Net Income for such period; plus

(c) the sum of (i) the amount, if any, by which Net Working Capital decreased during such period plus (ii) the amount, if any, by which the consolidated deferred revenues of the U.S. Borrower and its consolidated subsidiaries increased during such period plus (iii) the aggregate principal amount of Capital Lease Obligations and other Indebtedness (A) incurred during such period to finance Capital Expenditures (including Capital Expenditures that are committed by the Borrowers to be made and are actually made within 90 days after the end of such period pursuant to a purchase order or other written agreement entered into during such period (such Capital Expenditures being referred to as "Committed Capital Expenditures")), Permitted Acquisitions or other investments permitted under Section 6.04 or (B) incurred within 90 days after the end of such period to finance Committed Capital Expenditures committed to during such period, in each case to the extent that mandatory principal payments in respect of such Indebtedness would not be excluded from clause (f) below when made; minus

(d) the sum of (i) any noncash gains (in each case net of Taxes applicable with respect to such gains during such period) included in determining Consolidated Net Income for such period plus (ii) the amount, if any, by which Net Working Capital increased during such period plus (iii) the amount, if any, by which the consolidated deferred revenues of the U.S. Borrower and its consolidated subsidiaries decreased during such period; minus

(e) Capital Expenditures (including Committed Capital Expenditures that are committed to during such period), Permitted Acquisitions and other investments permitted under Section 6.04 for such period, except to the extent such Capital Expenditures are financed with the proceeds of asset dispositions (including casualty and condemnation events and including, in the case of Committed Capital Expenditures, asset dispositions effected within 90 days after the end of such period); minus

(f) the aggregate principal amount of Indebtedness repaid or prepaid by Parent and its consolidated subsidiaries during such period as permitted by this Agreement, excluding (i) Indebtedness in respect of Revolving Loans, Swingline Loans and Letters of Credit (other than to the extent that the Revolving Commitments are permanently reduced by such repayments or prepayments), (ii) Term Loans prepaid pursuant to Section 2.11(b), (c) or (d), (iii) repayments or prepayments of Indebtedness financed by incurring other Indebtedness, to the extent that mandatory principal payments in respect of such other Indebtedness would, pursuant to this clause (f), be deducted in determining Excess Cash Flow when made and (iv) Indebtedness referred to in clauses (iii), (iv) and (vii) of Section 6.01(a); minus

(g) non-cash charges added back in a previous period pursuant to clause (b) above to the extent any such charge has become a cash item in the current period (including interest-equivalent costs that are associated with any Permitted Receivables Financing, whether accounted for as interest expense or loss on the sale of Receivables).

"Excluded Taxes" means, with respect to the Agents, any Lender, the Issuing Banks or any other recipient of any payment to be made by or on account of any obligation of Parent or the Borrowers hereunder, (a) income, branch profits (or functionally similar Taxes) or franchise Taxes imposed on (or

measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located and (b) in the case of a Foreign Lender (other than an assignee or new lending office designated pursuant to a request by the U.S. Borrower or the Canadian Borrower, as applicable, under Section 2.19(b)), any withholding Tax that is (i) imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that (A) such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the U.S. Borrower with respect to any withholding Tax pursuant to Section 2.17(a), (B) such withholding Tax is attributable to the designation of a Subsidiary after the date upon which such Foreign Lender becomes a party to this Agreement or (C) such withholding tax is imposed on payments made (x) to a Foreign Lender following a CAM Exchange or (y) attributable to such Foreign Lender's failure to comply with Section 2.17(f).

"Existing Canadian Credit Agreement" means the Credit Agreement dated as of February 24, 1995, among the Canadian Borrower, the Canadian lenders party thereto and The Bank of Nova Scotia, as administrative agent, and Barclays, as collateral agent (as amended from time to time).

"Existing Canadian Note" means CDW Realco's outstanding 8% First Mortgage Note due February 28, 2001.

"Existing Credit Agreements" means the Existing Canadian Credit Agreement and the Existing U.S. Credit Agreement.

"Existing Notes" means the Existing Canadian Note and the Existing U.S. Note.

"Existing Stockholders" means the holders of the Class A Common Stock immediately prior to the Redemption.

"Existing Stock Purchase" has the meaning set forth in the introductory statement of this Agreement.

"Existing U.S. Credit Agreement" means the Credit Agreement dated as of February 24, 1995, among the U.S. Borrower, the lenders party thereto and Barclays, as administrative agent and collateral agent (as amended from time to time).

"Existing U.S. Note" means CDW Realco's outstanding Zero Coupon First Mortgage Note due February 28, 2001.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the U.S. Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Fees" means the Commitment Fees, the Participation Fees and the Fronting Fees.

"Fife Transaction" means the one-time investment, in an aggregate amount of approximately $7,500,000, by the U.S. Borrower in Fife Electrical Supply, LLC ("Fife LLC") in a transaction that results in the U.S. Borrower having approximately a 49% voting interest and approximately an 85% economic interest in Fife LLC.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer, assistant treasurer or controller of the applicable Loan Party.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the applicable Borrower is located. For purposes of this definition, the United States of America, each state thereof and the District of Columbia shall be one jurisdiction.

"Foreign Pension Plan" means any pension plan or other deferred compensation plan, program or arrangement maintained by the Canadian Borrower, any Canadian Borrower Subsidiary or any Foreign Subsidiary.

"Foreign Subsidiary" means any Subsidiary that is organized under the laws of a jurisdiction other than (i) the United States of America or any State thereof or the District of Columbia or (ii) Canada or any province thereof.

"Fronting Fees" has the meaning set forth in Section 2.12(c).

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity (including the National Association of Insurance Commissioners) exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation, provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

"Guarantee Agreements" means the Parent Guarantee Agreement, the Canadian Affiliate Guarantee Agreement, the U.S. Borrower Guarantee Agreement and the Subsidiary Guarantee Agreements.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, materials, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances, materials or wastes of any nature regulated pursuant to any Environmental Law, including any material listed as a hazardous substance pursuant to Section 101(14) of CERCLA.

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments (other than the obligations evidenced by (i) any subordinated note issued to the U.S. Borrower or any Subsidiary under the U.S. Receivables Sale Agreement and (ii) any subordinated note issued to the Canadian Borrower or any Subsidiary under the Canadian Receivables Sale Agreement), (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable (other than accounts payable from U.S. customers remaining unpaid more than 120 days from the date due and accounts payable from non-U.S. customers remaining unpaid more than 180 days from the date due) incurred in the ordinary course of business), (f) all Indebtedness of others secured by any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others described in clauses (a)-(f) and (h)-(j) of this definition, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, provided that inventory assistance programs customary in the U.S. Borrower's industry shall be deemed not to be Indebtedness. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnity, Subrogation and Contribution Agreement" means the Indemnity, Subrogation and Contribution Agreement, substantially in the form of Exhibit F, among the U.S. Borrower, the Domestic U.S. Borrower Subsidiaries and the U.S. Administrative Agent.

"Information Memorandum" means the Confidential Information Memorandum dated May 1998 relating to the Borrowers and the Transactions.

"Interest Election Request" means a request by the U.S. Borrower or the Canadian Borrower, as applicable, to convert or continue a Revolving Borrowing or Term Borrowing in accordance with Section 2.07.

"Interest Payment Date" means (a) with respect to any ABR Loan and Canadian Prime Rate Loan, the last Business Day of each March, June, September and December (commencing in September 1998) and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each Business Day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period.

"Interest Period" means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter (or nine or twelve months thereafter if, at the time of the relevant Borrowing, all Lenders make interest periods of such length available), as the U.S. Borrower may elect, provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Investor" means Thor Acquisitions L.L.C., a Delaware limited liability company.

"Investor Group" means, collectively, Cypress, any entities Controlled by Cypress, Chase Equity, Equity Partners, any management investors and certain other investors reasonably satisfactory to the U.S. Administrative Agent.

"Issuing Banks" means the Canadian Issuing Banks and the U.S. Issuing Banks and their respective Affiliates.

"Joint Venture" means, as to a Person, any corporation, partnership or other legal entity or arrangement (a) in which such Person has any direct or indirect equity interest and (b) that is not a subsidiary of such Person.

"Judgment Currency" has the meaning set forth in Section 10.14.

"Judgment Currency Conversion Date" has the meaning set forth in Section 10.14.

"LC Disbursements" means the C $ LC Disbursements and the U.S. $ LC Disbursements.

"LC Exposure" means, at any time, the sum of (a) the aggregate U.S. $ LC Exposure plus (b) the aggregate C $ LC Exposure.

"LC Reserve Account" has the meaning set forth in Section 9.02(a).

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Acceptance permitted under Section 10.04, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance. Unless the context otherwise requires, the term "Lenders" includes the U.S. Swingline Lender and the Canadian Swingline Lender.

"Letters of Credit" means the U.S. $ Letters of Credit and the C $ Letters of Credit.

"Leverage Ratio" means, on any date, the ratio of (a) Total Debt as of such date to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters of Parent most recently ended as of such date, all determined on a consolidated basis in accordance with GAAP.

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Page 3750 of the Dow Jones Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the U.S. Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the U.S. Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" means this Agreement, the Letters of Credit, the Guarantee Agreements, the Indemnity, Subrogation and Contribution Agreement and the Security Documents.

"Loan Parties" means Parent, the Borrowers and any Subsidiary party to any Loan Document.

"Loans" means the Revolving Loans, the Additional Revolving Loans, the Swingline Loans and the Term Loans.

"Majority Lenders" means, with respect to any Credit Facility on any date, Lenders having Loans (excluding Swingline Loans) and unused Commitments (excluding commitments to issue Letters of Credit or make Swingline Loans) representing more than 50% of the sum of all Loans (excluding Swingline Loans) and unused Commitments (excluding commitments to issue Letters of Credit or make Swingline Loans) under such Credit Facility on such date. For purposes of determining the Majority Lenders, any amounts denominated in Canadian Dollars shall be translated into Dollars at the Spot Exchange Rates in effect on the Closing Date.

"Margin Stock" has the meaning assigned to such term in Regulation U.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, properties or financial condition (or, with respect to the initial Borrowing only, prospects) of Parent, the Borrowers and the Subsidiaries taken as a whole since December 31, 1997, (b) the ability of any Loan Party to perform any of its respective obligations under any Loan Document or (c) the rights of or remedies available to the Lenders under any Loan Document.

"Material Indebtedness" means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Hedging Agreements, of any one or more of Parent, the Borrowers and the Subsidiaries in an aggregate principal amount exceeding $20,000,000. For purposes of determining the amount of Material Indebtedness at any time, the "principal amount" of the obligations of Parent, the Borrowers or any Subsidiary in respect of any Hedging Agreement at such time shall be the maximum aggregate amount (giving effect to any netting agreements) that Parent, the Borrowers or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

"Moody's" means Moody's Investors Service, Inc.

"Mortgage" means a mortgage, deed of trust, assignment of leases and rents, leasehold mortgage or other security document granting a Lien on any Mortgaged Property to secure the Obligations, each substantially in the form of Exhibit I.

"Mortgaged Property" means, initially, each parcel of real property and the improvements thereto owned or leased by a Loan Party and identified on Schedule 1.01(a), and includes each other parcel of real property and improvements thereto with respect to which a Mortgage is granted pursuant to Section 5.12 or 5.13.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Proceeds" means, with respect to any event, (a) the cash proceeds received in respect of such event including (i) any cash received in respect of any noncash proceeds, but only as and when received, (ii) in the case of a casualty, insurance proceeds in excess of $1,000,000, and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments in excess of $1,000,000, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid by Parent, the Borrowers and the Subsidiaries to third parties in connection with such event, (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or other insured damage or condemnation or similar proceeding), the amount of all payments required to be made by Parent, the Borrowers and the Subsidiaries as a result of such event to repay Indebtedness (other than Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event and to pay any related prepayment premiums or penalties, (iii) the amount of all taxes paid (or reasonably estimated to be payable) by Parent, the Borrowers and the Subsidiaries (including withholding taxes incurred in connection with cross-border transactions, if applicable), and the amount of any reserves established by Parent, the Borrowers and the Subsidiaries to fund contingent liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to such event (as determined reasonably and in good faith by the chief financial officer of the applicable Borrower, provided that, to the extent and at the time any such unexpended amounts are released from any such reserve, such amounts shall constitute Net Proceeds); provided, however, that, (i) with respect to any sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or other insured damage or condemnation or similar proceeding), if the applicable Borrower shall deliver a certificate of a Financial Officer to the U.S. Administrative Agent at the time of such sale, transfer or other disposition setting forth the applicable Borrower's intent to use the proceeds of such sale, transfer or other disposition (A) to replace or repair the assets that are the subject of such sale, transfer or other disposition with other assets to be used in the same or a similar line of business, (B) to purchase capital stock of a Person in the same or a similar line of business in connection with a Permitted Acquisition or (C) to make other investments permitted under Section 6.04, in each case within 18 months of receipt of such proceeds, and no Default or Event of Default shall have occurred and shall be continuing at the time of such certificate or at the proposed time of the application of such proceeds, such proceeds shall not constitute Net Proceeds except to the extent not so used at the end of such 18-month period, at that time such proceeds shall be deemed Net Proceeds and (ii) with respect to any sale, transfer or other disposition of Receivables pursuant to any Permitted Receivables Financing, the proceeds of such sale, transfer or other disposition shall not constitute Net Proceeds.

"Net Working Capital" means, at any date, (a) the consolidated current assets of Parent and its consolidated subsidiaries as of such date (excluding cash and Permitted Investments) minus (b) the consolidated current liabilities of Parent and its consolidated subsidiaries as of such date (excluding current liabilities in respect of Indebtedness). Net Working Capital at any date may be a positive or negative number. Net Working Capital increases when it becomes more positive or less negative and decreases when it becomes less positive or more negative.

"New Stock Purchase" has the meaning set forth in the introductory statement of this Agreement.

"Notes" means any promissory note of the Borrowers issued pursuant to this Agreement.

"Notice of Interest Rate Election" means a notice delivered to the U.S. Administrative Agent or the Canadian Administrative Agent, as applicable, pursuant to Section 2.07.

"Obligation Currency" has the meaning set forth in Section 10.14.

"Obligations" has the meaning assigned to such term in (a) the Security Agreements, (b) the Pledge Agreements, (c) the Guarantee Agreements and (d) the Mortgages.

"Other Taxes" means any and all current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document.

"Parent" means WESCO International, Inc., a Delaware corporation owning all the capital stock of the U.S. Borrower.

"Parent Guarantee Agreement" means the Parent Guarantee Agreement, substantially in the form of Exhibit D, made by Parent in favor of the U.S. Administrative Agent for the benefit of the Secured Parties.

"Participation Fees" has the meaning set forth in Section 2.12(c).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Perfection Certificate" means a certificate in the form of Annex 1 to the Security Agreements or any other form approved by the Collateral Agents.

"Permitted Acquisition" means the acquisition, by merger or otherwise, by the U.S. Borrower, the Canadian Borrower or any Subsidiary of assets or capital stock or other equity interests so long as (a) immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing or would result therefrom, (b) all transactions related thereto shall be consummated in accordance in all material respects with applicable laws, (c) in the case of any acquisition of capital stock or other equity interests in any Person, such acquisition is an acquisition of 100% of the capital stock or other equity interests of such Person, (d) in case of an acquisition of assets, such assets (other than assets to be retired or disposed of) are to be used, and in the case of an acquisition of capital stock or other equity interests, the Person so acquired is engaged, in the same or similar line of business as the U.S. Borrower, (e) Parent and the Borrowers shall be in compliance, on a pro forma basis after giving effect to such acquisition (including any Indebtedness assumed or permitted to exist in connection with such acquisition), with the covenants set forth in Sections 6.13, 6.14, 6.15 and 6.16, and shall deliver to the U.S. Administrative Agent a certificate of a Financial Officer of the U.S. Borrower to such effect, (f) such acquisition shall be made on a non-hostile basis and shall not have been preceded by an unsolicited tender offer by Parent, the Borrowers or any Subsidiary, (g) the U.S. Borrower shall have received a certificate of a Financial Officer certifying that such acquisition has been approved by the target company's board of directors and (h) immediately after giving effect thereto, the Senior Leverage Ratio shall not be more than (i) on any date prior to June 5, 2000, 4.20 to 1.00 and (ii) on June 5, 2000 or any date thereafter, 4.15 to 1.00; provided, however, that the aggregate amount paid (including any Indebtedness assumed in connection therewith) in connection with (i) any such Permitted Acquisition shall not exceed $200,000,000 and (ii) all such Permitted Acquisitions shall not exceed $400,000,000 during the term of this Agreement.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.05;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.05;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) Liens incurred or deposits made to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;

(f) easements, zoning restrictions, minor defects or irregularities in title, rights-of-way and similar charges or encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of Parent, the Borrowers or any of the Subsidiaries;

(g) leases or subleases granted to others not interfering in any material respect with the business of Parent, the Borrowers or any of the Subsidiaries; and

(h) with respect to any Mortgaged Property, the exceptions listed in the title insurance policy covering such Mortgaged Property;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 397 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $250,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) investments in money market funds, provided that substantially all of the assets of such money market funds comprise securities described in clauses (a), (b), (c) and (d) above; and

(f) with respect to investments denominated in Canadian Dollars, (i) direct obligations of Canada or any agency thereof or obligations guaranteed by Canada or any agency thereof; (ii) time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by (A) any bank or trust company that is organized under the laws of the United States of America, Canada, any state or province thereof or any foreign country recognized by the United States of America or Canada having capital, surplus and undivided profits aggregating in excess of $250,000,000 (or the foreign currency equivalent thereof) and whose long-term debt, or whose parent holding company's long-term debt, is rated A (or such similar equivalent rating or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act of 1933, as amended)), (B) any bank listed under Schedule I to the Bank Act (Canada) or (C) any other bank that is organized under the laws of Canada or any province thereof whose long-term debt, or whose parent holding company's long-term debt, is rated at least A by Canadian Bond Rating Service, Inc. and the Dominion Bond Rating Service Limited; and (iii) commercial paper, maturing not more than 397 days after the date of acquisition, issued by a corporation (other than an Affiliate of any Loan Party) organized and in existence under the laws of the United States of America, Canada, any state or province thereof or any foreign country recognized by the United States of America or Canada with a rating at the time as of which an investment therein is made of A1 (or higher) according to Canadian Bond Rating Service, Inc. and R1 (high) according to Dominion Bond Rating Service Limited.

"Permitted Receivables Financing" means any transaction entered into pursuant to and in accordance with the Receivables Sale Agreements, the Receivables Pooling Agreement and the Receivables Supplemental Pooling Agreement or any other financing by the Borrowers or any Subsidiary of Receivables in any transaction or series of transactions that may be entered into by the Borrowers or any Subsidiary pursuant to which (a) the Borrowers or any Subsidiary sells, conveys or otherwise transfers to the Receivables Subsidiary and (b) the Receivables Subsidiary sells, conveys or otherwise transfers to any other Person or grants a security interest to any Person in, any Receivables (whether now existing or hereafter acquired) of the Borrowers or any Subsidiary, and any assets related thereto including all collateral securing such Receivables, all contracts and all Guarantees or other obligations in respect of such Receivables, proceeds of such Receivables and other assets that are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving Receivables, provided that (i)

the Board of Directors of the U.S. Borrower shall have determined in good faith that such Permitted Receivables Financing is economically fair and reasonable to the Borrowers and the Receivables Subsidiary and (ii) all sales of Receivables and Related Property to the Receivables Subsidiary are made at fair market value (as determined in good faith by the U.S. Borrower).

"Permitted Subordinated Refinancing Debt" means Indebtedness of the U.S. Borrower that (a) is issued in exchange for all of, or the net proceeds of which are used to refinance, replace, defease or refund in whole and not in part, the Senior Subordinated Notes or other subordinated Indebtedness issued in accordance with Section 6.01(a)(x) and (b) is subordinated to the Obligations, provided that (i) the principal amount of such Permitted Subordinated Refinancing Debt does not exceed the principal amount (or accreted value, if applicable) of the Senior Subordinated Notes or other subordinated Indebtedness, as applicable, so refinanced, replaced, defeased or refunded, plus the amount of premiums, prepayment penalties and other amounts required to be paid in connection therewith and the reasonable and customary fees and expenses incurred in connection therewith, (ii) no material terms applicable to such Permitted Subordinated Refinancing Debt (including the subordination provisions thereof) are materially less favorable to the U.S. Borrower or the Lenders than the terms that are applicable under the Senior Subordinated Notes Indenture or the instrument giving rise to such other subordinated Indebtedness, as applicable, prior to such refinancing, (iii) the timing and amounts of principal repayments (including any sinking fund therefor) on such Permitted Subordinated Refinancing Debt are no sooner and no greater, respectively, than the timing and amounts of principal repayments under the Senior Subordinated Notes or other subordinated Indebtedness, as applicable, being refinanced, (iv) such Permitted Subordinated Refinancing Debt is unsecured and (v) such Permitted Subordinated Refinancing Debt accrues interest at a rate determined in good faith by the Board of Directors of Parent to be a market rate of interest for such Permitted Subordinated Refinancing Debt at the time of issuance thereof.

"Per-Share Purchase Price" means $621.08.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pledge Agreements" means the U.S. Pledge Agreement and the Canadian Pledge Agreement.

"Prepayment Event" means:

(a) any sale, transfer or other disposition (including pursuant to a sale and leaseback transaction) of any property or asset of Parent, either of the Borrowers or any Subsidiary, other than sales, transfers or other dispositions described in clauses (a), (b), (c) and (e) of Section 6.05;

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of Parent, either of the Borrowers or any Subsidiary;

(c) the issuance by Parent, either of the Borrowers or any Subsidiary of any equity securities, or the receipt by Parent, either of the Borrowers or any Subsidiary of any capital contribution, other than (i) any such issuance of equity securities to, or receipt of any such capital contribution from, Parent, either of the Borrowers or any Subsidiary, (ii) the Stock Purchase and (iii) the issuance of equity securities as a result of the exercise of stock options; or

(d) the incurrence by Parent, either of the Borrowers or any Subsidiary of any Indebtedness, other than Indebtedness permitted by Section 6.01(a).

"Primary Canadian Issuing Bank" means (a) The Toronto-Dominion Bank, in its capacity as an issuer of C $ Letters of Credit hereunder, and (b) its successors in such capacity as provided in Section 2.05A(i).

"Primary Issuing Banks" means Primary U.S. Issuing Bank and the Primary Canadian Issuing Bank.

"Primary U.S. Issuing Bank" means (a) Chase Manhattan Bank Delaware, in its capacity as an issuer of U.S. $ Letters of Credit hereunder, and (b) its successors in such capacity as provided in Section 2.05(i).

"Prime Rate" means, in respect of ABR Loans, the rate of interest per annum publicly announced from time to time by the U.S. Administrative Agent as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as being effective.

"Reallocation Notice" has the meaning set forth in Section 2.22.

"Recapitalization" means the recapitalization of Parent pursuant to, and in accordance with the terms of, the Recapitalization Agreement.

"Recapitalization Agreement" means the Recapitalization Agreement dated as of March 27, 1998, among Parent, the U.S. Borrower, Investor and certain of the Existing Stockholders.

"Receivable" means the indebtedness and payment obligations of any Person to either of the Borrowers or any of the Subsidiaries or acquired by either of the Borrowers or any of the Subsidiaries (including obligations constituting an account or general intangible or evidenced by a note, instrument, contract, security agreement, chattel paper or other evidence of indebtedness or security) arising from a sale of merchandise or the provision of services by such Borrower or Subsidiary or the Person from which such indebtedness and payment obligation were acquired by either of the Borrowers or any of the Subsidiaries, including (a) any right to payment for goods sold or for services rendered and (b) the right to payment of any interest, sales taxes, finance charges, returned check or late charges and other obligations of such Person with respect thereto.

"Receivables Pooling Agreement" means the Pooling Agreement dated as of June 5, 1998, among the Receivables Subsidiary, the U.S. Borrower, as servicer, and The Chase Manhattan Bank, as Funding Agent and as trustee, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof and any other supplement to the Receivables Pooling Agreement entered into in connection with a Permitted Receivables Financing.

"Receivables Sale Agreements" means the U.S. Receivables Sale Agreement and the Canadian Receivables Sale Agreement.

"Receivables Subsidiary" means WESCO Receivables Corp., a Delaware corporation that is a newly formed, wholly owned, bankruptcy-remote, special purpose subsidiary of the U.S. Borrower or any wholly owned Subsidiary of the U.S. Borrower (a) that engages in no activities other than in connection with the financing of Receivables, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, (b) that is designated by the Board of Directors of the U.S. Borrower (as provided below) as a Receivables Subsidiary and (c) of which no portion of its Indebtedness or any other obligations (contingent or otherwise) (i) is Guaranteed by Parent, the Borrowers or any Subsidiary (excluding Guarantees of Obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates Parent, the Borrowers or any Subsidiary in any way other than pursuant to Standard Securitization Undertakings or (iii) subjects any property or asset of Parent, the Borrowers or any Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings. Upon any such designation, a Financial Officer of the U.S. Borrower shall deliver a certificate to the U.S. Administrative Agent certifying (a) the resolution of the Board of Directors of the U.S. Borrower giving effect to such designation, (b) that such designation complied with the foregoing conditions, (c) that after giving effect to such designation (including any Indebtedness permitted to exist in connection with such designation), Parent and the Borrowers shall be in compliance, on a pro forma basis, with the covenants set forth in Section 6.13, 6.14, 6.15 and 6.16 and (d) immediately after giving effect to such designation no Default or Event of Default shall have occurred and be continuing.

"Receivables Supplemental Pooling Agreement" means the Series 1998-1 Supplement, dated as of June 5, 1998, to the Receivables Pooling Agreement, among the Receivables Subsidiary, the U.S. Borrower , as servicer, Park Avenue Receivables Corporation, certain banks or financial institutions party thereto, and The Chase Manhattan Bank, as Funding Agent and as trustee, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof, and any other

supplement to the Receivables Pooling Agreement entered into in connection with a Permitted Receivables Financing.

"Redemption" means the redemption by Parent from the Existing Stockholders (other than Investor and the Remaining Stockholders) of all the Class A Common Stock owned by such Existing Stockholders pursuant to the Recapitalization Agreement.

"Register" has the meaning set forth in Section 10.04.

"Regulation T" shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Reinvestment Assets" means assets that are employed in the business of Parent and the Subsidiaries and purchased pursuant to the proviso to the definition of the term "Net Proceeds".

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, trustees, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"Related Property" shall mean, with respect to each Receivable:

(a) all of the interest of the applicable Borrower or Subsidiary in the goods, if any, sold and delivered to an obligor relating to the sale which gave rise to such Receivable,

(b) all other security interests or Liens, and the interest of the applicable Borrower or Subsidiary in the property subject thereto, from time to time purporting to secure payment of such Receivable, together with all financing statements signed by an obligor describing any collateral securing such Receivable and

(c) all guarantees, insurance, letters of credit and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable,

in the case of clauses (b) and (c), whether pursuant to the contract related to such Receivable or otherwise or pursuant to any obligations evidenced by a note, instrument, contract, security agreement, chattel paper or other evidence of indebtedness or security and the proceeds thereof.

"Release" has the meaning set forth in Section 101(22) of CERCLA.

"Remaining Stockholders" means certain members of management of Parent that will continue to own Class A Common Stock and options to purchase Class A Common Stock after the Closing Date.

"Repurchased Shares" means the Class A Common Stock repurchased by Parent in the Redemption pursuant to the Recapitalization Agreement.

"Required Lenders" means, at any time, Lenders having Loans (excluding Swingline Loans), U.S. $ LC Exposure, C $ LC Exposure, U.S. $ Swingline Exposure, C $ Swingline Exposure and unused Commitments (excluding commitments to issue Letters of Credit or make Swingline Loans) representing a majority of the sum of all Loans (excluding Swingline Loans), U.S. $ LC Exposure, C $ LC Exposure, U.S. $ Swingline Exposure, C $ Swingline Exposure and unused Commitments (excluding commitments to issue Letters of Credit or make Swingline Loans) at such time. For purposes of determining the Required Lenders, any amounts denominated in Canadian Dollars shall be translated into Dollars at the Spot Exchange Rate in effect on the Closing Date.

"Reset Date" has the meaning set forth in Section 2.21(a)(ii).

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any shares of any class of capital stock of Parent, the Borrowers or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancelation or termination of (a) any such shares of capital stock of Parent, the Borrowers or any Subsidiary or (b) any option, warrant or other right to acquire any such shares of capital stock of Parent, the Borrowers or any Subsidiary.

"Revolving Commitments" means the U.S. $ Revolving Commitments and the C $ Revolving Commitments.

"Revolving Exposures" means the U.S. $ Revolving Exposures and the C $ Revolving Exposures.

"Revolving Lenders" means the U.S. $ Revolving Lenders and the C $ Revolving Lenders.

"Revolving Loans" means the U.S. $ Revolving Loans and C $ Revolving Loans.

"Revolving Maturity Date" means June 5, 2004.

"Roll-Over Equity" has the meaning set forth in the introductory statement of this Agreement.

"S&P" means Standard & Poor's Ratings Service.

"Schedule I Reference Banks" means such Schedule I chartered banks under the Bank Act (Canada) as are mutually agreed upon by the Canadian Administrative Agent and the Canadian Borrower.

"Schedule II Reference Banks" means such Schedule II chartered banks under the Bank Act (Canada) as are mutually agreed upon by the Canadian Administrative Agent and the Canadian Borrower.

"Security Agreements" means the U.S. Security Agreement and the Canadian Security Agreement.

"Security Documents" means the Security Agreements, the Pledge Agreements, the Mortgages and each other security agreement or other instrument or document executed and delivered pursuant to Section 5.12 or 5.13 to secure any of the Obligations.

"Secured Parties" has the meaning assigned to such term in the U.S. Security Agreement.

"Senior Discount Notes" means Parent's 11 1/8% Senior Unsecured Discount Notes due 2008 issued on the Closing Date as contemplated by Section 4.01(l) (and shall include any substantially identical discount notes of Parent in the same aggregate principal amount issued after the Closing Date in exchange therefor pursuant to a registered exchange offer or shelf registration statement in accordance with the Senior Discount Notes Indenture).

"Senior Discount Notes Indenture" means the indenture to be entered into by Parent in connection with the issuance of the Senior Discount Notes, together with all instruments and other agreements entered into by Parent in connection therewith, all in form and substance reasonably satisfactory to the U.S. Administrative Agent and the Documentation Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with Section 6.12.

"Senior Leverage Ratio" means, on any date, the ratio of (a) Total Senior Debt as of such date to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters of Parent most recently ended as of such date, all determined on a consolidated basis in accordance with GAAP.

"Senior Subordinated Notes" means the U.S. Borrower's 9 1/8% Senior Subordinated Notes due 2008 issued on the Closing Date as contemplated by Section 4.01(l) (and shall include any substantially identical senior subordinated notes of the U.S. Borrower in the same aggregate principal amount issued after the Closing Date in exchange therefor pursuant to a registered exchange offer or shelf registration statement in accordance with the Senior Subordinated Notes Indenture).

"Senior Subordinated Notes Indenture" means the indenture to be entered into by the U.S. Borrower and certain Subsidiaries in connection with the issuance of the Senior Subordinated Notes, together

with all instruments and other agreements entered into by the U.S. Borrower and such Subsidiaries in connection therewith, all in form and substance reasonably satisfactory to the U.S. Administrative Agent and the Documentation Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with Section 6.12.

"Spot Exchange Rate" means, on any day, with respect to Canadian Dollars, the spot rate at which Dollars are offered on such day by the Canadian Administrative Agent in Toronto for Canadian Dollars at approximately 11:00 a.m. (Toronto time). For purposes of determining the Spot Exchange Rate in connection with a Canadian Dollar Borrowing, such Spot Exchange Rate shall be determined as of the Denomination Date for such Borrowing.

"Standard Securitization Undertakings" means representations, warranties, covenants and indemnities entered into by Parent, the Borrowers or any Subsidiary that the U.S. Borrower has determined in good faith to be customary in a Receivables transaction including those relating to the servicing of assets of the Receivables Subsidiary.

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the U.S. Administrative Agent is subject (a) with respect to the Base CD Rate, for new negotiable nonpersonal time deposits in Dollars of over $100,000 with maturities approximately equal to three months and (b) with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D or any successor regulation or law. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Stock Purchase" has the meaning set forth in the introductory statement of this Agreement.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the U.S. Borrower other than the Canadian Borrower.

"Subsidiary Guarantee Agreements" means the U.S. Subsidiary Guarantee Agreement and the Canadian Subsidiary Guarantee Agreement.

"Swingline Exposures" means the C $ Swingline Exposure and the U.S. $ Swingline Exposure.

"Swingline Lenders" means the U.S. Swingline Lender and the Canadian Swingline Lender.

"Swingline Loans" means the U.S. $ Swingline Loans and the C $ Swingline Loans.

"Syndication Agent" means The Chase Manhattan Bank, in its capacity as syndication agent for the Lenders hereunder.

"Taxes" means any and all current or future taxes, levies, imposts, duties, deductions, charges or with Parent imposed by any Governmental Authority.

"Term Borrowing" means a Borrowing comprised of Term Loans.

"Term Loan Lenders" means the Tranche A Lenders, the Tranche B Lenders and the Delayed Draw Lenders.

"Term Loans" means Tranche A Term Loans, Tranche B Term Loans and Delayed Draw Term Loans.

"Three-Month Secondary CD Rate" means, for any day, the secondary market rate for three-month certificates of deposit reported as being in effect on such day (or, if such day is not a Business Day, the next preceding Business Day) by the Board through the public information telephone line of the Federal Reserve Bank of New York (which rate will, under the current practices of the Board, be published in Federal Reserve Statistical Release H.15(519) during the week following such day) or, if such rate is not so reported on such day or such next preceding Business Day, the average of the secondary market quotations for three-month certificates of deposit of major money center banks in New York City received at approximately 10:00 a.m., New York City time, on such day (or, if such day is not a Business Day, on the next preceding Business Day) by the U.S. Administrative Agent from three negotiable certificate of deposit dealers of recognized standing selected by it.

"Total Additional Revolving Commitment" means, at any time, the aggregate amount of the Additional Revolving Commitments, as in effect at such time. The Total Additional Revolving Commitment on the Closing Date is $0.

"Total C $ Revolving Commitment" means, at any time, the aggregate amount of the C $ Revolving Commitments, as in effect at such time, but not to exceed $40,754,717.02. The Total C $ Revolving Commitment on the Closing Date is U.S. $40,754,717.02.

"Total Debt" means, as of any date of determination, without duplication, the sum of (a) the aggregate principal amount of Indebtedness of Parent, the Borrowers and the Subsidiaries outstanding as of such date, net of cash or cash equivalents held in an account with the U.S. Administrative Agent or such other bank that is reasonably acceptable to the U.S. Administrative Agent, in which the applicable Administrative Agent has a perfected security interest, determined on a consolidated basis in accordance with GAAP (other than Revolving Loans and Indebtedness of the type referred to in clause (i) of the definition of the term "Indebtedness", except to the extent such Indebtedness is required to be recorded on the consolidated balance sheet of Parent and its subsidiaries in accordance with GAAP), and (b) the average monthly aggregate principal amount of Revolving Loans outstanding during the immediately preceding four fiscal quarters of Parent, provided that such average amount shall be deemed to be $10,000,000 from and including the Closing Date through and including December 31, 1998. For purposes of clause (b) of the immediately preceding sentence, the average monthly aggregate principal amount of Revolving Loans outstanding during any four-fiscal-quarter period shall be calculated by (a) adding the aggregate principal amount of Revolving Loans outstanding on the last day of each month ending during such period and (b) dividing such amount by twelve. Notwithstanding the foregoing, there shall be excluded from Total Debt any Indebtedness relating to amounts received from the sale of Receivables to an un-affiliated purchaser pursuant to a Permitted Receivables Financing by the Receivables Subsidiary.

"Total Senior Debt" means, as of any date of determination, (a) the sum of (i) the average monthly aggregate principal amount of Revolving Loans outstanding during the immediately preceding four fiscal quarters of Parent, (ii) the aggregate principal amount of Swingline Loans outstanding as of such date, (iii) the aggregate principal amount of any unreimbursed LC Disbursements as of such date, (iv) the aggregate principal amount of Term Loans outstanding as of such date and (v) the aggregate principal amount of any Capital Lease Obligations of Parent, the Borrowers and the Subsidiaries outstanding as of such date, plus (b) the amount received from the sale of Receivables to an un-affiliated purchaser pursuant to a Permitted Receivables Financing by the Receivables Subsidiary, which Receivables have not yet been collected. For purposes of clause (a)(i) of the immediately preceding sentence, the average monthly aggregate principal amount of Revolving Loans outstanding during any four-fiscal-quarter period shall be calculated by (a) adding the aggregate principal amount of Revolving Loans outstanding on the last day of each month ending during such period and (b) dividing such amount by twelve.

"Total U.S. $ Revolving Commitment" means, at any time, the aggregate amount of the U.S. $ Revolving Commitments, as in effect at such time. The Total U.S. $ Revolving Commitment on the Closing Date is $59,245,282.98.

"Tranche A Commitment" means, with respect to each Tranche A Lender, the commitment of such Lender to make a Tranche A Term Loan hereunder on the Closing Date, expressed as an amount representing the maximum principal amount of the Tranche A Term Loan to be made by such Lender hereunder. The initial amount of each Tranche A Lender's Tranche A Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its

Tranche A Commitment, as applicable. The aggregate amount of the Tranche A Lenders' Tranche A Commitments is $80,000,000.

"Tranche A Lender" means a Lender with an outstanding Tranche A Term Loan.

"Tranche A Maturity Date" means June 5, 2004.

"Tranche A Term Loan" means a Loan made pursuant to clause (a) of Section 2.01.

"Tranche B Commitment" means, with respect to each Tranche B Lender, the commitment of such Lender to make a Tranche B Term Loan hereunder on the Closing Date, expressed as an amount representing the maximum principal amount of the Tranche B Term Loan to be made by such Lender hereunder. The initial amount of each Tranche B Lender's Tranche B Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Tranche B Commitment, as applicable. The aggregate amount of the Tranche B Lenders' Tranche B Commitments is $90,000,000.

"Tranche B Lender" means a Lender with an outstanding Tranche B Term Loan.

"Tranche B Maturity Date" means June 5, 2006.

"Tranche B Term Loan" means a Loan made pursuant to clause (b) of Section 2.01.

"Transaction Costs" means any amounts paid or payable by Investor, Parent, the Borrowers or any Subsidiary in connection with financing fees, investment banking and consulting fees and legal and accounting and other similar fees incurred in connection with the Transactions.

"Transactions" means the Recapitalization, the incurrence of Loans and the issuance of Letters of Credit hereunder on the Closing Date, the issuance of the Senior Subordinated Notes, the issuance of the Senior Discount Notes and the Permitted Receivables Financing.

"Type", when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, the term "Rate" shall include the Adjusted LIBO Rate, the Alternate Base Rate, the Canadian Prime Rate and the Discount Rate applicable to B/As or B/A Equivalent Notes.

"U.S. $ Commitment Fee" has the meaning set forth in Section 2.12(a).

"U.S. $ LC Availability Period" means the period from and including the Closing Date to but excluding the earlier of (a) the date that is five Business Days prior to the Revolving Maturity Date and (b) the date of termination of the U.S. $ Revolving Commitments.

"U.S. $ LC Disbursement" means a payment or disbursement made by the U.S. Issuing Bank pursuant to a U.S. $ Letter of Credit.

"U.S. $ LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding U.S. $ Letters of Credit at such time plus (b) the aggregate principal amount of all U.S. $ LC Disbursements that have not yet been reimbursed at such time. The U.S. $ LC Exposure of any U.S. $ Revolving Lender at any time shall mean its Applicable Percentage of the aggregate U.S. $ LC Exposure at such time.

"U.S. $ LC Participation Fee" has the meaning set forth in Section 2.12(b).

"U.S. $ Letter of Credit" means any letter of credit issued by the U.S. Issuing Bank pursuant to Section 2.05.

"U.S. $ Revolving Availability Period" means the period from and including the Closing Date to but excluding the earlier of (a) the Revolving Maturity Date and (b) the date of termination of the U.S. $ Revolving Commitments.

"U.S. $ Revolving Borrowing" means a Borrowing comprised of U.S. $ Revolving Loans.

"U.S. $ Revolving Commitment" means, with respect to any Lender, the commitment, if any, of such Lender to make U.S. $ Revolving Loans during the U.S. $ Revolving Availability Period and to acquire participations in U.S. $ Letters of Credit and U.S. $ Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's U.S. $ Revolving Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.08 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 2.19 or 10.04. The initial amount of each U.S. $ Revolving Lender's U.S. $ Revolving Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its U.S. $ Revolving Commitment, as applicable. The initial aggregate amount of the U.S. $ Revolving Lenders' U.S. $ Revolving Commitments is $59,245,282.98.

"U.S. $ Revolving Exposure" means, with respect to any U.S. $ Revolving Lender at any time, the sum of (a) the aggregate principal amount at such time of all outstanding U.S. $ Revolving Loans of such Lender, plus (b) the aggregate amount at such time of such Lender's U.S. $ LC Exposure, plus (c) the aggregate amount at such time of such Lender's U.S. $ Swingline Exposure.

"U.S. $ Revolving Lender" means a Lender with a U.S. $ Revolving Commitment.

"U.S. $ Revolving Loan" means any loan made by a U.S. $ Revolving Lender pursuant to its U.S. $ Revolving Commitment.

"U.S. $ Swingline Exposure" means at any time the aggregate principal amount at such time of all outstanding U.S. $ Swingline Loans. The U.S. $ Swingline Exposure of any U.S. $ Revolving Lender at any time shall mean its Applicable Percentage of the aggregate U.S. $ Swingline Exposure at such time.

"U.S. $ Swingline Loan" means a Loan made pursuant to Section 2.04.

"U.S. Administrative Agent" means The Chase Manhattan Bank, in its capacity as administrative agent for the Lenders hereunder.

"U.S. Borrower" means WESCO Distribution, Inc., a Delaware corporation owning all the capital stock of the Canadian Borrower.

"U.S. Borrower Subsidiary" means any Subsidiary other than the Canadian Borrower and the Canadian Borrower Subsidiaries.

"U.S. Borrower Guarantee Agreement" means the Guarantee Agreement, substantially in the form of Exhibit M, between the U.S. Borrower and the Canadian Collateral Agent for the benefit of the Canadian Secured Parties.

"U.S. Collateral Agent" means the "U.S. Collateral Agent", as defined in the U.S. Security Agreement.

"U.S. Fronting Fee" has the meaning set forth in Section 2.12(b).

"U.S. Issuing Bank" means (a) the Primary U.S. Issuing Bank and (b) each other Lender designated by the U.S. Borrower from time to time, with the consent of the U.S. Administrative Agent (not to be unreasonably withheld) and such Lender, to act as an issuer of U.S. $ Letters of Credit hereunder. Each U.S. Issuing Bank may, in its discretion, arrange for one or more U.S. $ Letters of Credit to be issued by Affiliates of such U.S. Issuing Bank, in which case the term "U.S. Issuing Bank" shall include any such Affiliate with respect to U.S. $ Letters of Credit issued by such Affiliate.

"U.S. Pledge Agreement" means the Pledge Agreement, substantially in the form of Exhibit G, among Parent, the U.S. Borrower, the Canadian Borrower, the Subsidiaries and the U.S. Collateral Agent for the benefit of the Secured Parties.

"U.S. Receivables Sale Agreement" means the U.S. Receivables Sale Agreement dated as of June 5, 1998, among the Receivables Subsidiary, the U.S. Borrower and WESCO Equity Corporation, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof (including to add additional parties), and any successor or replacement receivables sale agreement entered into in connection with a new Permitted Receivables Financing to replace the Permitted Receivables Financing contemplated at the Closing Date.

"U.S. Security Agreement" means the Security Agreement, substantially in the form of Exhibit H, among Parent, the U.S. Borrower, the Domestic U.S. Borrower Subsidiaries (other than the Receivables Subsidiary) and the U.S. Collateral Agent for the benefit of the Secured Parties.

"U.S. Security Documents" means the U.S. Security Agreement, the U.S. Pledge Agreement, the Parent Guarantee Agreement, the U.S. Subsidiary Guarantee Agreement, certain Mortgages and each other security agreement or other instrument or document executed and delivered pursuant to Section 5.12 and 5.13 to secure any of the Obligations.

"U.S. Subsidiary Guarantee Agreement" means the Subsidiary Guarantee Agreement, substantially in the form of Exhibit E, made by the Domestic U.S. Borrower Subsidiaries in favor of the U.S. Administrative Agent for the benefit of the Secured Parties.

"U.S. Swingline Lender" means The Chase Manhattan Bank, in its capacity as lender of U.S. $ Swingline Loans hereunder.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Working Capital Ratio" means, on any date, the ratio of (a) the sum of (i) inventory (as would be shown on Parent's consolidated balance sheet in accordance with GAAP) and (ii) Receivables to (b) Total Senior Debt that is secured.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Loan") or by Type (e.g., a "Eurodollar Loan") or by Class and Type (e.g., a "Eurodollar Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Eurodollar Borrowing") or by Class and Type (e.g., a "Eurodollar Revolving Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time, provided that, if the U.S. Borrower notifies the U.S. Administrative Agent that the U.S. Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the U.S. Administrative Agent notifies the U.S. Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, (a) each Tranche A Lender agrees to make Tranche A Term Loans to the U.S. Borrower on the Closing Date, in Dollars, in a principal amount not exceeding its Tranche A Commitment, (b) each Tranche B Lender agrees to make Tranche B Term Loans to the U.S. Borrower on the Closing Date, in Dollars, in a principal amount not exceeding its Tranche B Commitment, (c) each Delayed Draw Lender agrees to make Delayed Draw Term Loans to the U.S. Borrower during the Delayed Draw Availability Period, in Dollars, in an aggregate principal amount not exceeding its Delayed Draw Commitment, (d) each U.S. $ Revolving Lender agrees to make U.S. $ Revolving Loans to the U.S. Borrower from time to time during the U.S. $ Revolving Availability Period, in Dollars, in an aggregate principal amount that will not result in such Lender's U.S. $ Revolving Exposure exceeding such Lender's U.S. $ Revolving Commitment, (e) each C $ Revolving Lender agrees to make C $ Revolving Loans, including by means of a B/A or B/A Equivalent Note, to the Canadian Borrower from time to time during the C $ Revolving Availability Period, in Canadian Dollars, in an aggregate principal amount that will not result in such Lender's C $ Revolving Exposure exceeding such Lender's C $ Revolving Commitment and (f) each Additional Revolving Lender agrees to make Additional Revolving Loans to the U.S. Borrower from time to time during the Additional Revolving Availability Period, in Dollars, in an aggregate principal amount that will not result in the aggregate principal amount of such Lender's Additional Revolving Loans exceeding such Lender's Additional Revolving Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Revolving Loans and Additional Revolving Loans. Amounts repaid in respect of Term Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings. (a) Each Loan (other than the Swingline Loans) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder, provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. The Loans comprising any Borrowing shall, subject to Section 2.20 in the case of B/A Borrowings, be in an aggregate principal amount that is (i) an integral multiple of $1,000,000 (or, in the case of Swingline Loans, $100,000) or (ii) equal to the remaining available balance of the applicable Commitments, provided that ABR U.S. $ Revolving Loans and Canadian Prime Rate C $ Revolving Loans used to finance the reimbursement of an LC Disbursement may be in the amount of such LC Disbursement. The Loans comprising each Canadian Dollar Borrowing shall be made in the amount specified in the applicable Borrowing Request for such Borrowing; provided, however, that for purposes of clause (i) above, each Canadian Dollar Borrowing shall be deemed to be in an aggregate principal amount equal to the Dollar Equivalent of the amount specified in such Borrowing Request. Borrowings of more than one Type and Class may be outstanding at the same time, provided that there shall not at any time be more than 15 Eurodollar Borrowings or 6 B/A Borrowings outstanding hereunder at any time.

(b) Subject to Section 2.14, each (i) U.S. $ Revolving Borrowing, Additional Revolving Borrowing and Term Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the U.S. Borrower may request in accordance herewith and (ii) each C $ Revolving Borrowing shall be comprised entirely of B/A Borrowings or Canadian Prime Rate Borrowings as the Canadian Borrower may request pursuant to Section 2.03. Notwithstanding anything to the contrary contained herein, (i) all Borrowings (other than C $ Revolving Borrowings) made on the Closing Date shall be ABR Borrowings and (ii) all C $ Revolving Borrowings made on the Closing Date shall be Canadian Prime Rate Borrowings. Each U.S. $ Swingline Loan shall be an ABR Loan. Each C $ Swingline Loan shall be a Canadian Prime Rate Loan. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan, provided that any exercise of such option shall not affect the obligation of the U.S. Borrower to repay such Loan in accordance with the terms of this Agreement and such Lender shall not be entitled to any amount payable under Section 2.15 or 2.17 in respect of costs arising as a result of such exercise.

(c) Notwithstanding any other provision of this Agreement, the Borrowers shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period or Contract Period (in the case of a B/A Borrowing) requested with respect thereto would end after the Revolving Maturity Date, the Tranche A Maturity Date, the Tranche B Maturity Date or the Delayed Draw Maturity Date, as applicable.

(d) (i) The U.S. Administrative Agent shall notify the U.S. Borrower and the U.S. $ Revolving Lenders of the amount of the aggregate U.S. $ Revolving Exposure, (ii) the Canadian Administrative Agent shall notify the Canadian Borrower and the C $ Revolving Lenders of the amount of the aggregate C $ Revolving Exposure and (iii) the U.S. Administrative Agent shall notify the U.S. Borrower and the Additional Revolving Lenders of the amount of the

aggregate Additional Revolving Loans, in each case promptly following the last day of each March, June, September and December.

SECTION 2.03. Requests for Borrowings. To request a U.S. $ Revolving Borrowing, Additional Revolving Borrowing or Term Borrowing, the U.S. Borrower shall notify the U.S. Administrative Agent, and to request a C $ Revolving Borrowing, the Canadian Borrower shall notify the Canadian Administrative Agent, of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 10:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing, (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of the proposed Borrowing, provided that any such notice of an ABR U.S. $ Revolving Borrowing to finance the reimbursement of a U.S. $ LC Disbursement as contemplated by Section 2.05(e) may be given not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing, (c) in the case of a B/A Borrowing, not later than 10:00 a.m., Toronto time, three Business Days before the date of such proposed Borrowing and (d) in the case of a Canadian Prime Rate Borrowing, not later than 11:00 a.m., Toronto time, one Business Day before the date of such proposed Borrowing, provided that any such notice of a Canadian Prime Rate C $ Revolving Borrowing to finance the reimbursement of a C $ LC Disbursement as contemplated by Section 2.05A(e) may be given not later than 10:00 a.m., Toronto time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the U.S. Administrative Agent c/o The Loan and Agency Services Group or the Canadian Administrative Agent c/o Funding Officer, as applicable, of a written Borrowing Request in a form approved by the applicable Administrative Agent and signed by the applicable Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the Borrower requesting such Borrowing;

(ii) whether the requested Borrowing is to be a U.S. $ Revolving Borrowing, Additional Revolving Borrowing, C $ Revolving Borrowing, Tranche A Term Borrowing, Tranche B Term Borrowing or Delayed Draw Term Borrowing;

(iii) the aggregate amount of such Borrowing (which shall be expressed in Dollars, except when such Borrowing is a Canadian Dollar Borrowing) or, in the case of a B/A Borrowing, the face amount of the Bankers' Acceptance being requested;

(iv) the date of such Borrowing, which shall be a Business Day;

(v) subject to the second sentence of Section 2.02(b), whether such Borrowing is to be an ABR Borrowing, a Eurodollar Borrowing, a B/A Borrowing or a Canadian Prime Rate Borrowing;

(vi) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";

(vii) if such Borrowing is to be a B/A Borrowing, the Contract Period and maturity date thereof, which shall be a period contemplated by the definition of the term "Contract Period";

(viii) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.06; and

(ix) the currency of such Borrowing (which (A) shall be Dollars, in the case of any Term Borrowing, U.S. $ Revolving Borrowing or Additional Revolving Borrowing and (B) shall be Canadian Dollars, in the case of any C $ Revolving Borrowing).

If no election as to the Type of Borrowing is specified in any such notice, then the requested Borrowing shall be an ABR Borrowing if a U.S. $ Revolving Borrowing, Additional Revolving Borrowing or Term Borrowing and a Canadian Prime Rate Borrowing if a C $ Revolving Borrowing. The applicable Administrative Agent shall promptly (and in any event on the same day that such Administrative Agent receives such notice, if received by 2:00 p.m., local time, on such day) advise the applicable Lenders of any notice given pursuant to this Section 2.03 and of each Lender's portion of the requested Borrowing and, in the case of a C $ Revolving Borrowing, of the Canadian Dollar amount of such Borrowing and the Spot Exchange Rate utilized to determine such amount.

SECTION 2.04. U.S. $ Swingline Loans. (a) Subject to the terms and conditions set forth herein, the U.S. Swingline Lender agrees to make U.S. $ Swingline Loans to the U.S. Borrower from time to time during the U.S. $ Revolving Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding U.S. $ Swingline Loans exceeding $20,000,000 or (ii) the sum of the aggregate U.S. $ Revolving Exposures exceeding the Total U.S. $ Revolving Commitments, provided that the U.S. Swingline Lender shall not be required to make a U.S. $ Swingline Loan to refinance an outstanding U.S. $ Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the U.S. Borrower may borrow, prepay and reborrow U.S. $ Swingline Loans.

(b) To request a U.S. $ Swingline Loan, the U.S. Borrower shall notify the U.S. Administrative Agent of such request by telephone (confirmed by telecopy), not later than 12:00 noon, New York City time, on the day of a proposed U.S. $ Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested U.S. $ Swingline Loan. The U.S. Administrative Agent will promptly advise the U.S. Swingline Lender of any such notice received from the U.S. Borrower. The U.S. Swingline Lender shall make each U.S. $ Swingline Loan available to the U.S. Borrower by means of a credit to the general deposit account of the U.S. Borrower with the U.S. Swingline Lender (or, in the case of a U.S. $ Swingline Loan made to finance the reimbursement of a U.S. $ LC Disbursement as provided in Section 2.05(e), by remittance to the applicable U.S. Issuing Bank) by 3:00 p.m., New York City time, on the requested date of such U.S. $ Swingline Loan.

(c) The U.S. Swingline Lender may by written notice given to the U.S. Administrative Agent not later than 1:00 p.m., New York City time, on any Business Day require the U.S. $ Revolving Lenders to acquire participations on such Business Day in all or a portion of the U.S. $ Swingline Loans outstanding. Such notice shall specify the aggregate amount of U.S. $ Swingline Loans in which U.S. $ Revolving Lenders will participate. Promptly upon receipt of such notice, the U.S. Administrative Agent will give notice thereof to each U.S. $ Revolving Lender, specifying in such notice such U.S. $ Revolving Lender's Applicable Percentage of such U.S. $ Swingline Loan or Loans. Each U.S. $ Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the U.S. Administrative Agent, for the account of the U.S. Swingline Lender, such Lender's Applicable Percentage of such U.S. $ Swingline Loan or Loans. Each U.S. $ Revolving Lender acknowledges and agrees that its obligation to acquire participations in U.S. $ Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each U.S. $ Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.06 with respect to Loans made by such U.S. $ Revolving Lender (and Section 2.06 shall apply, mutatis mutandis, to the payment obligations of the U.S. $ Revolving Lenders), and the U.S. Administrative Agent shall promptly pay to the U.S. Swingline Lender the amounts so received by it from the U.S. $ Revolving Lenders. The U.S. Administrative Agent shall notify the U.S. Borrower of any participations in any U.S. $ Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such U.S. $ Swingline Loan shall be made to the U.S. Administrative Agent and not to the U.S. Swingline Lender. Any amounts received by the U.S. Swingline Lender from the U.S. Borrower (or other party on behalf of the U.S. Borrower) in respect of a U.S. $ Swingline Loan after receipt by the U.S. Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the U.S. Administrative Agent; any such amounts received by the U.S. Administrative Agent shall be promptly remitted by the U.S. Administrative Agent to the U.S. $ Revolving Lenders that shall have made their payments pursuant to this paragraph and to the U.S. Swingline Lender, as their interests may appear. The purchase of participations in a U.S. $ Swingline Loan pursuant to this paragraph shall not relieve the U.S. Borrower of any default in the payment thereof.

SECTION 2.04A. C $ Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Canadian Swingline Lender agrees to make C $ Swingline Loans in Canadian Dollars to the Canadian Borrower from time to time during the C $ Revolving Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding C $ Swingline Loans exceeding $5,000,000 or (ii) the sum of the aggregate C $ Revolving Exposures exceeding the Total C $ Revolving Commitments, provided that the Canadian Swingline Lender shall not be required to make a C $ Swingline Loan to refinance an outstanding C $ Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Canadian Borrower may borrow, prepay and reborrow C $ Swingline Loans.

(b) To request a C $ Swingline Loan, the Canadian Borrower shall notify the Canadian Administrative Agent of such request by telephone (confirmed by telecopy), not later than 12:00 noon, Toronto

time, on the day of a proposed C $ Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested C $ Swingline Loan. The Canadian Administrative Agent will promptly advise the Canadian Swingline Lender of any such notice received from the Canadian Borrower. The Canadian Swingline Lender shall make each C $ Swingline Loan available to the Canadian Borrower by means of a credit to the general deposit account of the Canadian Borrower with the Canadian Swingline Lender (or, in the case of a C $ Swingline Loan made to finance the reimbursement of a C $ LC Disbursement as provided in Section 2.05A(e), by remittance to the applicable Canadian Issuing Bank) by 3:00 p.m., Toronto time, on the requested date of such C $ Swingline Loan.

(c) The Canadian Swingline Lender may by written notice given to the Canadian Administrative Agent not later than 10:00 a.m., Toronto time, on any Business Day require the C $ Revolving Lenders to acquire participations on such Business Day in all or a portion of the C $ Swingline Loans outstanding. Such notice shall specify the aggregate amount of C $ Swingline Loans in which C $ Revolving Lenders will participate. Promptly upon receipt of such notice, the Canadian Administrative Agent will give notice thereof to each C $ Revolving Lender, specifying in such notice such C $ Revolving Lender's Applicable Percentage of such C $ Swingline Loan or Loans. Each C $ Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Canadian Administrative Agent, for the account of the Canadian Swingline Lender, such Lender's Applicable Percentage of such C $ Swingline Loan or Loans. Each C $ Revolving Lender acknowledges and agrees that its obligation to acquire participations in C $ Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each C $ Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.06 with respect to Loans made by such Lender (and Section 2.06 shall apply, mutatis mutandis, to the payment obligations of the C $ Revolving Lenders), and the Canadian Administrative Agent shall promptly pay to the Canadian Swingline Lender the amounts so received by it from the C $ Revolving Lenders. The Canadian Administrative Agent shall notify the Canadian Borrower of any participations in any C $ Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such C $ Swingline Loan shall be made to the Canadian Administrative Agent and not to the Canadian Swingline Lender. Any amounts received by the Canadian Swingline Lender from the Canadian Borrower (or other party on behalf of the Canadian Borrower) in respect of a C $ Swingline Loan after receipt by the Canadian Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Canadian Administrative Agent; any such amounts received by the Canadian Administrative Agent shall be promptly remitted by the Canadian Administrative Agent to the C $ Revolving Lenders that shall have made their payments pursuant to this paragraph and to the Canadian Swingline Lender, as their interests may appear. The purchase of participations in a C $ Swingline Loan pursuant to this paragraph shall not relieve the Canadian Borrower of any default in the payment thereof.

SECTION 2.05. U.S. $ Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the U.S. Borrower may request the issuance of U.S. $ Letters of Credit for its own account, in a form reasonably acceptable to the U.S. Administrative Agent and the applicable U.S. Issuing Bank, at any time and from time to time during the U.S. $ LC Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the U.S. Borrower to, or entered into by the U.S. Borrower with, a U.S. Issuing Bank relating to any U.S. $ Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a U.S. $ Letter of Credit (or the amendment, renewal or extension of an outstanding U.S. $ Letter of Credit), the U.S. Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable U.S. Issuing Bank) to a U.S. Issuing Bank and the U.S. Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a U.S. $ Letter of Credit, or identifying the U.S. $ Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such U.S. $ Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such U.S. $ Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such U.S. $ Letter of Credit. If requested by the applicable U.S. Issuing Bank, the U.S. Borrower also shall submit a letter of credit application on such U.S. Issuing Bank's standard form in connection with any request for a U.S. $ Letter of Credit. A U.S. $ Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each U.S. $ Letter of Credit the U.S. Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or

extension (i) the U.S. $ LC Exposure shall not exceed $25,000,000 and (ii) the aggregate U.S. $ Revolving Exposures shall not exceed the aggregate U.S. $ Revolving Commitments.

(c) Expiration Date. Each U.S. $ Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such U.S. $ Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Revolving Maturity Date.

(d) Participations. By the issuance of a U.S. $ Letter of Credit (or an amendment to a U.S. $ Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable U.S. Issuing Bank or the U.S. $ Revolving Lenders, such U.S. Issuing Bank hereby grants to each U.S. $ Revolving Lender, and each U.S. $ Revolving Lender hereby acquires from such U.S. Issuing Bank, a participation in such U.S. $ Letter of Credit equal to such U.S. $ Revolving Lender's Applicable Percentage of the aggregate amount available to be drawn under such U.S. $ Letter of Credit. In consideration and in furtherance of the foregoing, each U.S. $ Revolving Lender hereby absolutely and unconditionally agrees to pay to the U.S. Administrative Agent, for the account of the applicable U.S. Issuing Bank, such U.S. $ Revolving Lender's Applicable Percentage of each U.S. $ LC Disbursement made by such U.S. Issuing Bank and not reimbursed by the U.S. Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the U.S. Borrower for any reason. Each U.S. $ Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of U.S. $ Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any U.S. $ Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the U.S. $ Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If a U.S. Issuing Bank shall make any U.S. $ LC Disbursement in respect of a U.S. $ Letter of Credit issued by such U.S. Issuing Bank, the U.S. Borrower shall reimburse such U.S. $ LC Disbursement by paying to the U.S. Administrative Agent an amount equal to such U.S. $ LC Disbursement not later than 12:00 noon, New York City time, on the date that such U.S. $ LC Disbursement is made, if the U.S. Borrower shall have received notice of such U.S. $ LC Disbursement prior to 10:00 a.m., New York City time, on such date, or, if such notice has not been received by the U.S. Borrower prior to such time on such date, then not later than 12:00 noon, New York City time, on (i) the Business Day that the U.S. Borrower receives such notice, if such notice is received prior to 10:00 a.m., New York City time, on the day of receipt, or (ii) the Business Day immediately following the day that the U.S. Borrower receives such notice, if such notice is not received prior to such time on the day of receipt, provided that the U.S. Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.04 that such payment be financed with an ABR U.S. $ Revolving Borrowing or U.S. $ Swingline Loan in an equivalent amount and, to the extent so financed, the U.S. Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR U.S. $ Revolving Borrowing or U.S. $ Swingline Loan. If the U.S. Borrower fails to make such payment when due, the U.S. Administrative Agent shall notify each U.S. $ Revolving Lender of the applicable U.S. $ Revolving LC Disbursement, the payment then due from the U.S. Borrower in respect thereof and such U.S. $ Revolving Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each U.S. $ Revolving Lender shall pay to the U.S. Administrative Agent its Applicable Percentage of the payment then due from the U.S. Borrower, in the same manner as provided in Section 2.06 with respect to Loans made by such U.S. $ Revolving Lender (and Section 2.06 shall apply, mutatis mutandis, to the payment obligations of the U.S. $ Revolving Lenders), and the U.S. Administrative Agent shall promptly pay to the applicable U.S. Issuing Bank the amounts so received by it from the U.S. $ Revolving Lenders. Promptly following receipt by the U.S. Administrative Agent of any payment from the U.S. Borrower pursuant to this paragraph, the U.S. Administrative Agent shall distribute such payment to the applicable U.S. Issuing Bank or, to the extent that U.S. $ Revolving Lenders have made payments pursuant to this paragraph to reimburse such U.S. Issuing Bank, then to such U.S. $ Revolving Lenders and such U.S. Issuing Bank as their interests may appear. Any payment made by a U.S. $ Revolving Lender pursuant to this paragraph to reimburse any U.S. Issuing Bank for any U.S. $ LC Disbursement (other than the funding of ABR U.S. $ Revolving Loans or a U.S. $ Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the U.S. Borrower of its obligation to reimburse such U.S. $ LC Disbursement.

(f) Obligations Absolute. The U.S. Borrower's obligation to reimburse U.S. $ LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any U.S. $ Letter of Credit or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a U.S. $ Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect (unless the applicable U.S. Issuing Bank has actual knowledge of such

forgery or fraud), (iii) payment by the applicable U.S. Issuing Bank under a U.S. $ Letter of Credit against presentation of a draft or other document that does not comply with the terms of such U.S. $ Letter of Credit or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the U.S. Borrower's obligations hereunder, except to the extent that the applicable U.S. Issuing Bank's payment under any U.S. $ Letter of Credit constituted gross negligence or wilful misconduct of such U.S. Issuing Bank. Neither the U.S. Administrative Agent, the Lenders nor any U.S. Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any U.S. $ Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any U.S. $ Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of such U.S. Issuing Bank, provided that the foregoing shall not be construed to excuse the applicable U.S. Issuing Bank from liability to the U.S. Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the U.S. Borrower to the extent permitted by applicable law) suffered by the U.S. Borrower that are caused by such U.S. Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a U.S. $ Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or wilful misconduct on the part of the applicable U.S. Issuing Bank, such U.S. Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented that appear on their face to be in substantial compliance with the terms of a U.S. $ Letter of Credit, the applicable U.S. Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such U.S. $ Letter of Credit.

(g) Disbursement Procedures. Each U.S. Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a U.S. $ Letter of Credit issued by such U.S. Issuing Bank. The applicable U.S. Issuing Bank shall promptly notify the U.S. Administrative Agent and the U.S. Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such U.S. Issuing Bank has made or will make a U.S. $ LC Disbursement thereunder, provided that any failure to give or delay in giving such notice shall not relieve the U.S. Borrower of its obligation to reimburse such U.S. Issuing Bank and the U.S. $ Revolving Lenders with respect to any such U.S. $ LC Disbursement.

(h) Interim Interest. If any U.S. Issuing Bank shall make any U.S. $ LC Disbursement, then, unless the U.S. Borrower shall reimburse such U.S. $ LC Disbursement in full on the date such U.S. $ LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such U.S. $ LC Disbursement is made to but excluding the date that the U.S. Borrower reimburses such U.S. $ LC Disbursement, at the rate per annum then applicable to ABR U.S. $ Revolving Loans, provided that, if the U.S. Borrower fails to reimburse such U.S. $ LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(e) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable U.S. Issuing Bank, except that interest accrued on and after the date of payment by any U.S. $ Revolving Lender pursuant to paragraph (e) of this Section to reimburse such U.S. Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of the Primary U.S. Issuing Bank. The Primary U.S. Issuing Bank may be replaced at any time by written agreement among the U.S. Borrower, the U.S. Administrative Agent, the replaced Primary U.S. Issuing Bank and the successor Primary U.S. Issuing Bank. The U.S. Administrative Agent shall notify the Lenders of any such replacement of the Primary U.S. Issuing Bank. At the time any such replacement shall become effective, the U.S. Borrower shall pay all unpaid fees accrued for the account of the replaced Primary U.S. Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Primary U.S. Issuing Bank shall have all the rights and obligations of the Primary U.S. Issuing Bank under this Agreement with respect to U.S. $ Letters of Credit to be issued thereafter and (ii) references herein to the term "Primary U.S. Issuing Bank" shall be deemed to refer to such successor or to any previous Primary U.S. Issuing Bank, or to such successor and all previous Primary U.S. Issuing Banks, as the context shall require. After the replacement of a Primary U.S. Issuing Bank hereunder, the replaced Primary U.S. Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of a U.S. Issuing Bank under this Agreement with respect to U.S. $ Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional U.S. $ Letters of Credit.

(j) Resignation of U.S. Issuing Banks. Any U.S. Issuing Bank (other than the Primary U.S. Issuing Bank) may resign at any time upon not less than 30 days' prior written notice to the U.S. Borrower and the U.S. Administrative Agent. At the time any such resignation shall become effective, the U.S. Borrower shall pay all unpaid fees accrued for the account of the resigning U.S. Issuing Bank pursuant to Section 2.12(b). After the resignation of a U.S. Issuing Bank hereunder, such U.S. Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of a U.S. Issuing Bank under this Agreement with respect to U.S. $ Letters of Credit issued by it prior to such resignation, but shall not be required to issue additional U.S. $ Letters of Credit.

(k) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the U.S. Borrower receives notice from the U.S. Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, U.S. $ Revolving Lenders with U.S. $ LC Exposure representing greater than 50% of the aggregate U.S. $ LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the U.S. Borrower shall deposit in an account with the U.S. Administrative Agent, in the name of the U.S. Administrative Agent and for the benefit of the U.S. $ Revolving Lenders, an amount equal to the U.S. $ LC Exposure as of such date plus any accrued and unpaid interest thereon, provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the U.S. Borrower described in clause (h) or (i) of Article VII. Each such deposit shall be held by the U.S. Administrative Agent as collateral for the payment and performance of the obligations of the U.S. Borrower under this Agreement. The U.S. Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the U.S. Administrative Agent and at the U.S. Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the U.S. Administrative Agent to reimburse the applicable U.S. Issuing Bank for U.S. $ LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the U.S. Borrower for the U.S. $ LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of U.S. $ Revolving Lenders with U.S. $ LC Exposure representing greater than 50% of the aggregate U.S. $ LC Exposure), be applied to satisfy other obligations of the U.S. Borrower under this Agreement. If the U.S. Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the U.S. Borrower within one Business Day after all Events of Default have been cured or waived.

SECTION 2.05A. C $ Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Canadian Borrower may request the issuance of C $ Letters of Credit denominated in Canadian Dollars for its own account, in a form reasonably acceptable to the Canadian Administrative Agent and the applicable Canadian Issuing Bank, at any time and from time to time during the C $ LC Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by any Canadian Borrower to, or entered into by the Canadian Borrower with, a Canadian Issuing Bank relating to any C $ Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a C $ Letter of Credit (or the amendment, renewal or extension of an outstanding C $ Letter of Credit), the Canadian Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Canadian Issuing Bank) to a Canadian Issuing Bank and the Canadian Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a C $ Letter of Credit, or identifying the C $ Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such C $ Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such C $ Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such C $ Letter of Credit. If requested by the applicable Canadian Issuing Bank, the Canadian Borrower also shall submit a letter of credit application on such Canadian Issuing Bank's standard form in connection with any request for a C $ Letter of Credit. A C $ Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each C $ Letter of Credit the Canadian Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the C $ LC Exposure shall not exceed $5,000,000, and (ii) the aggregate C $ Revolving Exposures shall not exceed the aggregate C $ Revolving Commitments. Promptly after the issuance of or amendment to any C $ Letter of Credit, the Canadian Administrative Agent shall notify the C $ Revolving Lenders of such issuance or amendment, shall provide a copy of the issued C $ Letter of Credit or

amendment, as the case may be, and shall indicate the Spot Exchange Rate used in determining the Assigned Dollar Value thereof.

(c) Expiration Date. Each C $ Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such C $ Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Revolving Maturity Date.

(d) Participations. By the issuance of a C $ Letter of Credit (or an amendment to a C $ Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Canadian Issuing Bank or the C $ Revolving Lenders, such Canadian Issuing Bank hereby grants to each C $ Revolving Lender, and each C $ Revolving Lender hereby acquires from such Canadian Issuing Bank, a participation in such C $ Letter of Credit equal to such C $ Revolving Lender's Applicable Percentage of the aggregate amount available to be drawn under such C $ Letter of Credit. In consideration and in furtherance of the foregoing, each C $ Revolving Lender hereby absolutely and unconditionally agrees to pay to the Canadian Administrative Agent, for the account of the applicable Canadian Issuing Bank, such C $ Revolving Lender's Applicable Percentage of each C $ LC Disbursement made by such Canadian Issuing Bank and not reimbursed by the Canadian Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Canadian Borrower for any reason. Each C $ Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of C $ Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any C $ Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the C $ Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If a Canadian Issuing Bank shall make any C $ LC Disbursement in respect of a C $ Letter of Credit issued by such Canadian Issuing Bank, the Canadian Borrower shall reimburse such C $ LC Disbursement by paying to the Canadian Administrative Agent an amount equal to such C $ LC Disbursement not later than 12:00 noon, Toronto time, on the date that such C $ LC Disbursement is made, if the Canadian Borrower shall have received notice of such C $ LC Disbursement prior to 10:00 a.m., Toronto time, on such date, or, if such notice has not been received by the Canadian Borrower prior to such time on such date, then not later than 12:00 noon, Toronto time, on (i) the Business Day that the Canadian Borrower receives such notice, if such notice is received prior to 10:00 a.m., Toronto time, on the day of receipt, or (ii) the Business Day immediately following the day that the Canadian Borrower receives such notice, if such notice is not received prior to such time on the day of receipt, provided that the Canadian Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.04 that such payment be financed with an Canadian Prime Rate C $ Revolving Borrowing or C $ Swingline Loan in an equivalent amount and, to the extent so financed, the Canadian Borrower's obligation to make such payment shall be discharged and replaced by the resulting Canadian Prime Rate C $ Revolving Borrowing or C $ Swingline Loan. If the Canadian Borrower fails to make such payment when due, the Canadian Administrative Agent shall notify each C $ Revolving Lender of the applicable C $ LC Disbursement, the payment then due from the Canadian Borrower in respect thereof and such C $ Revolving Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each C $ Revolving Lender shall pay to the Canadian Administrative Agent its Applicable Percentage of the payment then due from the Canadian Borrower, in the same manner as provided in Section 2.06 with respect to Loans made by such C $ Revolving Lender (and Section 2.06 shall apply, mutatis mutandis, to the payment obligations of the C $ Revolving Lenders), and the Canadian Administrative Agent shall promptly pay to the applicable Canadian Issuing Bank the amounts so received by it from the C $ Revolving Lenders. Promptly following receipt by the Canadian Administrative Agent of any payment from the Canadian Borrower pursuant to this paragraph, the Canadian Administrative Agent shall distribute such payment to the applicable Canadian Issuing Bank or, to the extent that C $ Revolving Lenders have made payments pursuant to this paragraph to reimburse such Canadian Issuing Bank, then to such C $ Revolving Lenders and such Canadian Issuing Bank as their interests may appear. Any payment made by a C $Revolving Lender pursuant to this paragraph to reimburse any Canadian Issuing Bank for any C $ LC Disbursement (other than the funding of Canadian Prime Rate C $ Revolving Loans or a C $ Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Canadian Borrower of its obligation to reimburse such C $ LC Disbursement.

(f) Obligations Absolute. The Canadian Borrower's obligation to reimburse C $ LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any C $ Letter of Credit or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a C $ Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue

or inaccurate in any respect (unless the applicable Canadian Issuing Bank has actual knowledge of such forgery or fraud), (iii) payment by the applicable Canadian Issuing Bank under a C $ Letter of Credit against presentation of a draft or other document that does not comply with the terms of such C $ Letter of Credit or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Canadian Borrower's obligations hereunder, except to the extent that the applicable Canadian Issuing Bank's payment under any C $ Letter of Credit constituted gross negligence or wilful misconduct of such Canadian Issuing Bank. Neither the Canadian Administrative Agent, the C $ Revolving Lenders nor any Canadian Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any C $ Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any C $ Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of such Canadian Issuing Bank, provided that the foregoing shall not be construed to excuse the applicable Canadian Issuing Bank from liability to the Canadian Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Canadian Borrower to the extent permitted by applicable law) suffered by the Canadian Borrower that are caused by such Canadian Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a C $ Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or wilful misconduct on the part of the applicable Canadian Issuing Bank, such Canadian Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented that appear on their face to be in substantial compliance with the terms of a C $ Letter of Credit, the applicable Canadian Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such C $ Letter of Credit.

(g) Disbursement Procedures. Each Canadian Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a C $ Letter of Credit issued by such Canadian Issuing Bank. The applicable Canadian Issuing Bank shall promptly notify the Canadian Administrative Agent and the Canadian Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such Canadian Issuing Bank has made or will make a C $ LC Disbursement thereunder, provided that any failure to give or delay in giving such notice shall not relieve the Canadian Borrower of its obligation to reimburse such Canadian Issuing Bank and the C $ Revolving Lenders with respect to any such C $ LC Disbursement.

(h) Interim Interest. If any Canadian Issuing Bank shall make any C $ LC Disbursement, then, unless the Canadian Borrower shall reimburse such C $ LC Disbursement in full on the date such C $ LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such C $ LC Disbursement is made to but excluding the date that the Canadian Borrower reimburses such C $ LC Disbursement, at the rate per annum then applicable to Canadian Prime Rate C $ Revolving Loans, provided that, if the Canadian Borrower fails to reimburse such C $ LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(e) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Canadian Issuing Bank, except that interest accrued on and after the date of payment by any C $ Revolving Lender pursuant to paragraph (e) of this Section to reimburse such Canadian Issuing Bank shall be for the account of such C $ Revolving Lender to the extent of such payment.

(i) Replacement of the Primary Canadian Issuing Bank. The Primary Canadian Issuing Bank may be replaced at any time by written agreement among the Canadian Borrower, the Canadian Administrative Agent, the replaced Primary Canadian Issuing Bank and the successor Primary Canadian Issuing Bank. The Canadian Administrative Agent shall notify the C $ Revolving Lenders of any such replacement of the Primary Canadian Issuing Bank. At the time any such replacement shall become effective, the Canadian Borrower shall pay all unpaid fees accrued for the account of the replaced Primary Canadian Issuing Bank pursuant to Section 2.12(c). From and after the effective date of any such replacement, (i) the successor Primary Canadian Issuing Bank shall have all the rights and obligations of the Primary Canadian Issuing Bank under this Agreement with respect to C $ Letters of Credit to be issued thereafter and (ii) references herein to the term "Primary Canadian Issuing Bank" shall be deemed to refer to such successor or to any previous Primary Canadian Issuing Bank, or to such successor and all previous Primary Canadian Issuing Banks, as the context shall require. After the replacement of a Primary Canadian Issuing Bank hereunder, the replaced Primary Canadian Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations a Canadian Issuing Bank under this Agreement with respect to C $ Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional C $ Letters of Credit.

(j) Resignation of Canadian Issuing Banks. Any Canadian Issuing Bank (other than the Primary Canadian Issuing Bank) may resign at any time upon not less than 30 days' prior written notice to the Canadian Borrower and the Administrative Agents. At the time any such resignation shall become effective, the Canadian Borrower shall pay all unpaid fees accrued for the account of the resigning a Canadian Issuing Bank pursuant to Section 2.12(c). After the resignation of a Canadian Issuing Bank hereunder, such Canadian Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of a Canadian Issuing Bank under this Agreement with respect to C $ Letters of Credit issued by it prior to such resignation, but shall not be required to issue additional C $ Letters of Credit.

(k) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Canadian Borrower receives notice from the either the Canadian Administrative Agent, the U.S. Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, C $ Revolving Lenders with C $ LC Exposure representing greater than 50% of the aggregate C $ LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Canadian Borrower shall deposit in an account with the Canadian Administrative Agent, in the name of the Canadian Administrative Agent and for the benefit of the C $ Revolving Lenders, an amount equal to the C $ LC Exposure as of such date plus any accrued and unpaid interest thereon, provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Canadian Borrower described in clause (h) or (i) of Article VII. Each such deposit shall be held by the Canadian Administrative Agent as collateral for the payment and performance of the obligations of the Canadian Borrower under this Agreement. The Canadian Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Canadian Administrative Agent and at the Canadian Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Canadian Administrative Agent to reimburse the applicable Canadian Issuing Bank for C $ LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Canadian Borrower for the C $ LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of C $ Revolving Lenders with C $ LC Exposure representing greater than 50% of the aggregate C $ LC Exposure), be applied to satisfy other obligations of the Canadian Borrower under this Agreement. If the Canadian Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Canadian Borrower within one Business Day after all Events of Default have been cured or waived.

SECTION 2.06. Funding of Borrowings. (a) Each Term Loan Lender, U.S. $ Revolving Lender and Additional Revolving Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the U.S. Administrative Agent most recently designated by the U.S. Administrative Agent for such purpose by notice to the Term Loan Lenders, the U.S. $ Revolving Lenders and the Additional Revolving Lenders, as applicable, provided that U.S. $ Swingline Loans shall be made as provided in Section 2.04. The U.S. Administrative Agent will make such Term Loans, U.S. $ Revolving Loans and Additional Revolving Loans available to the U.S. Borrower by promptly crediting the amounts so received, in like funds, to an account of the U.S. Borrower maintained with the U.S. Administrative Agent in New York City and designated by the U.S. Borrower in the applicable Borrowing Request and then promptly transferring such funds to PNC Bank, Pittsburgh, PA (Account No. 1001145919; ABA 043000096), provided that ABR U.S. $ Revolving Loans made to finance the reimbursement of a U.S. $ LC Disbursement as provided in Section 2.05(e) shall be remitted by the U.S. Administrative Agent to the applicable U.S. Issuing Bank and (b) each C $ Revolving Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, Toronto time, to the account of the Canadian Administrative Agent most recently designated by the Canadian Administrative Agent for such purposes by notice to the C $ Revolving Lenders, provided that C $ Swingline Loans shall be made as provided in Section 2.04A. The Canadian Administrative Agent will make such Loans available to the Canadian Borrower by promptly crediting the amounts so received, in like funds, to an account of the Canadian Borrower maintained with the Canadian Administrative Agent in Toronto and designated by the Canadian Borrower in the applicable Borrowing Request and then promptly transferring such funds to The Toronto-Dominion Bank, Toronto, Canada (Account No. 06900319932; Transit No. 10202), provided that Canadian Prime Rate C $ Revolving Loans made to finance the reimbursement of a C $ LC Disbursement as provided in Section 2.05A(e) shall be remitted by the Canadian Administrative Agent to the applicable Canadian Issuing Bank.

(b) Unless the applicable Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to such Administrative

Agent such Lender's share of such Borrowing, such Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount in the required currency. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to such Administrative Agent, then the applicable Lender agrees to pay to such Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the applicable Borrower to but excluding the date of payment to such Administrative Agent, in the case of Term Loans, U.S. $ Revolving Loans, Additional Revolving Loans or U.S. $ Swingline Loans, at the Federal Funds Effective Rate or, if the Federal Funds Effective Rate cannot be determined, a rate determined by the U.S. Administrative Agent in accordance with banking industry rules on interbank compensation, and in the case of C $ Revolving Loans and C $ Swingline Loans, at a rate determined by the Canadian Administrative Agent to represent its cost of overnight or short-term funds (which determination shall be conclusive absent manifest error). In the event that the applicable Lender has not made its share of the applicable Borrowing available within three Business Days, the applicable Borrower shall pay such amount to the applicable Administrative Agent together with interest from the date of such Borrowing at the rate applicable to the Loans so made available. If such Lender pays such amount to the applicable Administrative Agent then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.07. Interest Elections. (a) Each U.S. $ Revolving Borrowing, C $ Revolving Borrowing, Additional Revolving Borrowing and Term Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request and, in the case of a B/A Borrowing, shall have a Contract Period and maturity date as specified in such Borrowing Request. Thereafter, the applicable Borrower may from time to time elect to convert or continue the Type of, or the duration of the Interest Period or Contract Period and maturity date (in the case of a B/A Borrowing) applicable to, the Loans included in any Borrowing. The applicable Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the applicable Borrower shall notify the applicable Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if such Borrower were requesting a U.S. $ Revolving Borrowing, C $ Revolving Borrowing or Additional Revolving Borrowing, as applicable, of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the applicable Administrative Agent of a written Interest Election Request in a form approved by the applicable Administrative Agent and signed by the applicable Borrower. Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrower making such Interest Election Request;

(ii) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iv) and (v) below shall be specified for each resulting Borrowing);

(iii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iv) whether the resulting Borrowing is to be an ABR Borrowing, a Eurodollar Borrowing, a Canadian Prime Rate Borrowing or a B/A Borrowing;

(v) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period"; and

(vi) if the resulting Borrowing is a B/A Borrowing, the Contract Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Contract Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the U.S. Borrower shall be deemed to have selected an Interest Period of one month's duration. If any

such Interest Election Request requests a B/A Borrowing but does not specify a maturity date or Contract Period, then the Canadian Borrower shall be deemed to have selected a maturity date that is 30 days following the date of such B/A Borrowing.

(c) Promptly following receipt of an Interest Election Request, the applicable Administrative Agent shall advise each applicable Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(d) If the U.S. Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. If the Canadian Borrower fails to deliver a timely Interest Election Request with respect to a B/A Borrowing prior to the maturity date applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Contract Period such Borrowing shall be converted to a Canadian Prime Rate Borrowing.

(e) Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the U.S. Administrative Agent, at the request of the Required Lenders, so notifies the Borrowers, then so long as an Event of Default is continuing, (i) each outstanding Eurodollar Loan shall be converted to or continued as an ABR Loan on the last day of its Interest Period and any additional Eurodollar Loans shall be made as ABR Loans and (ii) each outstanding B/A Borrowing shall be converted or continued as a Canadian Prime Rate Loan on its maturity date and any additional C $ Revolving Loans shall be made as Canadian Prime Rate Loans. The foregoing is without prejudice to the other rights and remedies available hereunder upon an Event of Default.

SECTION 2.08. Termination and Reduction of Commitments. (a) The Tranche A Commitments and Tranche B Commitments shall terminate at 5:00 p.m., New York City time, on the Closing Date. The Delayed Draw Commitments shall terminate at 5:00 p.m., New York City time, on the Delayed Draw Commitment Termination Date. Prior to the termination thereof in full, the Delayed Draw Term Commitments shall be automatically and permanently reduced at 5:00 p.m., New York City time, on each Delayed Draw Term Loan Closing Date, by an aggregate principal amount equal to the aggregate principal amount of the Delayed Draw Term Loans made on such date. Unless previously terminated, the Revolving Commitments and the Additional Revolving Commitments shall terminate on the Revolving Maturity Date.

(b) The U.S. Borrower or the Canadian Borrower, as applicable, may at any time terminate, or from time to time reduce, the Delayed Draw Commitments, the U.S. $ Revolving Commitments, the C $ Revolving Commitments or the Additional Revolving Commitments, provided that (i) each partial reduction of the Delayed Draw Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $2,000,000 (or, if less, the remaining amount of the Delayed Draw Commitments), (ii) each partial reduction of any of the U.S. $ Revolving Commitments, the C $ Revolving Commitments or the Additional Revolving Commitments shall be in an amount that is an integral multiple of $500,000 and not less than $1,000,000 (or, if less, the remaining amount of the applicable Commitment), (iii) the Total U.S. $ Revolving Commitment shall not be reduced to an amount that is less than the aggregate U.S. $ Revolving Exposure of the U.S. $ Revolving Lenders at the time, (iv) the Total C $ Revolving Commitment shall not be reduced to an amount that is less than the aggregate C $ Revolving Exposure of the C $ Revolving Lenders at the time and (v) the Total Additional Revolving Commitment shall not be reduced to an amount that is less than the aggregate principal amount of Additional Revolving Loans outstanding at such time.

(c) The applicable Borrower shall notify the applicable Administrative Agent of any election to terminate or reduce the Delayed Draw Commitments, the U.S. $ Revolving Commitments, the C $ Revolving Commitments or the Additional Revolving Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any such notice, the applicable Administrative Agent shall advise the relevant Lenders of the contents thereof. Each notice delivered by either of the Borrowers pursuant to this Section shall be irrevocable, provided that a notice of termination with respect to any Revolving Commitment or Additional Revolving Commitment may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by such Borrower (by notice to the applicable Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Delayed Draw Commitments or the U.S. $ Revolving Commitments and, subject to Section 2.22, the C $ Revolving Commitments or the Additional Revolving Commitments shall be permanent. Each reduction of the Delayed Draw Commitments, the U.S. $ Revolving Commitments, the C $ Revolving Commitments and the Additional Revolving Commitments shall be made

ratably among the Delayed Draw Lenders, the U.S. $ Revolving Lenders, the C $ Revolving Lenders and the Additional Revolving Lenders in accordance with their respective Delayed Draw Commitments, U.S. $ Revolving Commitments, C $ Revolving Commitments and Additional Revolving Commitments. The applicable Borrower shall pay to the applicable Administrative Agent for the account of the applicable Lenders, on the date of each termination or reduction (including pursuant to Section 2.22), the Commitment Fees and, to the extent applicable, Participation Fees on the amount of the Commitments so terminated or reduced accrued to but excluding the date of such termination or reduction.

SECTION 2.09. Repayment of Loans; Evidence of Debt. (a) Each Borrower hereby unconditionally promises to pay, without regard to any rights of setoff or counterclaim, (i) to the U.S. Administrative Agent for the account of each U.S. $ Revolving Lender the then unpaid principal amount of each U.S. $ Revolving Loan of such Lender on the earlier of the date of termination of the U.S. $ Revolving Commitments and the Revolving Maturity Date, (ii) to the U.S. Administrative Agent for the account of each Additional Revolving Lender the then unpaid principal amount of each Additional Revolving Loan of such Lender on the earlier of the date of termination of the Additional Revolving Commitment and the Revolving Maturity Date, (iii) to the U.S. Administrative Agent for the account of each Term Loan Lender the then unpaid principal amount of each Term Loan of such Lender as provided in Section 2.10, (iv) to the U.S. Swingline Lender the then unpaid principal amount of each U.S. $ Swingline Loan on the earliest of the date of termination of the U.S. $ Revolving Commitments and the Revolving Maturity Date, (v) to the Canadian Administrative Agent for the account of each C $ Revolving Lender the then unpaid principal amount of each C $ Revolving Loan of such Lender on the earlier of the date of termination of the C $ Revolving Commitments and the Revolving Maturity Date and (vi) to the Canadian Swingline Lender the then unpaid principal amount of each C $ Swingline Loan on the earliest of the date of termination of the C $ Revolving Commitments and the Revolving Maturity Date, provided that (A) on each date that a U.S. $ Revolving Borrowing is made, the U.S. Borrower shall repay all U.S. $ Swingline Loans then outstanding and (B) on each date that a C $ Revolving Borrowing is made, the Canadian Borrower shall repay all C $ Swingline Loans then outstanding.

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

(c) The applicable Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made and the Credit Facility under which each Loan is made hereunder, (ii) the Type of each Loan made and the Interest Period (if a Eurodollar Borrowing) or maturity date and Contract Period (if a B/A Borrowing) applicable thereto, (iii) with respect to each C $ Revolving Loan, (A) the Denomination Date for such Loan, (B) the Assigned Dollar Value for such Loan and (C) the Spot Exchange Rate used to calculate such Assigned Dollar Value, (iv) the amount of any principal or interest due and payable or to become due and payable from the applicable Borrower to each Lender hereunder and (v) the amount of any sum received by such Administrative Agent hereunder from the applicable Borrower and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein, provided that the failure of any Lender or the Administrative Agents to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans of any Class made by it be evidenced by a promissory note. In such event, the applicable Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the applicable Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.10. Amortization of Term Loans. (a) Subject to adjustment pursuant to paragraph (e) of this Section, the U.S. Borrower shall repay Tranche A Term Borrowings on each date set forth below in the aggregate principal amount set forth opposite such date:

Date	Amount
March 31, 1999	$1,000,000
June 30, 1999	$1,000,000
September 30, 1999	$1,000,000
December 31, 1999	$1,000,000
March 31, 2000	$2,000,000
June 30, 2000	$2,000,000
September 30, 2000	$2,000,000
December 31, 2000	$2,000,000
March 31, 2001	$3,000,000
June 30, 2001	$3,000,000
September 30, 2001	$3,000,000
December 31, 2001	$3,000,000
March 31, 2002	$4,000,000
June 30, 2002	$4,000,000
September 30, 2002	$4,000,000
December 31, 2002	$4,000,000
March 31, 2003	$5,000,000
June 30, 2003	$5,000,000
September 30, 2003	$5,000,000
December 31, 2003	$5,000,000
March 31, 2004	$10,000,000
Tranche A Maturity Date	$10,000,000

(b) Subject to adjustment pursuant to paragraph (e) of this Section, the U.S. Borrower shall repay Tranche B Term Borrowings on each date set forth below in the aggregate principal amount set forth opposite such date:

Date	Amount
September 30, 1998	$250,000
December 31, 1998	$250,000
March 31, 1999	$125,000
June 30, 1999	$125,000
September 30, 1999	$125,000
December 31, 1999	$125,000
March 31, 2000	$125,000
June 30, 2000	$125,000
September 30, 2000	$125,000
December 31, 2000	$125,000
March 31, 2001	$125,000
June 30, 2001	$125,000
September 30, 2001	$125,000
December 31, 2001	$125,000
March 31, 2002	$125,000
June 30, 2002	$125,000
September 30, 2002	$125,000
December 31, 2002	$125,000
March 31, 2003	$125,000
June 30, 2003	$125,000
September 30, 2003	$125,000
December 31, 2003	$125,000
March 31, 2004	$125,000
June 30, 2004	$125,000
September 30, 2004	$125,000
December 31, 2004	$125,000
March 31, 2005	$8,550,000
June 30, 2005	$8,550,000
September 30, 2005	$8,550,000
December 31, 2005	$8,550,000
March 31, 2006	$26,150,000
Tranche B Maturity Date	$26,150,000

(c) Subject to adjustment pursuant to paragraph (e) of this Section, the U.S. Borrower shall repay Delayed Draw Term Borrowings on each date set forth below in the aggregate principal amount set forth opposite such date:

Date	Amount
March 31, 2002	$6,250,000
June 30, 2002	$6,250,000
September 30, 2002	$6,250,000
December 31, 2002	$6,250,000
March 31, 2003	$6,250,000
June 30, 2003	$6,250,000
September 30, 2003	$6,250,000
December 31, 2003	$6,250,000
March 31, 2004	$6,250,000
June 30, 2004	$6,250,000
September 30, 2004	$6,250,000
December 31, 2004	$6,250,000
March 31, 2005	$12,500,000
Delayed Draw Maturity Date	$12,500,000

(d) To the extent not previously paid, (i) all Tranche A Term Loans shall be due and payable on the Tranche A Maturity Date, (ii) all Tranche B Term Loans shall be due and payable on the Tranche B Maturity Date and (iii) all Delayed Draw Term Loans shall be due and payable on the Delayed Draw Maturity Date.

(e) During the Delayed Draw Availability Period, scheduled repayments of Delayed Draw Term Borrowings shall be made on the last day of each fiscal quarter of the U.S. Borrower on which Delayed Draw Borrowings are outstanding in an aggregate principal amount equal to 1/4 of 1% of the Delayed Draw Term Borrowings outstanding on such date, provided that scheduled repayments of the Delayed Draw Term Borrowings to be made pursuant to Section 2.10(c) shall be reduced ratably by an amount equal to the aggregate amount of such repayments. If the initial aggregate amount of the Lenders' Delayed Draw Term Commitments exceeds the aggregate principal amount of Delayed Draw Term Loans that are made during the Delayed Draw Availability Period, then the scheduled repayments of the Delayed Draw Term Borrowings to be made pursuant to this Section shall be reduced ratably by an aggregate amount equal to such excess. Any prepayment of a Term Borrowing of any Class shall be applied to reduce the subsequent scheduled repayments of the Term Borrowings of such Class to be made pursuant to this Section ratably, provided that any prepayment made pursuant to Section 2.11(c) shall be applied, first to reduce the next four quarterly scheduled repayments of the Term Borrowings of such Class in order of maturity and, second, as otherwise provided in this Section 2.10(e).

(f) Prior to any repayment of any Term Borrowings of any Class hereunder, the U.S. Borrower shall select the Borrowing or Borrowings of the applicable Class to be repaid and shall notify the U.S. Administrative Agent by telephone (confirmed by telecopy) of such selection not later than 11:00 a.m., New York City time, three Business Days before the scheduled date of such repayment. Each repayment of a Term Borrowing shall be applied ratably to the Loans included in the repaid Borrowing. Repayments of Term Borrowings shall be accompanied by accrued interest on the amount repaid.

SECTION 2.11. Prepayment of Loans. (a) Each Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to the requirements of this Section.

(b) In the event and on each occasion that any Net Proceeds are received by or on behalf of Parent, the Borrowers or any Subsidiary in respect of any Prepayment Event, the U.S. Borrower shall, immediately after such Net Proceeds are received, prepay Term Borrowings and, subject to paragraph (d), repay Revolving Borrowings and Additional Revolving Borrowings, cash collateralize Letters of Credit and reduced unused Delayed Draw Commitments, in an aggregate amount equal to such Net Proceeds.

(c) Following the end of each fiscal year of Parent, commencing with the fiscal year ending December 31, 1999, the U.S. Borrower shall prepay Term Borrowings and, subject to paragraph (d), repay Revolving Borrowings and Additional Revolving Borrowings, cash collateralize Letters of Credit and reduced unused Delayed Draw Commitments, in an aggregate amount equal to 75% of Excess Cash Flow for such fiscal year, provided that such percentage shall be reduced from 75% to 50% with respect to the mandatory prepayment under this paragraph (c) in respect of any fiscal year ending on or after December 31, 2000, if at any time during such year the U.S. Borrower's long-term senior unsecured debt is rated BBB- or higher by S&P or Baa3 or higher by Moody's. Each prepayment pursuant to this paragraph shall be made on or before the date on which financial statements are delivered pursuant to Section 5.01 with respect to the fiscal year for which Excess Cash Flow is being calculated (and in any event within 90 days after the end of such fiscal year).

(d) Prior to any optional or mandatory prepayment of Borrowings hereunder, the U.S. Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to paragraph (e) of this Section. In the event of any optional or mandatory prepayment of Term Borrowings made at a time when Term Borrowings of more than one Class remain outstanding, the U.S. Borrower shall select Term Borrowings to be prepaid so that the aggregate amount of such prepayment is allocated between the Tranche A Term Borrowings, Tranche B Term Borrowings and Delayed Draw Term Borrowings ratably based on the aggregate principal amount of outstanding Borrowings of each such Class, provided that if such repayment is a mandatory prepayment pursuant to paragraph (b) or (c) of this Section, and to the extent Tranche A Term Loans remain outstanding on the prepayment date, each Tranche B Lender and Delayed Draw Lender may elect, by notice to the U.S. Administrative Agent by telephone (confirmed by telecopy) at least one Business Day prior to the prepayment date, to decline all or any portion of any prepayment of its Tranche B Term Loans or its Delayed Draw Term Loans pursuant to this Section, in which case the aggregate amount of the prepayment that would have been applied to prepay Tranche B Term Loans and Delayed Draw Term Loans but was so declined shall be applied to prepay Tranche A Term Borrowings. When there are no longer outstanding Term Loans, mandatory prepayments will be applied to (i) reduce Revolving Loans and Additional Revolving Borrowings ratably based on the aggregate

principal amount of outstanding Borrowings of each such Class, (ii) following the prepayment of all such outstanding Revolving Loans and Additional Revolving Loans, to cash-collateralize outstanding Letters of Credit under the Revolving Facilities and (iii) after all such Letters of Credit have been cash collateralized in an amount equal to 100% of the LC Exposure, then to reduce unused Commitments under the Delayed Draw Term Facility (to the extent such Commitments remain outstanding).

(e) Each of the Borrowers shall notify the applicable Administrative Agent (and, in the case of prepayment of Swingline Loans, the U.S. Swingline Lender or the Canadian Swingline Lender, as applicable) by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment, (iii) in the case of prepayment of a Canadian Prime Rate Borrowing not later than 11:00 a.m., Toronto time, three Business Days before the date of prepayment, or (iv) in the case of prepayment of Swingline Loans, not later than 11:00 a.m., New York City time or Toronto time, as the case may be, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment, provided that, if a notice of optional prepayment is given in connection with a conditional notice of termination of the U.S. $ Revolving Commitments, C $ Revolving Commitments, Delayed Draw Commitments or Additional Revolving Commitments as contemplated by Section 2.08, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.08. Promptly following receipt of any such notice (other than a notice relating solely to the Swingline Loans), the applicable Administrative Agent shall advise the relevant Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13.

(f) If, on any Reset Date, the aggregate C $ Revolving Exposure (expressed in Dollars) exceeds an amount equal to 105% of the Total C $ Revolving Commitment, then (A) the Canadian Administrative Agent shall give notice thereof to the C $ Revolving Lenders and the Borrowers and (B) the U.S. Borrower shall, or shall cause the Canadian Borrower to, on the next succeeding Business Day, apply an amount equal to such excess to repay or prepay outstanding C $ Revolving Borrowings (or cash collateralize Bankers' Acceptances or C $ Letters of Credit in accordance with paragraph (g) below).

(g) All repayments or prepayments of C $ Revolving Borrowings under this Section 2.11 shall be applied first, to repay or prepay the C $ Swingline Loans, second, to repay or prepay outstanding C $ Revolving Loans that are Canadian Prime Rate Loans, and third, to cash collateralize outstanding Bankers' Acceptances, B/A Equivalent Notes and C $ Letters of Credit, on terms and subject to documentation satisfactory to the Canadian Administrative Agent as security for the Canadian Borrower's obligations under such Bankers' Acceptances, B/A Equivalent Notes and C $ Letters of Credit until the maturity and repayment of such Bankers' Acceptances, B/A Equivalent Notes and C $ Letters of Credit. Notwithstanding anything herein to the contrary, no Bankers' Acceptance or B/A Equivalent Note may be prepaid prior to the maturity date thereof, except as provided in Article VII.

SECTION 2.12. Fees. (a) The U.S. Borrower agrees to pay, or to cause the Canadian Borrower to pay, as applicable, (i) to the U.S. Administrative Agent for the account of each Delayed Draw Lender, U.S. $ Revolving Lender and Additional Revolving Lender a commitment fee (a "U.S. $ Commitment Fee"), which shall accrue at the Applicable Rate on the average daily unused amount of the Delayed Draw Commitment, U.S. $ Revolving Commitment or Additional Revolving Commitment of such Lender during the period from and including the Closing Date (or, in the case of the Additional Revolving Commitment, the first day that a reallocation of Commitments pursuant to Section 2.22 shall become effective) to but excluding the date on which such Delayed Draw Commitment, U.S. $ Revolving Commitment or Additional Revolving Commitment terminates and (ii) to the Canadian Administrative Agent, for the account of each C $ Revolving Lender a commitment fee (the "Canadian Commitment Fee" and, together with the U.S. $ Commitment Fee, the "Commitment Fees"), which shall accrue at the Applicable Rate on the average daily unused amount of the C $ Revolving Commitment of such Lender during the period from and including the Closing Date to but excluding the date on which such C $ Revolving Commitment terminates. Accrued Commitment Fees shall be payable in arrears on the last Business Day of March, June, September and December of each year and on the date on which the U.S. $ Revolving Commitments, the C $ Revolving Commitments or Additional Revolving Commitments, as applicable, terminate, commencing on the first such date to occur after the date hereof. All Commitment Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing the

Commitment Fees, (i) a U.S. $ Revolving Commitment of a U.S. $ Revolving Lender shall be deemed to be used to the extent of the outstanding U.S. $ Revolving Loans and U.S. $ LC Exposure of such Lender (and the U.S. $ Swingline Exposure of such Lender shall be disregarded for such purpose), and (ii) a C $ Revolving Commitment of a C $ Revolving Lender shall be deemed to be used to the extent of the outstanding C $ Revolving Loans and C $ LC Exposure of such Lender (and the C $ Swingline Exposure of such Lender shall be disregarded for such purpose).

(b) The U.S. Borrower agrees to pay (i) to the U.S. Administrative Agent for the account of each U.S. $ Revolving Lender a participation fee (a "U.S. $ LC Participation Fee") with respect to its participations in U.S. $ Letters of Credit, which shall accrue (A) in the case of standby U.S. $ Letters of Credit, at the same Applicable Rate as is used to determine the rate of interest on Eurodollar U.S. $ Revolving Loans and (B) in the case of trade U.S. $ Letters of Credit, at 60% of such Applicable Rate, in each case on the average daily amount of such U.S. $ Revolving Lender's U.S. $ LC Exposure (excluding any portion thereof attributable to unreimbursed U.S. $ LC Disbursements) during the period from and including the Closing Date to but excluding the later of the date on which such Lender's U.S. $ Revolving Commitment terminates and the date on which such Lender ceases to have any U.S. $ LC Exposure, and (ii) to each U.S. Issuing Bank, a fronting fee (a "U.S. Fronting Fee"), which shall accrue at the rate that shall be agreed upon in writing by the U.S. Borrower and such U.S. Issuing Bank on the average daily amount of the portion of the U.S. $ LC Exposure (excluding any portion thereof attributable to unreimbursed U.S. $ LC Disbursements) attributable to U.S. $ Letters of Credit issued by such U.S. Issuing Bank, in each case during the period from and including the Closing Date to but excluding the later of the date of termination of the U.S. $ Revolving Commitments and the date on which there ceases to be any U.S. $ LC Exposure, as well as such U.S. Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any U.S. $ Letter of Credit or processing of drawings thereunder.

(c) The U.S. Borrower agrees to pay, or to cause the Canadian Borrower to pay (i) to the Canadian Administrative Agent for the account of each C $ Revolving Lender a participation fee (a "C $ LC Participation Fee" and, together with the U.S. $ LC Participation Fee, the "Participation Fees") with respect to its participations in C $ Letters of Credit, which shall accrue in the case of C $ Letters of Credit, at the same Applicable Rate as is used to determine the rate of interest on C $ Revolving Loans during the period from and including the Closing Date to but excluding the later of the date on which such Lender's C $ Revolving Commitment terminates and the date on which such Lender ceases to have any C $ LC Exposure, and (ii) to each Canadian Issuing Bank, a fronting fee (a "Canadian Fronting Fee" and, together with the U.S. Fronting Fee, the "Fronting Fees"), which shall accrue at the rate that shall be agreed upon in writing by the Canadian Borrower and such Canadian Issuing Bank on the average daily amount of the portion of the C $ LC Exposure (excluding any portion thereof attributable to unreimbursed C $ LC Disbursements) attributable to C $ Letters of Credit issued by such Canadian Issuing Bank, in each case during the period from and including the Closing Date to but excluding the later of the date of termination of the C $ Revolving Commitments and the date on which there ceases to be any C $ LC Exposure, as well as such Canadian Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any C $ Letter of Credit or processing of drawings thereunder.

(d) Participation Fees and Fronting Fees accrued through and including the last Business Day of March, June, September and December of each year shall be payable on such day, commencing on September 30, 1998, provided that all such fees with respect to any Revolving Commitment shall be payable on the date on which such Revolving Commitment terminates and any such fees accruing after the date on which such Revolving Commitment terminates shall be payable on demand. Any other fees payable to the Issuing Banks pursuant to (b) and (c) above shall be payable within 10 days after demand by such U.S. Issuing Bank or Canadian Issuing Bank. All Participation Fees and Fronting Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(e) The U.S. Borrower agrees to pay to the U.S. Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon in writing between the U.S. Borrower and the U.S. Administrative Agent.

(f) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the applicable Administrative Agent (or to the U.S. Issuing Bank or Canadian Issuing Bank, as applicable, in the case of fees payable to the Issuing Banks), for distribution, in the case of Commitment Fees and Participation Fees, to the Revolving Lenders entitled thereto. All Fees payable to the U.S. Administrative Agent, the U.S. Issuing Bank, the U.S. Swingline Lender, the Term Lenders, the U.S. $ Revolving Lenders and the Additional Revolving Lenders shall be payable in Dollars, and all Fees payable to the Canadian Admini-

strative Agent, the Canadian Issuing Bank, the Canadian Swingline Lender and the C $ Revolving Credit Lenders shall be payable in Canadian Dollars. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) The Loans comprising any Canadian Prime Rate Borrowing shall bear interest at the Canadian Prime Rate plus the Applicable Rate.

(d) The Loans comprising each B/A Borrowing shall be subject to an Acceptance Fee calculated and payable at a rate per annum equal to the applicable B/A Spread from time to time in effect and payable as set forth in Section 2.20.

(e) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrowers hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, to the extent permitted by law, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR U.S. $ Revolving Loans as provided in paragraph (a) of this Section.

(f) Accrued interest on each Loan (other than pursuant to a B/A Borrowing) shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of U.S. $ Revolving Loans, C $ Revolving Loans and Additional Revolving Loans, upon termination of the U.S. $ Revolving Commitments, the C $ Revolving Commitments and the Additional Revolving Commitments, as the case may be, provided that (i) interest accrued pursuant to paragraph (e) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR U.S. $ Revolving Loan or Additional Revolving Loan, as the case may be, prior to the end of the U.S. $ Revolving Availability Period or the Additional Revolving Loan Availability Period, as the case may be), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(g) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to (i) the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate and (ii) the Canadian Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or Canadian Prime Rate for each day, or Adjusted LIBO Rate for each Interest Period, shall be determined by the U.S. Administrative Agent or the Canadian Administrative Agent (in the case of Canadian Prime Rate Borrowings), and such determination shall be conclusive absent manifest error. The applicable Administrative Agent shall give the applicable Borrower prompt notice of each such determination.

(h) For the purposes of the Interest Act (Canada) and disclosure thereunder, whenever interest to be paid hereunder or in connection herewith is to be calculated on the basis of a year of 360 days or any other period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by either 360 or such other period of time, as the case may be. The rates of interest under this Agreement are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement.

(i) If any provision of this Agreement would oblige the Canadian Borrower to make any payment of interest or other amount payable to any C $ Revolving Lender in respect of any C $ Revolving Loan made by such C $ Revolving Lender in an amount or calculated at a rate that would be prohibited by law or would result in a receipt by such C $ Revolving Lender of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case

may be, as would not be so prohibited by law or so result in a receipt by such C $ Revolving Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary, as follows:

(i) first, by reducing the amount or rate of interest or the amount or rate of any Acceptance Fee required to be paid to the affected C $ Revolving Lender under this Section 2.13; and

(ii) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the affected C $ Revolving Lender that would constitute interest for purposes of Section 347 of the Criminal Code (Canada).

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing or the Contract Period for a B/A Borrowing the U.S. Administrative Agent (in the case of a Term Loan or U.S. $ Revolving Loan) or the Canadian Administrative Agent (in the case of a C $ Revolving Loan) shall have determined (a) that deposits in the principal amounts of the Loans comprising such Borrowing and in the currency in which such Loans are to be denominated are not generally available in the London interbank market or in the Canadian market for bankers' acceptances, as applicable, or that the rates at which such deposits are being offered will not adequately and fairly reflect the cost to the Majority Lenders in respect of the affected Credit Facility of making or maintaining its Eurodollar Loan during such Interest Period or (b) its B/A Borrowing or B/A Equivalent Note during such Contract Period, as applicable, or that reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the Discount Rate, as applicable, such Administrative Agent shall, as soon as practicable thereafter, give written or telecopy notice of such determination to the applicable Borrower and the applicable Lenders. In the event of any such determination, until the applicable Administrative Agent shall have advised the applicable Borrower and the applicable Lenders that the circumstances giving rise to such notice no longer exist, any request by the U.S. Borrower or the Canadian Borrower for a Eurodollar Borrowing or a B/A Borrowing, as applicable, pursuant to Section 2.03 or 2.07 shall be deemed to be a request for an ABR Borrowing (if a Eurodollar Borrowing has been requested) or a Canadian Prime Rate Loan (if a B/A Borrowing had been requested). Each determination by the Administrative Agents hereunder shall be conclusive absent manifest error.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate), any U.S. Issuing Bank or any Canadian Issuing Bank; or

(ii) impose on any Lender, any U.S. Issuing Bank or any Canadian Issuing Bank, as the case may be, or the London interbank market or any other relevant market any other condition affecting this Agreement, any U.S. $ Letter of Credit or C $ Letter of Credit (or any participation with respect thereto), any Eurodollar Loans or any C $ Revolving Loans;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan or any C $ Revolving Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, such U.S. Issuing Bank or Canadian Issuing Bank, as the case may be, of participating in, issuing or maintaining any U.S. $ Letter of Credit or C $ Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, such U.S. Issuing Bank or Canadian Issuing Bank, as the case may be, hereunder (whether of principal, interest or otherwise), then the U.S. Borrower will pay (or cause the Canadian Borrower to pay) to such Lender, such U.S. Issuing Bank or such Canadian Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender, such U.S. Issuing Bank or Canadian Issuing Bank, for such additional costs incurred or reduction suffered.

(b) If any Lender or any of the Issuing Banks determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by any of the Issuing Banks, to a level below that which such Lender or any of the Issuing Banks or such Lender's or any of the Issuing Banks' holding companies could have achieved but for such Change in Law (taking into consideration such Lender's or any of the Issuing Banks' policies and the policies of such Lender's or any of the Issuing Banks' holding companies with respect to capital adequacy), then from time to time the U.S. Borrower will pay (or cause the Canadian Borrower to pay) to such Lender or any of the Issuing Banks such additional amount or amounts as will compensate such Lender or such Issuing Banks or such Lender's or such Issuing Banks' holding companies for any such reduction suffered.

(c) A certificate of a Lender, U.S. Issuing Bank or Canadian Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or their respective holding companies, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the U.S. Borrower (with a copy to the Administrative Agents) and shall be conclusive absent manifest error. The U.S. Borrower shall pay (or cause the Canadian Borrower to pay) such Lender or such Issuing Banks, as applicable, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or any of the Issuing Banks to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or any Issuing Banks' right to demand such compensation, provided that the U.S. Borrower shall not be required to compensate a Lender or any Issuing Banks pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender, any Issuing Banks (or the U.S. Administrative Agent, as applicable), notifies the U.S. Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Banks' intention to claim compensation therefor, and provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan or Bankers' Acceptance other than on the last day of an Interest Period or Contract Period applicable thereto (including as a result of an Event of Default), (b) the conversion of, or the exchange pursuant to Article IX of, any Eurodollar Loan or Bankers' Acceptance other than on the last day of the Interest Period or Contract Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Revolving Loan or Term Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.08(c) and is revoked in accordance therewith) or (d) the assignment of any Eurodollar Loan or Bankers' Acceptance other than on the last day of the Interest Period or Contract Period applicable thereto as a result of a request by the applicable Borrower pursuant to Section 2.19, then, in any such event, the applicable Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan or Bankers' Acceptance, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate or the B/A Spread that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period or Contract Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period or Contract Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the LIBO Rate or the B/A Spread at the commencement of such period. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the applicable Borrower and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof, provided that the applicable Borrower shall not be required to pay to a Lender any amount under this Section for any loss, cost or expense attributable to an event that occurred more than 180 days prior to the date the applicable Borrower receives such certificate from such Lender. Nothing in this Section 2.16 shall be construed to permit a voluntary prepayment of a B/A Borrowing other than on the last day of an Interest Period.

SECTION 2.17. Taxes. (a) Any and all payments by or on account of any obligation of any Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes, provided that if any Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the applicable Administrative Agent, Lender, U.S. Issuing Bank or Canadian Issuing Bank (as the case may be) shall receive an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable Borrower shall make such deductions and (iii) the applicable Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the applicable Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The applicable Borrower shall indemnify the applicable Administrative Agent, each Lender and each U.S. Issuing Bank or Canadian Issuing Bank, within 30 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by such Administrative Agent, such Lender or such U.S. Issuing Bank or Canadian Issuing Bank, as applicable on or with respect to any payment by or on account of any obligation of the applicable Borrower hereunder or under any other Loan Document (including

Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the applicable Borrower by a Lender or a U.S. Issuing Bank or Canadian Issuing Bank, or by the applicable Administrative Agent on its own behalf or on behalf of a Lender, a U.S. Issuing Bank or a Canadian Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by either of the Borrowers to a Governmental Authority, such Borrower shall deliver to the U.S. Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the U.S. Administrative Agent.

(e) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 2.17 shall survive the payment in full of principal and interest hereunder, the expiration of the U.S. $ Letters of Credit and the C $ Letters of Credit and the termination of the Commitments.

(f) Upon the written request of either of the Borrowers, each Lender promptly will provide to such Borrower and to the applicable Administrative Agent, or file with the relevant taxing authority (with a copy to the applicable Administrative Agent) such form, certification or similar documentation that it is legally able to provide (each duly completed, accurate and signed) as is required by the relevant jurisdiction in order to obtain an exemption from, or reduced rate of Taxes or Other Taxes to which such Lender or the applicable Administrative Agent is entitled pursuant to an applicable tax treaty or the law of the relevant jurisdiction, provided, however, such Lender will not be required to (i) disclose information, that in its reasonable judgment, it deems confidential or proprietary or (ii) incur a disadvantage if such disadvantage would, in its reasonable judgment, be substantial.

(g) If either Administrative Agent or any Lender receives a refund with respect to Indemnified Taxes or Other Taxes paid by either of the Borrowers, which refund is (in the sole discretion of such Lender) allocable to such payment, such Administrative Agent or such Lender, as applicable, shall promptly pay such refund, to such Borrower, net of all out-of-pocket expenses of such Administrative Agent or the applicable Lender incurred in obtaining such refund; provided, however, that such Borrower agrees to promptly return such refund (together with any interest or penalties imposed by the applicable Governmental Authority on such amounts) to such Administrative Agent or the applicable Lender, as applicable, if such Borrower receives notice from such Administrative Agent or applicable Lender that such Administrative Agent or Lender is required to repay such refund. In no event may amounts payable under this Section 2.17(g) exceed the amount of Indemnified Taxes previously paid by the Borrowers to such Administrative Agent or such Lender, as applicable.

(h) Nothing contained in this Section 2.17 shall require any Lender or any U.S. Issuing Bank, any Canadian Issuing Bank or the Administrative Agents to make available any of its tax returns (or any other information that it deems to be confidential or proprietary).

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) Each of the Borrowers shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or reimbursement of U.S. $ LC Disbursements or C $ LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 12:00 noon, local time at the place of payment, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the U.S. Administrative Agent or the Canadian Administrative Agent, as applicable, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All payments to the U.S. Administrative Agent shall be made c/o The Loan and Agency Services Group at its offices at One Chase Manhattan Plaza, 8th Floor, New York, New York, 10081, except payments to be made directly to a U.S. Issuing Bank or the U.S. Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 10.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. All payments to the Canadian Administrative Agent shall be made c/o Royal Bank of Canada, Correspondent Banking Division, Financial Institution Account Services, 180 Wellington Street, 6th Floor, Toronto, Ontario M5J2J5, except payments to be made directly to a Canadian Issuing Bank or the Canadian Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 10.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the

Persons specified therein. The applicable Administrative Agent shall distribute any such payments received by either of them for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

(b) If at any time insufficient funds are received by and available to (i) the U.S. Administrative Agent to pay fully all amounts of principal, unreimbursed U.S. $ LC Disbursements, interest and fees then due with respect to the U.S. $ Revolving Commitments and the U.S. $ Revolving Loans hereunder, such funds shall be applied (A) first, towards payment of interest and fees then due hereunder with respect thereto, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (B) second, towards payment of principal and unreimbursed U.S. $ LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed U.S. $ LC Disbursements then due to such parties, (ii) the Canadian Administrative Agent to pay fully all amounts of principal, unreimbursed C $ LC Disbursements, interest and fees then due with respect to the C $ Revolving Commitments and the C $ Revolving Loans hereunder, such funds shall be applied (A) first, towards payment of interest and fees then due hereunder with respect thereto, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (B) second, towards payment of principal and unreimbursed C $ LC Disbursements then due with respect to the C $ Revolving Commitments and C $ Revolving Loans hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed C $ LC Disbursements then due to such parties and (iii) the U.S. Administrative Agent to pay fully all amounts of principal, interest and fees then due with respect to the Additional Revolving Commitments and Additional Revolving Loans hereunder, such funds shall be applied (A) first, towards payment of interest and fees then due hereunder with respect thereto, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties and (B) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its U.S. $ Revolving Loans, C $ Revolving Loans, Additional Revolving Loans, Term Loans, participations in U.S. $ LC Disbursements or C $ LC Disbursements or participations in U.S. $ Swingline Loans or C $ Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its U.S. $ Revolving Loans, C $ Revolving Loans, Additional Revolving Loans, Term Loans, participations in U.S. $ LC Disbursements or C $ LC Disbursements and participations in U.S. $ Swingline Loans or C $ Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the U.S. $ Revolving Loans, C $ Revolving Loans, Additional Revolving Loans, Term Loans, participations in U.S. $ LC Disbursements or C $ LC Disbursements and participations in U.S. $ Swingline Loans or C $ Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective U.S. $ Revolving Loans, C $ Revolving Loans, Additional Revolving Loans, Term Loans, participations in U.S. $ LC Disbursements or C $ LC Disbursements and participations in U.S. $ Swingline Loans or C $ Swingline Loans, provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in U.S. $ LC Disbursements or C $ LC Disbursements to any assignee or participant, other than to the Borrowers or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrowers consent to the foregoing and agree, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrowers rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrowers in the amount of such participation.

(d) Unless the applicable Administrative Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to such Administrative Agent for the account of the Lenders or the Issuing Banks hereunder that the applicable Borrower will not make such payment, the applicable Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Banks, as applicable, the amount due. In such event, if the applicable Borrower has not in fact made such payment, then each of the Lenders or the applicable Issuing Banks, as applicable, severally agrees to repay to the applicable Administrative Agent forthwith on demand the amount so distributed to such Lender or such

Issuing Banks with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the applicable Administrative Agent, (i) in the case of payments to the U.S. Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the U.S. Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) in the case of payments to the Canadian Administrative Agent, the greater of a rate determined by the Canadian Administrative Agent to represent its cost of overnight or short-term funds and a rate in accordance with applicable banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(c), 2.04A(c), 2.05(d) or (e), 2.05A(d) or (e), 2.06(b), 2.18(d) or 10.03(c), then the applicable Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the such Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.15, or if either of the Borrowers is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts but shall be under no obligation either to designate a different lending office for funding or booking its Loans hereunder to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Each of the Applicable Borrower and the Canadian Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.15, or if either of the Borrowers is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender defaults in its obligation to fund Loans hereunder, then the applicable Borrower may, at its sole expense and effort, upon notice to such Lender and the applicable Administrative Agent require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that (i) the applicable Borrower shall have received the prior written consent of the applicable Administrative Agent (and, if a U.S. $ Revolving Commitment is being assigned, the U.S. Issuing Bank and the U.S. Swingline Lender and, if a C $ Revolving Commitment is being assigned, the Canadian Issuing Bank and the Canadian Swingline Lender), which consent, in each case, shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, participations in U.S. $ LC Disbursements and C $ LC Disbursements, as applicable, and participations in U.S. $ Swingline Loans and C $ Swingline Loans, as applicable, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the applicable Borrower (in the case of all other amounts), and (iii) at the time of such assignment, no Default has occurred and is continuing. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the applicable Borrower to require such assignment and delegation cease to apply.

SECTION 2.20. Bankers' Acceptances. (a) Subject to the terms and conditions of this Agreement, the Canadian Borrower may request a C $ Revolving Borrowing by presenting drafts for acceptance and purchase as B/As by the C $ Revolving Lenders.

(b) To facilitate B/A Borrowings, the Canadian Borrower hereby appoints each C $ Revolving Lender as its attorney to sign and endorse on its behalf, in handwriting or by facsimile or mechanical signature as and when deemed necessary by such Lender, blank forms of B/As in the form requested by such Lender. In this respect, it is each C $ Revolving Lender's responsibility to maintain an adequate supply of blank forms of B/As for acceptance under this Agreement. The Canadian Borrower recognizes and agrees that all B/As signed and/or endorsed on its behalf by a C $ Revolving Lender shall bind the Canadian Borrower as fully and effectually as if signed in the handwriting of and duly issued by the proper signing officers of the Canadian Borrower. Each C $ Revolving Lender is hereby authorized to issue such B/As endorsed in blank in such face amounts as may be determined by such Lender, provided that the aggregate amount thereof is equal to the aggregate amount of B/As required to be accepted and purchased by such Lender. No C $ Revolving Lender shall be liable for any damage, loss or other claim arising by reason of any loss or improper use of any such instrument except the gross negligence or wilful misconduct of such Lender or its officers, employees,

agents or representatives. Each C $ Revolving Lender shall maintain a record with respect to B/As (i) received by it in blank hereunder, (ii) voided by it for any reason, (iii) accepted and purchased by it hereunder and (iv) canceled at their respective maturities. Each C $ Revolving Lender further agrees to retain such records in the manner and for the statutory periods provided in the various provincial or federal statutes and regulations that apply to such Lender. Each C $ Revolving Lender agrees to provide a copy of such records to the Canadian Borrower at the Canadian Borrower's expense upon request. On request by or on behalf of the Canadian Borrower, a C $ Revolving Lender shall cancel all forms of B/A that have been pre-signed or pre-endorsed on behalf of the Canadian Borrower and that are held by such Lender and are not required to be issued in accordance with the Canadian Borrower's irrevocable notice.

(c) Drafts of the Canadian Borrower to be accepted as B/As hereunder shall be signed as set forth in this Section 2.20. Notwithstanding that any person whose signature appears on any B/A may no longer be an authorized signatory for any C $ Revolving Lender or the Canadian Borrower at the date of issuance of a B/A, such signature shall nevertheless be valid and sufficient for all purposes as if such authority had remained in force at the time of such issuance and any such B/A so signed shall be binding on the Canadian Borrower.

(d) Promptly following receipt of a Borrowing Request or notice of rollover pursuant to Section 2.03 by way of B/As, the Canadian Administrative Agent shall so advise the C $ Revolving Lenders and shall advise each C $ Revolving Lender of the aggregate face amount of the B/As to be accepted by it and the applicable Contract Period (which shall be identical for all C $ Revolving Lenders). The aggregate face amount of the B/As to be accepted by a C $ Revolving Lender shall be a whole multiple of $100,000, and such face amount shall be in the C $ Revolving Lenders' pro rata portions of such C $ Revolving Borrowing, provided that the Canadian Administrative Agent may in its sole discretion increase or reduce any C $ Revolving Lender's portion of such B/A Borrowing to the nearest $100,000.

(e) Upon acceptance of a B/A by a C $ Revolving Lender, such Lender shall purchase, or arrange the purchase of, each B/A from the Canadian Borrower at the Discount Rate for such Lender applicable to such B/A accepted by it and provide to the Canadian Administrative Agent the Discount Proceeds for the account of the Borrower. The Acceptance Fee payable by the Canadian Borrower to a C $ Revolving Lender under Section 2.06 in respect of each B/A accepted by such Lender shall be set off against the Discount Proceeds payable by such Lender under this Section 2.20.

(f) Each C $ Revolving Lender may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all B/As accepted and purchased by it.

(g) If a C $ Revolving Lender is not a chartered bank under the Bank Act (Canada) or if a C $ Revolving Lender notifies the Canadian Administrative Agent in writing that it is otherwise unable to accept Bankers' Acceptances, such Lender will, instead of accepting and purchasing Bankers' Acceptances, purchase from the Canadian Borrower a non-interest bearing note (a "B/A Equivalent Note"), in the form of Exhibit J, issued by the Canadian Borrower in the amount and for the same term as the draft that such Lender would otherwise have been required to accept and purchase hereunder, at a purchase price calculated on the same basis as Bankers' Acceptances are discounted pursuant to this Agreement. Each such Lender will provide to the Canadian Administrative Agent the proceeds of such purchase for the account of the Canadian Borrower. The Canadian Borrower will, upon purchase of a B/A Equivalent Note, pay to the Canadian Administrative Agent on behalf of the C $ Revolving Lender that purchased from the Canadian Borrower the B/A Equivalent Note an Acceptance Fee in respect of such B/A Equivalent Note. The Acceptance Fee payable by the Canadian Borrower to a C $ Revolving Lender under this Section 2.20(g) in respect of each B/A Equivalent Note purchased by such Lender shall be set off against the Discount Proceeds payable by such Lender under this Section 2.20(g).

(h) With respect to each B/A Borrowing, at or before 10:00 a.m., Toronto time, one Business Day before the maturity date of such B/As, the Canadian Borrower shall notify the Canadian Administrative Agent at the Canadian Administrative Agent's address set forth in Section 10.01 by irrevocable telephone notice, followed by a notice of rollover on the same day, if the Canadian Borrower intends to issue B/As on such maturity date to provide for the payment of such maturing B/As. If the Canadian Borrower fails to notify the Canadian Administrative Agent of its intention to issue B/As on such maturity date, the Canadian Borrower shall provide payment to the Canadian Administrative Agent on behalf of the C $ Revolving Lenders of an amount equal to the aggregate face amount of such B/As on the maturity date of such B/As. If the Canadian Borrower fails to make such payment, such maturing B/As shall, subject to satisfaction of the conditions set forth in Section 4.02, be deemed to have been converted on their maturity date into a Canadian Prime Rate Loan in an amount equal to the face amount of such B/A as provided in Section 2.07 and the Canadian Borrower shall on demand pay any losses, costs or penalties that may have been incurred by the

Canadian Administrative Agent or any C $ Revolving Lender due to the failure of the Canadian Borrower to make such payment.

(i) The Canadian Borrower waives presentment for payment and any other defense, in respect of a B/A accepted and purchased by it pursuant to this Agreement, that might exist solely by reason of such B/A being held, at the maturity thereof, by such Lender in its own right and the Canadian Borrower agrees not to claim any days of grace if such Lender as holder sues the Canadian Borrower on the B/A for payment of the amount payable by the Canadian Borrower thereunder. On the specified maturity date of a B/A, or such earlier date as may be required or permitted pursuant to the provisions of this Agreement, the Canadian Borrower shall pay, through the Canadian Administrative Agent, the C $ Revolving Lender that has accepted and purchased such B/A the full face amount of such B/A and after such payment, the Canadian Borrower shall have no further liability in respect of such B/A and such Lender shall be entitled to all benefits of, and be responsible for all payments due to third parties under, such B/A.

(j) If a C $ Revolving Lender grants a participation in a portion of its rights under this Agreement to a participant under Section 10.04(f), then in respect of any B/A Borrowing, a portion thereof may, at the option of such Lender, be by way of Bankers' Acceptance accepted by such participant. In such event, the Canadian Borrower shall upon request of the Canadian Administrative Agent or the C $ Revolving Lender granting the participation execute and deliver a form of Bankers' Acceptance undertaking in favor of such participant for delivery to such participant.

SECTION 2.21. Spot Exchange Rate Calculations. (a)(i) Not later than 2:00 p.m., Toronto time, on each Calculation Date, the Canadian Administrative Agent shall (A) determine the Spot Exchange Rate as of such Calculation Date with respect to Canadian Dollars if at such time C $ Revolving Loans are then outstanding and (B) give notice thereof to the Canadian Borrower and the C $ Revolving Lenders.

(ii) The Spot Exchange Rates determined pursuant to this Section 2.21(a) shall become effective on the second Business Day immediately following the relevant Calculation Date (a "Reset Date") and shall remain effective until the next succeeding Reset Date.

(b) Not later than 2:00 p.m., Toronto time, on the Business Day immediately following the delivery of any notice pursuant to Section 2.08(b) or 2.11(g) in connection with the repayment of C $ Revolving Loans, the Canadian Administrative Agent shall (i) determine as of such date the Assigned Dollar Value, based on the Spot Exchange Rate then in effect, of each C $ Revolving Loan then outstanding (after giving effect to any C $ Revolving Loan repaid in connection therewith) and (ii) notify the Canadian Borrower and the C $ Revolving Lenders of the results of such determination.

SECTION 2.22. Reallocation. (a) Subject to Section 2.22(b), the Borrowers may, from time to time, from and after July 1, 1998, until the earlier of (i) the Revolving Maturity Date and (ii) the termination of the C $ Revolving Commitments and the Additional Revolving Commitments, upon giving an irrevocable joint written notice (each, a "Reallocation Notice") to the Canadian Administrative Agent and the U.S. Administrative Agent at least ten Business Days prior to the beginning of the next calendar quarter of the Canadian Administrative Agent (including, with respect to any reallocation to be effective as of July 1, 1998, the calendar quarter ended June 1998), temporarily reduce (but not below zero), in whole or in part, the C $ Revolving Commitments or the Additional Revolving Commitments, as applicable. Each reduction in the C $ Revolving Commitments shall result in an automatic corresponding increase in the Additional Revolving Commitments, and each reduction in the Additional Revolving Commitments shall result in an automatic and corresponding increase in the C $ Revolving Commitments. Any amount of C $ Revolving Commitments reallocated under this Section 2.22(a) to Additional Revolving Commitments will not be available to the Canadian Borrower, and any amount of Additional Revolving Commitments reallocated under this Section 2.22(a) to C $ Revolving Commitments will not be available to the U.S. Borrower, in each case unless and until such amounts are reallocated back to the C $ Revolving Commitments or the Additional Revolving Commitments, as applicable, in accordance with the terms and subject to the conditions of this Section 2.22.

(b) The Borrowers shall be permitted to reallocate the C $ Revolving Commitments and the Additional Revolving Commitments in accordance with this Section 2.22 subject to the conditions that (i) any such reallocation shall only be made on, and be effective as of, the first day of a calendar quarter of the Canadian Administrative Agent, (ii) each partial reallocation shall be in an integral multiple of $1,000,000 (or, if less, the remaining amount of the applicable Commitments being reduced), (iii) the Total C $ Revolving Commitment shall not be reduced to an amount that is less than the aggregate C $ Revolving Exposure of the C $ Revolving Lenders at such time, (iv) the Total Additional Revolving Commitment shall not be reduced to an amount that is less than the aggregate principal amount of Additional Revolving Loans outstanding at such time and (v) on the date of any reduction of the Additional Revolving Commitments (and a corresponding

increase in the C $ Revolving Commitments), (A) the representations and warranties set forth in each Loan Document shall be true and correct in all material respects with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, and (B) immediately after giving effect to such reduction and corresponding increase no Default or Event of Default shall have occurred and be continuing.

(c) Each Reallocation Notice shall specify the amount (expressed in Dollars) of any (i) reduction in the C $ Revolving Commitments and the corresponding increase in the Additional Revolving Commitments or (ii) reduction in the Additional Revolving Commitments and the corresponding increase in the C $ Revolving Commitments. Each reduction in the C $ Revolving Commitments and each increase in the C $ Revolving Commitments (if the C $ Revolving Commitments at such time are greater than zero) shall be made ratably among the C $ Revolving Lenders based on their respective C $ Revolving Commitments. Each increase in the C $ Revolving Commitments (if the C $ Revolving Commitments at such time are equal to zero) shall be made ratably among the C $ Revolving Lenders based on their respective Additional Revolving Commitments, provided that, for this purpose, the Additional Revolving Commitment of any C $ Revolving Lender that makes Additional Revolving Loans through its Designated U.S. Affiliate shall be deemed to be equal to the Additional Revolving Commitment of such Designated U.S. Affiliate. Each reduction in the Additional Revolving Commitments and each increase in the Additional Revolving Commitments (if the Additional Revolving Commitments at such time are greater than zero) shall be made ratably among the Additional Revolving Lenders based on their respective Additional Revolving Commitments. Each increase in the Additional Revolving Commitments (if the Additional Revolving Commitments at such time are equal to zero) shall be made ratably among the Additional Revolving Lenders based on their respective C $ Revolving Commitments, provided that, for this purpose, the C $ Revolving Commitment of any Additional Revolving Lender that is a Designated U.S. Affiliate shall be deemed to be equal to the C $ Revolving Commitment of its Affiliate that is a C $ Revolving Lender. Promptly after receiving a Reallocation Notice, the Canadian Administrative Agent or the U.S. Administrative Agent, as applicable, shall notify each C $ Revolving Lender and Additional Revolving Lender, as applicable, of the amount of its C $ Revolving Commitment or Additional Revolving Commitment, as applicable, to be reallocated pursuant to this Section 2.22 and the date of such reallocation.

(d) Notwithstanding anything to the contrary contained in this Agreement, (i) the Additional Revolving Commitments shall be available to the U.S. Borrower in addition to the U.S. $ Revolving Commitments, (ii) Swingline Loans and Letters of Credit are not available under the Additional Revolving Commitments and (iii) the Additional Revolving Lenders shall be entitled to the same rights and subject to the same obligations with respect to the Additional Revolving Commitments as are the U.S. $ Revolving Lenders with respect to the U.S. $ Revolving Commitments.

ARTICLE III

Representations and Warranties

Each of Parent and the Borrowers represents and warrants to the Lenders that with respect to itself and its subsidiaries, that:

SECTION 3.01. Organization; Powers. Each of Parent, the Borrowers and the Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Enforceability. The Transactions to be entered into by each Loan Party are within such Loan Party's corporate powers and have been duly authorized by all necessary corporate and, if required, stockholder action. This Agreement has been duly executed and delivered by each of Parent and the Borrowers and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of Parent, the Borrowers or such Loan Party (as the case may be), enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, and an implied covenant of good faith and fair dealing.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental

Authority, except (i) such as have been obtained or made and are in full force and effect or which the failure to obtain could not reasonably be expected to have a Material Adverse Effect, (ii) filings necessary to perfect Liens created under the Loan Documents, (iii) filings necessary to perfect Liens created in connection with any Permitted Receivables Financing and (iv) filings in connection with the issuance of the Senior Subordinated Notes or the Senior Discount Notes, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of Parent, the Borrowers or any of the Subsidiaries or any order of any Governmental Authority, (c) will not violate or result in a default under any material indenture, agreement or other instrument binding upon Parent, the Borrowers or any of the Subsidiaries or their assets, or give rise to a right thereunder to require any payment to be made by Parent, the Borrowers or any of the Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of Parent, the Borrowers or any of the Subsidiaries, except Liens created under the Loan Documents and in connection with any Permitted Receivables Financing.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) Each of Parent and the Borrowers has heretofore furnished to the Lenders its consolidated balance sheets and statements of income, stockholders' equity and cash flows (i) as of and for the fiscal year ended December 31, 1997, reported on by Coopers & Lybrand L.L.P., independent public accountants, and (ii) as of and for the fiscal quarter and the portion of the fiscal year ended March 31, 1998, certified by its Financial Officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of each of Parent and its consolidated subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Parent has heretofore furnished to the Lenders its pro forma consolidated balance sheet as of March 31, 1998, prepared giving effect to the Transactions as if the Transactions had occurred on such date. Such pro forma estimated consolidated balance sheet (i) has been prepared in good faith based on the same assumptions used to prepare the pro forma financial statements included in the Information Memorandum (which assumptions are believed by Parent and the U.S. Borrower to be reasonable) and (ii) presents fairly, in all material respects, the pro forma financial position of Parent and its consolidated subsidiaries as of the Closing Date as if the Transactions had occurred on such date.

(c) Except as disclosed in the financial statements referred to above or the notes thereto or in the Information Memorandum, after giving effect to the Transactions, none of Parent, the Borrowers or the Subsidiaries has, as of the Closing Date, any material contingent liabilities, unusual long-term commitments or unrealized losses.

(d) Since December 31, 1997, there has been no material adverse change in the business, assets, operations, properties or financial condition or, as of the Closing Date only, prospects of Parent, the Borrowers and the Subsidiaries, taken as a whole.

SECTION 3.05. Properties. (a) Each of Parent, the Borrowers and the Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business (including its Mortgaged Properties), except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes and except as could not reasonably be expected to have a Material Adverse Effect.

(b) Each of Parent, the Borrowers and the Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by Parent, the Borrowers and the Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(c) Schedule 3.05 sets forth the address of each real property that is owned or leased by Parent, the Borrowers or any of the Subsidiaries as of the Closing Date after giving effect to the Transactions.

(d) As of the Closing Date, none of Parent, the Borrowers or any of the Subsidiaries has received written notice of, and no Financial Officer of Parent, the Borrowers or any Subsidiary has knowledge of, any pending or contemplated condemnation proceeding affecting any Mortgaged Property or any sale or disposition thereof in lieu of condemnation. Neither any Mortgaged Property nor any interest therein is subject to any right of first refusal, option or other contractual right to purchase such Mortgaged Property or interest therein except such rights or options that, individually and in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of Parent or the Borrowers, threatened against or affecting Parent, the Borrowers or any of the Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that could reasonably be expected to have a Material Adverse Effect on the consummation of the Transactions.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, none of Parent, the Borrowers or any of the Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received written notice of any claim with respect to any Environmental Liability or (iv) knows of any facts, circumstances or conditions that could reasonably be expected to form the basis for any Environmental Liability.

(c) Since the date of this Agreement, to the U.S. Borrower's and the Canadian Borrower's knowledge, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

SECTION 3.07. Compliance with Laws and Agreements. Each of Parent, the Borrowers and the Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.08. Investment and Holding Company Status. None of Parent, the Borrowers or any of the Subsidiaries is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regula tion under, the Public Utility Holding Company Act of 1935.

SECTION 3.09. Taxes. Each of Parent, the Borrowers and the Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which Parent, the Borrowers or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan in an amount that would be likely to result in a Materially Adverse Effect, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans in an amount that would be likely to result in a Materially Adverse Effect. Each Foreign Pension Plan is in compliance in all material respects with the applicable laws of any foreign jurisdictions and no Foreign Pension Plan has any unfunded liabilities which, individually or in the aggregate, would be likely to result in a Materially Adverse Effect.

SECTION 3.11. Disclosure. (a) There is no fact known to Parent or the Borrowers that could reasonably be expected to result in a Material Adverse Effect that has not been disclosed herein or in any document, certificate or agreement furnished to the Lenders in connection with the Transactions. None of the reports, financial statements, certificates or other information furnished by or on behalf of the Investor Group or any Loan Party to the Administrative Agents or any Lender in connection with the negotiation of this Agreement or any other Loan Document or delivered hereunder or thereunder (as modified or supplemented by other information so furnished prior to the time when this representation is being made or deemed made) other than projected financial information, taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The projections and pro forma financial information contained in the information and data referred to in paragraph (a) above were based on good faith estimates and assumptions believed by such Persons to be reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results.

SECTION 3.12. Subsidiaries. As of the Closing Date, Parent does not have any subsidiaries other than the subsidiaries listed on Schedule 3.12. Schedule 3.12 sets forth the name of, and the direct or indirect ownership interest of Parent in, each subsidiary listed thereon as of the Closing Date.

SECTION 3.13. Insurance. Schedule 3.13 sets forth a description of all insurance maintained by or on behalf of Parent, the Borrowers and the Subsidiaries as of the Closing Date.

SECTION 3.14. Labor Matters. As of the Closing Date, there are no strikes, lockouts or slowdowns against Parent, the Borrowers or any Subsidiary pending or, to the knowledge of Parent or either of the Borrowers, threatened, except those that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. None of Parent, the Borrowers or any Subsidiary is engaged in any unfair labor practice that could reasonably be expected to have a Material Adverse Effect. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which Parent, the Borrowers or any Subsidiary is bound other than collective bargaining agreements that, individually and in the aggregate, are not material to Parent, the Borrowers and the Subsidiaries taken as a whole.

SECTION 3.15. Solvency. With respect to the time that is immediately after the consummation of the Transactions to occur on the Closing Date and immediately following the making of each Loan made on the Closing Date and after giving effect to the application of the proceeds of such Loans, (i) the fair value of the assets of Parent and its subsidiaries on a consolidated basis, at a fair valuation, will exceed the debts and liabilities of Parent and its subsidiaries on a consolidated basis, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of Parent and its subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability of the debts and other liabilities of Parent and its subsidiaries on a consolidated basis, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) Parent and its subsidiaries on a consolidated basis will be able to pay the debts and liabilities of Parent and its subsidiaries on a consolidated basis, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) Parent and its subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the Closing Date.

SECTION 3.16. Security Documents. (a) When executed and delivered, the Pledge Agreements (and/or, as applicable, in the case of the Canadian Borrower, the Canadian Borrower Subsidiaries or the Foreign Subsidiaries, the making of requisite filings or registrations) will be effective to create in favor of the applicable Collateral Agent, for the ratable benefit of the applicable Secured Parties, a legal, valid and enforceable security interest in the Collateral (as defined in the applicable Pledge Agreement) and, when the portion of the Collateral constituting certificated securities (as defined in the Uniform Commercial Code or such other local law as may apply) is delivered to the applicable Collateral Agent (and/or, as applicable, in the case of the Canadian Borrower, the Canadian Borrower Subsidiaries or the Foreign Subsidiaries, the requisite filings or registrations are made), the Pledge Agreements shall constitute a fully perfected first priority Lien on, and security interest in, all right, title and interest of the pledgor thereunder in such Collateral, in each case prior and superior in right to any other Person.

(b) The Security Agreements are effective to create in favor of the applicable Collateral Agent, for the ratable benefit of the applicable Secured Parties, a legal, valid and enforceable security interest in the Collateral (as defined in the applicable Security Agreement) and, when financing statements or such other filings required by local law in appropriate form are filed in the offices specified on Schedule 6 to each of the Perfection Certificates, the Security Agreements shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the grantors thereunder in such Collateral to the extent perfection can be obtained by filing Uniform Commercial Code financing statements or such other filings required by local law (and/or, as applicable, in the case of the Canadian Borrower, the Canadian Borrower Subsidiaries and the Foreign Subsidiaries, the making of requisite filings or registrations), other than the Intellectual Property (as defined in the applicable Security Agreements) in which a security interest may be perfected by filing, recording or registering a security agreement, financing statement or analogous document in the United States Patent and Trademark Office, the United States Copyright Office or in such other office or with such other authority as required by local law, as applicable, in each case prior and superior in right to any other Person to

the extent perfection can be obtained by filing Uniform Commercial Code financing statements or other such filings as may be required by local law, other than with respect to Liens expressly permitted by Section 6.02.

(c) When the U.S. Security Agreement is filed in the United States Patent and Trademark Office and the United States Copyright Office, the security interest created thereunder shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Intellectual Property (as defined in the U.S. Security Agreement) in which a security interest may be perfected by filing, recording or registering a security agreement, financing statement or analogous document in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, in each case prior and superior in right to any other Person, other than with respect to the rights of Persons pursuant to Liens expressly permitted by Section 6.02 (it being understood that subsequent recordings in the United States Patent and Trademark Office and the United States Copyright Office may be necessary to perfect a lien on registered trademarks, trademark applications and copyrights acquired by the Loan Parties after the date hereof).

(d) The Mortgages are effective to create, subject to the exceptions listed in each title insurance policy covering such Mortgage, in favor of the U.S. Collateral Agent or the Canadian Collateral Agent, as applicable, as security for the Obligations secured thereby, a legal, valid and enforceable Lien on all of the Loan Parties' right, title and interest in and to the Mortgaged Properties thereunder and the proceeds thereof, and when the Mortgages are filed in the offices specified on Schedule 3.16(d), the Mortgages shall constitute a Lien on, and security interest in, all right, title and interest of the Loan Parties in such Mortgaged Properties and the proceeds thereof, in each case prior and superior in right to any other person, other than with respect to the rights of Persons pursuant to Liens expressly permitted by Section 6.02.

SECTION 3.17. Federal Reserve Regulations. (a) None of Parent, the Borrowers or any of the Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(b) No part of the proceeds of any Loan or any Letter of Credit will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation T, U or X.

SECTION 3.18. Recapitalization. (a) The Recapitalization Agreement has been duly authorized, executed and delivered by Parent and Investor, and constitutes a legal, valid and binding obligation of each such entity, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, and an implied covenant of good faith and fair dealing. A true, correct and complete copy of the Recapitalization Agreement has been furnished to the U.S. Administrative Agent.

(b) As of the Closing Date, each of the representations and warranties made by Parent and Investor in the Recapitalization Agreement is true and correct in all material respects.

SECTION 3.19. Capitalization of Parent. As of the date of this Agreement, the authorized capital stock of Parent consists of 2,000,000 shares of Class A Common Stock, par value $.01 per share, of which 1,026,510 shares are issued and outstanding, and 2,000,000 shares of Class B Common Stock, par value $.01 per share, of which no shares are outstanding. All such outstanding shares of stock are fully paid and nonassessable.

SECTION 3.20. Year 2000 Compliance. To the best of Parent's and the Borrowers' knowledge, any reprogramming required to permit the proper functioning, in and following the year 2000, of (a) the computer systems of Parent, the Borrowers and any of the Subsidiaries and (b) equipment containing embedded microchips and the testing of all such systems and equipment, as so reprogrammed, will be completed in all material respects by June 30, 1999. To the best of Parent's and the Borrowers' knowledge, the cost to Parent, the Borrowers and any of the Subsidiaries of such reprogramming and testing and of the reasonably foreseeable consequences of year 2000 to Parent, the Borrowers and any of the Subsidiaries (including reprogramming errors and the failure of others' systems or equipment) will not result in a Default or a Material Adverse Effect.

ARTICLE IV

Conditions

SECTION 4.01. Closing Date. The obligations of the Lenders to make Loans and of any Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.02):

(a) The U.S. Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the U.S. Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The U.S. Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agents and the Lenders and dated the Closing Date) of each of (i) Debevoise & Plimpton, counsel for Parent and the Borrowers prior to the Recapitalization, substantially in the form of Exhibit B-1, (ii) Simpson Thacher & Bartlett, special New York counsel for, prior to the Recapitalization, Investor and, immediately following the consummation of the Recapitalization, Parent and the Borrowers, substantially in the form of Exhibit B-2, (iii) Jeffrey B. Kramp, General Counsel of Parent, substantially in the form of Exhibit B-3, (iv) Amster, Rothstein & Ebenstein, special counsel for Parent and the Borrowers, substantially in the form of Exhibit B-4, (v) U.S. local counsel for the U.S. Administrative Agent, substantially in the form of Exhibit C-1, (vi) Canadian local counsel for the Canadian Administrative Agent, substantially in the form of Exhibit C-2 and (vii) Canadian local counsel for Parent and the Borrowers, substantially in the form of Exhibit C-2 and, in the case of each such opinion required by this paragraph, covering such other matters relating to the Loan Parties, the Loan Documents or the Transactions as the Required Lenders shall reasonably request. Parent and the Borrowers hereby request such counsel to deliver such opinions to the U.S. Administrative Agent or its counsel.

(c) The U.S. Administrative Agent shall have received such documents and certificates as the U.S. Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of each Loan Party, the authorization of the Transactions and any other legal matters relating to the Loan Parties, the Loan Documents or the Transactions, all in form and substance reasonably satisfactory to the U.S. Administrative Agent and its counsel.

(d) The U.S. Administrative Agent shall have received a certificate, dated the Closing Date and signed by the President, a Vice President or a Financial Officer of the U.S. Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(e) The Administrative Agents shall have received all fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by any Loan Party hereunder or under any other Loan Document.

(f) The U.S. Administrative Agent shall have received counterparts of the U.S. Pledge Agreement signed on behalf of Parent, the U.S. Borrower, the Canadian Borrower and the Subsidiaries, together with stock certificates representing all the outstanding shares of capital stock of the U.S. Borrower, the Canadian Borrower and the Subsidiaries owned by or on behalf of Parent, the U.S. Borrower, the Canadian Borrower and the Subsidiaries as of the Closing Date after giving effect to the Transactions (except that, with respect to the Obligations of the U.S. Borrower, stock certificates representing shares of common stock of the Canadian Borrower, the Canadian Borrower Subsidiaries and any Foreign Subsidiary may be limited to 65% of the outstanding shares of common stock of the Canadian Borrower, the Canadian Borrower Subsidiaries and any Foreign Subsidiary), promissory notes evidencing all intercompany Indebtedness owed to any applicable Loan Party by the U.S. Borrower, any U.S. Borrower Subsidiary, the Canadian Borrower or any Foreign Subsidiary (other than the U.S. Receivables Subsidiary) as of the Closing Date after giving effect to the Transactions and undated stock powers and instruments of transfer, endorsed in blank, with respect to such stock certificates and promissory notes.

(g) The U.S. Administrative Agent shall have received counterparts of the U.S. Security Agreement signed on behalf of Parent, the U.S. Borrower and each Domestic U.S. Borrower Subsidiary, together with the following:

(i) all documents and instruments, including Uniform Commercial Code financing statements, required by law, or reasonably requested by the U.S. Administrative Agent, to be filed, registered or recorded to create or perfect the Liens intended to be created under the U.S. Security Agreement; and

(ii) a completed Perfection Certificate dated the Closing Date and signed by an executive officer or Financial Officer of each of Parent and the U.S. Borrower, together with all attachments contemplated thereby, including the results of a search of the Uniform Commercial Code (or equivalent) filings made with respect to Parent, the U.S. Borrower and the U.S. Borrower Subsidiaries in the jurisdictions contemplated by the Perfection Certificate and copies of the financing statements (or similar documents) disclosed by such search and evidence reasonably satisfactory to the U.S. Administrative Agent that the Liens indicated by such financing statements (or similar documents) are permitted by Section 6.02 or have been released.

(h) The Canadian Administrative Agent shall have received counterparts of the Canadian Security Agreement signed on behalf of the Canadian Borrower, each Canadian Borrower Subsidiary and each Foreign Subsidiary, together with the following:

(i) all documents and instruments, including financing statements or other such documents, filings or instruments required by local law or reasonably requested by the Canadian Administrative Agent, to be filed, registered or recorded to create or perfect the Liens intended to be created under the Canadian Security Agreement; and

(ii) a completed Perfection Certificate dated the Closing Date and signed by an executive officer or Financial Officer of each of the Canadian Borrower and the Canadian Borrower Subsidiaries, together with all attachments contemplated thereby, including the results of a lien search made with respect to the Canadian Borrower and each of the Canadian Borrower Subsidiaries in the jurisdictions contemplated by the Perfection Certificate and copies of the results disclosed by such search and evidence reasonably satisfactory to the Canadian Administrative Agent that the Liens indicated by such financing statements (or similar documents) are permitted by Section 6.02 or have been released.

(i) The U.S. Administrative Agent shall have received (i) counterparts of the Parent Guarantee Agreement signed on behalf of Parent, (ii) counterparts of the U.S. Borrower Guarantee Agreement signed on behalf of the U.S. Borrower, (iii) counterparts of the U.S. Subsidiary Guarantee Agreement signed on behalf of each Domestic U.S. Borrower Subsidiary (other than the U.S. Receivables Subsidiary), (iv) counterparts of the Canadian Subsidiary Guarantee Agreement signed on behalf of each Canadian Borrower Subsidiary, (v) counterparts of the Canadian Affiliate Guarantee Agreement signed on behalf of each Foreign Subsidiary and (vi) counterparts of the Indemnity, Subrogation and Contribution Agreement signed on behalf of the U.S. Borrower and each Domestic U.S. Borrower Subsidiary.

(j) The U.S. Administrative Agent shall have received evidence satisfactory to it that the insurance required by Section 5.07 is in effect.

(k) The Recapitalization shall be consummated simultaneously with the closing under this Agreement in accordance with applicable law and the Recapitalization Agreement and with related documentation reasonably satisfactory to the Lenders, and the Lenders shall be reasonably satisfied with the capitalization, structure and equity ownership of Parent, the Borrowers and the Subsidiaries after giving effect to the Transactions.

(l) (i) The U.S. Borrower shall have received not less than $300,000,000 in gross cash proceeds from the issuance of the Senior Subordinated Notes; and (ii) Parent shall have received not less than $50,000,000 in gross cash proceeds from the issuance of the Senior Discount Notes.

(m) Cypress and certain of its Affiliates shall have contributed the Contributed Amount to Investor.

(n) The consummation of the Transactions shall not (i) violate any applicable law, statute, rule or regulation or (ii) conflict with, or result in a default or event of default under, any material agreement of Parent, the Borrowers or any of the Subsidiaries that will be in effect following the consummation of the Recapitalization.

(o) The Administrative Agents and the Documentation Agent shall be reasonably satisfied that the Transaction Costs shall not exceed $60,000,000.

(p) All loans outstanding, interest thereon and other amounts due and payable under the Existing Credit Agreements and the Existing Notes and under each other agreement related thereto shall have been repaid in full, and the U.S. Administrative Agent shall have received duly executed documentation, in form and substance reasonably satisfactory to it, evidencing or necessary for (i) the termination of the Existing Credit Agreements and the Existing Notes and (ii) the cancelation of all related agreements, guarantees and security interests granted by Parent, the Borrowers, the Subsidiaries or any other Person in connection therewith and the discharge of all obligations or interests thereunder.

(q) After giving effect to the Transactions and the other transactions contemplated hereby, on the Closing Date, Parent, the Borrowers and the Subsidiaries shall have outstanding no indebtedness or capital stock other than (i) the Loans and other extensions of credit hereunder, (ii) the Senior Subordinated Notes, (iii) the Senior Discount Notes, (iv) the Assumed Debt, (v) the capital stock of the Borrowers and the Subsidiaries, all of which shall be owned by Parent, (vi) the Class A Common Stock and (vii) Indebtedness pursuant to any Permitted Receivables Financing.

(r) The U.S. Administrative Agent and the Documentation Agent shall have received a pro forma consolidated balance sheet of Parent required by Section 3.04(b), which balance sheet shall not be materially inconsistent with the forecasts previously provided to the U.S. Administrative Agent.

(s) The U.S. Administrative Agent shall have received a letter, in form and substance reasonably satisfactory to the Administrative Agents and the Documentation Agent, from Valuation Research Corporation together with such other evidence reasonably requested by the Lenders as to the solvency of Parent, the Borrowers and the Subsidiaries on a consolidated basis after giving effect to the Transactions and the consummation of the other transactions contemplated hereby.

(t) All requisite Governmental Authorities and third parties shall have approved or consented to the Transactions and the other transactions contemplated hereby to the extent required, all applicable appeal periods shall have expired and there shall be no action by any Governmental Authority, actual or threatened, that has a reasonable likelihood of restraining, preventing or imposing unduly burdensome conditions on the Transactions or the other transactions contemplated hereby.

(u) The Administrative Agents and the Documentation Agent shall be reasonably satisfied in all respects with any tax sharing agreements among, Parent, the Borrowers and the Subsidiaries after giving effect to the Transactions.

(v) The U.S. Administrative Agent shall have received (i) counterparts of a Mortgage with respect to each Mortgaged Property listed on Schedule 1.01(a), signed on behalf of the record owner of such Mortgaged Property, (ii) a policy or policies of title insurance issued by a nationally recognized title insurance company, insuring the Lien of each such Mortgage as a valid first Lien on the Mortgaged Property described therein, free of any other Liens except as permitted by Section 6.02, in form and substance reasonably acceptable to the Collateral Agents, together with such endorsements, coinsurance and reinsurance as the Collateral Agents or the Required Lenders may reasonably request, (iii) such current certified surveys as the Administrative Agents or the Required Lenders may reasonably request, (iv) a copy of the original permanent certificate or temporary certificate of occupancy as the same may have been amended or issued from time to time, covering each improvement located upon the Mortgaged Properties, that were required to have been issued by the appropriate Governmental Authority for such improvement and (v) written confirmation from the applicable zoning commission or other appropriate Governmental Authority stating that with respect to each Mortgaged Property as built it complies with existing land use and zoning ordinances, regulations and restrictions applicable to such Mortgaged Property to the extent each of Parent, the U.S. Borrower and the Canadian Borrower, as applicable, are able to obtain such written confirmation using commercially reasonable efforts.

(w) The initial closing under the Receivables Sale Agreements, the Receivables Pooling Agreement and the Receivables Supplemental Pooling Agreement shall have been consummated and the Borrowers shall have received an aggregate amount of not less than $250,000,000 as proceeds of the initial sale of receivables thereunder.

The U.S. Administrative Agent shall notify the Borrowers and the Lenders of the Closing Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of any of the Issuing Banks to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 10.02) at or prior to 5:00 p.m., New York City time, on June 5, 1998 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of any U.S. Issuing Bank or Canadian Issuing Bank to issue, amend, renew or extend any U.S. $ Letter of Credit or C $ Letter of Credit, as the case may be, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such U.S. $ Letter of Credit or C $ Letter of Credit, as applicable, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties, shall, to such extent, be true and correct in all material respects as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such U.S. $ Letter of Credit or C $ Letter of Credit, as applicable, no Default shall have occurred and be continuing.

(c) With respect to any Delayed Draw Term Borrowing, at the time of and immediately after giving effect to such Borrowing (and the Permitted Acquisition financed in connection therewith), the Senior Leverage Ratio shall not exceed (i) on any date prior to June 5, 2000, 4.20 to 1.00 and (ii) on June 5, 2000 or any date thereafter, 4.15 to 1.00.

(d) The U.S. Administrative Agent and, in the case of a C $ Revolving Borrowing, the Canadian Administrative Agent, shall have received a Borrowing Request executed by the U.S. Borrower, and, in the case of a C $ Revolving Borrowing, the Canadian Borrower.

Each Borrowing and each issuance, amendment, renewal or extension of a U.S. $ Letter of Credit or C $ Letter of Credit shall be deemed to constitute a representation and warranty by Parent and the Borrowers on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section and, with respect to any Delayed Draw Term Borrowing, paragraph (c) of this Section.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all U.S. $ LC Disbursements and C $ LC Disbursements shall have been reimbursed, each of Parent and the Borrowers covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. Each of Parent and the U.S. Borrower will furnish to the U.S. Administrative Agent and each Lender:

(a) within 90 days after the end of each fiscal year of each of Parent and the U.S. Borrower, its audited consolidated balance sheets and related statements of operations, stockholders' equity and cash flows as of the end of and (other than with respect to cash flows) for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Coopers & Lybrand L.L.P. or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of (i) Parent and its consolidated subsidiaries and (ii) the U.S. Borrower and its consolidated subsidiaries on a consolidated basis in accordance with GAAP consistently applied (except as noted therein);

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of each of Parent and the U.S. Borrower, its consolidated balance sheet and related statements of

operations, stockholders' equity and cash flows as of the end of and (other than with respect to cash flows) for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of (i) Parent and its consolidated subsidiaries and (ii) the U.S. Borrower and its consolidated subsidiaries on a consolidated basis in accordance with GAAP consistently applied (except as noted therein), subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the U.S. Borrower (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Sections 6.13, 6.14, 6.15 and 6.16 and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of Parent's and the U.S. Borrower's most-recently delivered audited financial statements and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) no later than 90 days after the end of each fiscal year of Parent (commencing with the fiscal year of Parent ending in December 1998), a detailed consolidated budget for such fiscal year (including a projected consolidated balance sheet and related statements of projected operations and cash flow as of the end of and for such fiscal year and for each fiscal quarter of such fiscal year);

(f) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Parent, the U.S. Borrower, the Canadian Borrower or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by Parent to its shareholders generally, as the case may be; and

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of Parent, the Borrowers or any Subsidiary, or compliance with the terms of any Loan Document, as the Administrative Agents or any Lender may reasonably request.

SECTION 5.02. Notices of Material Events. The U.S. Borrower, as soon as practicable after a Financial Officer or other executive officer of either of the Borrowers or Parent knows or reasonably should know thereof, will furnish to the U.S. Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting Parent, the Borrowers or any of their Affiliates that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of Parent, the U.S. Borrower and the Subsidiaries in an aggregate amount exceeding $5,000,000;

(d) the occurrence of any event or action that results in an unfunded liability that, alone or together with any other unfunded liabilities that have occurred in respect of a Foreign Pension Plan that could reasonably be expected to result in liability of Parent, the U.S. Borrower, the Canadian Borrower or any Subsidiary in an aggregate amount exceeding $5,000,000; and

(e) any other development that results in, or could (either in the reasonable judgment of the U.S. Borrower or in the reasonable judgment of the Person delivering such certificate) be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the U.S. Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Information Regarding Collateral. The U.S. Borrower will furnish to the U.S. Administrative Agent prompt written notice of any change (a) in any Loan Party's corporate name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties, (b) in the location of any Loan Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (c) in any Loan Party's identity or corporate structure or (d) in any Loan Party's Federal Taxpayer Identification Number. Parent and the Borrowers agree not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the U.S. Collateral Agent or the Canadian Collateral Agent, as applicable, to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral. Parent and the Borrowers also agree promptly to notify the U.S. Administrative Agent if any material portion of the Collateral is damaged or destroyed.

SECTION 5.04. Existence; Conduct of Business. Each of Parent and the Borrowers will, and will cause each of the Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business, provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.05. Payment of Obligations. Each of Parent and the Borrowers will, and will cause each of the Subsidiaries to, pay its Material Indebtedness and Tax liabilities before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) Parent, the Borrowers or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to pay could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.06. Maintenance of Properties. Each of Parent and the Borrowers will, and will cause each of the Subsidiaries to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

SECTION 5.07. Insurance. Each of Parent and the Borrowers will, and will cause each of the Subsidiaries to, at all times maintain in full force and effect insurance on all their property in at least such amounts and against at least such risks insured against in the same general area by companies engaged in the same or a similar business and such other insurance as may be required by law, provided that any self-insurance maintained by Parent, the Borrowers and the Subsidiaries pursuant to this Section 5.07 shall not exceed $10,000,000 in the aggregate. Each of Parent and the Borrowers will, and will cause each Subsidiary to, furnish to the U.S. Administrative Agent or the Canadian Administrative Agent, upon written request of the applicable Administrative Agent a summary of the insurance carried together with certificates of insurance and other evidence of such insurance, if any, naming the applicable Collateral Agent as an additional insured and/or loss payee.

SECTION 5.08. Casualty and Condemnation. (a) Parent and the Borrowers will furnish to the U.S. Administrative Agent and the Lenders prompt written notice of any casualty or other insured damage to any portion of any Collateral having a fair market value of $1,000,000 or more, or the commencement of any action or proceeding for the taking of any Collateral or any part thereof or interest therein under power of eminent domain or by condemnation or similar proceeding.

(b) If any event described in paragraph (a) of this Section results in Net Proceeds, the U.S. Administrative Agent is authorized to collect such Net Proceeds and, if received by Parent, either of the Borrowers or any Subsidiary, such Net Proceeds shall be paid over to the applicable Administrative Agent, provided that (i) if the aggregate Net Proceeds in respect of such event (other than proceeds of business interruption insurance) are less than $1,000,000, such Net Proceeds shall be paid over to the applicable Borrower unless a Default has occurred and is continuing, and (ii) all proceeds of business interruption insurance shall be paid over to the U.S. Borrower unless a Default has occurred and is continuing. All such Net Proceeds retained by or paid over to the applicable Administrative Agent shall be held by the applicable Administrative Agent and released from time to time to pay the costs of repairing, restoring or replacing the affected property in accordance with the terms of the applicable Security Document, subject to the provisions of the applicable Security Document regarding application of such Net Proceeds during a Default.

(c) If any Net Proceeds retained by or paid over to the applicable Administrative Agent as provided above continue to be held by such Administrative Agent on the date that is 18 months after the receipt of such Net Proceeds, then such Net Proceeds shall be applied to prepay Term Borrowings as provided in Section 2.11(b).

SECTION 5.09. Books and Records; Inspection and Audit Rights. Each of Parent and the Borrowers will, and will cause each of the Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all material dealings and transactions in relation to its business and activities. Each of Parent and the Borrowers will, and will cause each of the Subsidiaries to, permit any representatives designated by the U.S. Administrative Agent, the Canadian Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

SECTION 5.10. Compliance with Laws. Each of Parent and the Borrowers will, and will cause each of the Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.11. Use of Proceeds and Letters of Credit. The proceeds of the Tranche A Term Loans and Tranche B Term Loans will be used by the U.S. Borrower, together with (a) the net proceeds of the issuance of the Senior Subordinated Notes and the Senior Discount Notes and (b) the proceeds from the initial sale of Receivables under the Permitted Receivables Financing on the Closing Date, solely (i) to repay all amounts outstanding under the Existing Credit Agreements on the Closing Date, (ii) to repay in full the Existing Notes on the Closing Date and (iii) after such repayments, to make an intercompany loan to Parent to be used by Parent, together with the cash proceeds of the Stock Purchase, solely (A) to pay the Aggregate Redemption Price in accordance with the Recapitalization Agreement and (B) to pay the Transaction Costs. The proceeds of the Revolving Loans and Additional Revolving Loans will be used by the Borrowers for general corporate purposes, including the use for Permitted Acquisitions in an aggregate amount not to exceed $25,000,000 at any time outstanding. The proceeds of the Delayed Draw Term Loans will be used by the U.S. Borrower for Permitted Acquisitions. The proceeds of the Swingline Loans will be used only for general corporate purposes. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. Letters of Credit will be issued only for general corporate purposes.

SECTION 5.12. Additional Subsidiaries. If any additional direct or indirect Subsidiary is formed or acquired after the Closing Date, Parent will notify the applicable Administrative Agent thereof and (a) if such Subsidiary is a Domestic U.S. Borrower Subsidiary, Parent will cause such Subsidiary to become a party to the U.S. Subsidiary Guarantee Agreement, the Indemnity, Subrogation and Contribution Agreement and each other applicable U.S. Security Document in the manner provided therein within 30 Business Days after such Subsidiary is formed or acquired and promptly take such actions to create and perfect Liens on such Subsidiary's assets to secure the Obligations as the U.S. Administrative Agent or the Required Lenders shall reasonably request, (b) if such Subsidiary is a Canadian Borrower Subsidiary, Parent will cause such Subsidiary to become a party to the Canadian Subsidiary Guarantee Agreement and each other applicable Canadian Security Document in the manner provided therein within 30 Business Days after such Subsidiary is formed or acquired and promptly take such actions to create and perfect Liens on such Subsidiary's assets to secure the Obligations as the Canadian Administrative Agent or the Required Lenders shall reasonably request, (c) if such Subsidiary is a Foreign Subsidiary, Parent will cause such Subsidiary to become a party to the Canadian Security Agreement, the Canadian Affiliate Guarantee Agreement or the Canadian Borrower Subsidiary Agreement, as applicable, and each other applicable Security Document in the manner provided therein within 30 Business Days after such Subsidiary is formed or acquired and promptly take such actions to create and perfect liens on such Subsidiary's assets to secure the Obligations as the Administrative Agents or the Required Lenders shall reasonably request, (d) if any shares of capital stock or Indebtedness of any such additional Subsidiary are owned by or on behalf of any Loan Party, Parent will cause such shares and promissory notes evidencing such Indebtedness to be pledged pursuant to the applicable Pledge Agreement within 30 Business Days after such Subsidiary is formed or acquired (except that, if such Subsidiary is a Canadian Borrower Subsidiary or a Foreign Subsidiary, shares of common stock of such Subsidiary to be pledged pursuant to the U.S. Pledge Agreement to secure the obligations of the U.S. Borrower and the Domestic U.S. Borrower Subsidiaries may be limited to 65% of the outstanding shares of common stock of such Subsidiary).

SECTION 5.13. Further Assurances. (a) Each of Parent and the Borrowers will, and will cause each other Loan Party to, execute any and all further documents, financing statements, agreements and

instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), that may be required under any applicable law, or which the U.S. Administrative Agent, the Canadian Administrative Agent or the Required Lenders may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien (subject to Liens permitted by Section 6.02), all at the expense of the Loan Parties.

(b) If any material assets (including any real property or improvements thereto or any interest therein) are acquired (including by means of a Permitted Acquisition) by Parent, either of the Borrowers or any other Loan Party after the Closing Date (other than assets constituting Collateral under either of the Security Agreements that become subject to the Lien of either of the Security Agreements upon acquisition thereof), Parent and the Borrowers will notify the U.S. Administrative Agent, the Canadian Administrative Agent and the Lenders thereof, and, if requested by the U.S. Administrative Agent, the Canadian Administrative Agent or the Required Lenders, will cause such assets (except for Receivables of the Borrowers and certain of their subsidiaries party to the Receivables Sale Agreements that are sold pursuant to the Permitted Receivables Financing) to be subjected to a Lien securing the Obligations and will take, and cause such Loan Parties to take, such actions as shall be necessary or reasonably requested by the U.S. Administrative Agent or the Canadian Administrative Agent to grant and perfect such Liens, including actions described in paragraph (a) of this Section, all at the expense of the applicable Loan Parties.

SECTION 5.14. Landlord Consents. (a) Each of Parent and the Borrowers will, and will cause the Subsidiaries to, at its own expense, use commercially reasonable efforts to obtain (i) a consent substantially in the form of Exhibit K or such other form as may be reasonably satisfactory to the U.S. Administrative Agent or Canadian Administrative Agent, as applicable, from the landlord of each leased property (including pursuant to any Capital Lease) listed on Schedule 3.05, in which such landlord acknowledges the U.S. Administrative Agent's or the Canadian Administrative Agent's, as applicable, first priority security interest in any Collateral located on such leased property and pledged to the applicable Collateral Agent and (ii) prior to entering into a lease of a facility in which any Collateral will be located on or after the Closing Date, a consent from each landlord of any such facility, in which such landlord acknowledges the applicable Collateral Agent's first priority security interest in any Collateral to be located on such leased property and pledged to such Collateral Agent.

(b) Within 90 days after the Closing Date, the Borrowers shall have obtained a consent substantially in the form of Exhibit K from the landlord with respect to (i) the U.S. Borrower's regional distribution centers in Sparks, NV, and Warrendale, PA, in which such landlord acknowledges the U.S. Administrative Agent's first-priority security interest in any Collateral located on such leased property and pledged to the U.S. Collateral Agent and (ii) the Canadian Borrower's regional distribution center in Dorval, Quebec, in which such landlord acknowledges the Canadian Administrative Agent's first-priority security interest in any Collateral located on such leased property and pledged to the Canadian Collateral Agent.

SECTION 5.15. Surveys. Within 90 days after the Closing Date, for each Mortgaged Property, the Borrowers shall deliver or cause to be delivered an A.L.T.A. survey in form and substance reasonably satisfactory to the U.S. Administrative Agent and endorsements to the title policies required by Section 4.01(v)(ii) providing for survey-related coverage reasonably satisfactory to the U.S. Administrative Agent.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all U.S. $ LC Disbursements and C $ LC Disbursements shall have been reimbursed, each of Parent and the Borrowers covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness; Certain Equity Securities. (a) Parent and the Borrowers will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(i) Indebtedness created under the Loan Documents;

(ii) Indebtedness (other than the Senior Subordinated Notes and the Senior Discount Notes) existing on the date hereof and set forth in Schedule 6.01 and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof;

(iii) Indebtedness (A) of the U.S. Borrower or any Domestic Subsidiary (other than the Receivables Subsidiary) to the U.S. Borrower, the Canadian Borrower or any Subsidiary (other than the Receivables Subsidiary), (B) of the Canadian Borrower or any Canadian Borrower Subsidiary to the Canadian Borrower or any Canadian Borrower Subsidiary, (C) of the Canadian Borrower or any Canadian Borrower Subsidiary to the U.S. Borrower or any Domestic Subsidiary (other than the Receivables Subsidiary) and (D) of any Foreign Subsidiary or Joint Venture to the U.S. Borrower or any Domestic Subsidiary (other than the Receivables Subsidiary); provided, however, that any Indebtedness incurred pursuant to clause (C) or (D) above shall be subject to the provisions of Section 6.04;

(iv) Guarantees (A) by the U.S. Borrower, the Canadian Borrower or any Subsidiary (other than the Receivables Subsidiary) of Indebtedness of the U.S. Borrower or any Domestic Subsidiary (other than the Receivables Subsidiary), (B) by the Canadian Borrower, any Canadian Borrower Subsidiary or any Foreign Subsidiary of Indebtedness of the Canadian Borrower or any Canadian Borrower Subsidiary, (C) by the U.S. Borrower or any Domestic Subsidiary (other than the Receivables Subsidiary) of Indebtedness of the Canadian Borrower or any Canadian Borrower Subsidiary and (D) by the U.S. Borrower or any Domestic Subsidiary (other than the Receivables Subsidiary) of Indebtedness of any Foreign Subsidiary or Joint Venture; provided, however, that any Guarantees pursuant to clause (C) or (D) above shall be subject to the provisions of Section 6.04;

(v) Indebtedness of the U.S. Borrower, the Canadian Borrower or any Subsidiary (other than the Receivables Subsidiary) incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, provided that such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof, and provided further that the aggregate principal amount of Indebtedness permitted by this clause (v) that is incurred following the Closing Date shall not exceed at any time $75,000,000 less the aggregate amount of Indebtedness outstanding at such time pursuant to Section 6.01(xii);

(vi) Indebtedness of any Person that becomes a Subsidiary after the date hereof, provided that (A) such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary and (B) the aggregate principal amount of Indebtedness permitted by this clause (vi) shall not exceed $15,000,000 at any time outstanding;

(vii) (A) up to $300,000,000 in aggregate principal amount of the Senior Subordinated Notes, (B) $87,000,000 in aggregate amount of the Senior Discount Notes resulting in aggregate proceeds to the Parent of approximately $50,000,000 and (C) Permitted Subordinated Refinancing Debt issued in respect of the Senior Subordinated Notes or the Senior Discount Notes;

(viii) Indebtedness of the Borrowers and the Subsidiaries incurred pursuant to any Permitted Receivables Financing;

(ix) Indebtedness (in addition to Indebtedness otherwise permitted by this Section) in an aggregate principal amount not exceeding $30,000,000 at any time outstanding, provided that the aggregate principal amount of Indebtedness of the Subsidiaries permitted by this clause (ix) shall not exceed $10,000,000 at any time outstanding;

(x) (A) other subordinated Indebtedness of Parent or the U.S. Borrower (together with any Permitted Subordinated Refinancing Indebtedness incurred to refinance such Indebtedness) in an aggregate principal amount of up to $100,000,000 at any time outstanding, provided that such Indebtedness shall (v) be subject to subordination provisions that, in the reasonable judgment of the U.S. Administrative Agent, are no less favorable to the Lenders than the subordination provisions of the Senior Subordinated Notes, (w) be subject to no covenant more restrictive in any material respect than those contained in the Senior Subordinated Notes Indenture, (x) provide for no principal

payments (including any sinking fund therefore) earlier than the 91st day after the Tranche B Maturity Date, (y) accrue interest at a rate determined in good faith by the Board of Directors of Parent to be a market rate of interest for such other subordinated Indebtedness at the time of issuance thereof and (z) be reasonably satisfactory in all other respects to the U.S. Administrative Agent, and (B) any Permitted Subordinated Refinancing Debt with respect to such other subordinated Indebtedness, provided that at the time of the incurrence of such subordinated Indebtedness or Permitted Subordinated Refinancing Debt with respect to such other subordinated Indebtedness and after giving effect to the incurrence thereof, no Default or Event of Default has occurred and is continuing;

(xi) Indebtedness representing the obligations of Parent to make payments in connection with the cancelation or repurchase of common stock of officers, employees and directors of Parent, the Borrowers and the Subsidiaries to the extent permitted by Section 6.08, provided that (A) the aggregate principal amount of Indebtedness permitted by this clause (xi) shall not exceed $5,000,000 at any time outstanding and (B) such Indebtedness shall be subordinated to the Obligations on a basis no less favorable to the Lenders than the subordination provisions of the Senior Subordinated Notes;

(xii) Indebtedness arising under Capital Leases entered into in connection with any sale and lease-back transaction permitted under Section 6.06 in an aggregate amount not to exceed at any time $75,000,000 less the aggregate amount of Indebtedness outstanding at such time pursuant to Section 6.01(v);

(xiii) Indebtedness of the Borrowers or any Subsidiary in connection with any Permitted Acquisition in respect of customary "earn-out" provisions or other similar deferred purchase price obligations, in each case on terms substantially similar to those outstanding on the date hereof, in an aggregate amount not to exceed $50,000,000 at any time outstanding; and

(xiv) Guarantees by the U.S. Borrower of loans to officers, directors and employees of the U.S. Borrower from PNC Bank for the purpose of purchasing capital stock of the U.S. Borrower; provided, however, that any Guarantees pursuant to this clause (xiv) shall be subject to Section 6.04(v).

(b) Neither Parent nor the Borrowers will, nor will they permit any Subsidiary to, issue any preferred stock except for (i) preferred stock (A) all dividends in respect of which are to be paid (and all other payments in respect of which are to be made) in additional shares of such preferred stock, in lieu of cash, until June 5, 2006, (B) that is not subject to redemption prior to June 5, 2006, other than redemption at the option of the issuer of such preferred stock, (C) that is, upon any such redemption, subject to subordination provisions that, in the reasonable judgment of the U.S. Administrative Agent, are no less favorable to the Borrowers or the Lenders than the subordination provisions of the Senior Subordinated Notes, (D) that contains no covenants and (E) the aggregate liquidation preference of which shall at no time exceed the difference between (x) $100,000,000 and (y) the aggregate principal amount of any subordinated Indebtedness issued as permitted by Section 6.01(a)(x) and outstanding at such time or (ii) preferred stock (A) issued by Parent in exchange for Class A Common Stock, (B) all dividends in respect of which are to be paid (and all other payments in respect of which are to be made) in additional shares of such preferred stock, in lieu of cash, (C) that is not subject to redemption other than redemption at the option of Parent, (D) that is, upon any such redemption, subject to subordination provisions that, in the reasonable judgment of the U.S. Administrative Agent, are no less favorable to the Borrowers or the Lenders than the subordination provisions of the Senior Subordinated Notes and (E) that contains no covenants.

(c) Except as expressly permitted under Section 6.08, neither Parent nor the Borrowers will, nor will they permit any Subsidiary to, be or become liable in respect of any obligation (contingent or otherwise) to purchase, redeem, retire, acquire or make any other payment in respect of any shares of capital stock of Parent, the Borrowers or any Subsidiary or any option, warrant or other right to acquire any such shares of capital stock except for obligations pursuant to the Recapitalization Agreement.

SECTION 6.02. Liens. Parent and the Borrowers will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter

acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Liens created under the Loan Documents;

(b) Permitted Encumbrances;

(c) any Lien on any property or asset of the Borrowers or any Subsidiary existing on the date hereof and set forth in Schedule 6.02, provided that (i) such Lien shall not apply to any other property or asset of Parent, the Borrowers or any Subsidiary and (ii) such Lien shall secure only those obligations that it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) any Lien existing on any property or asset prior to the acquisition thereof by Parent, the Borrowers or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary, provided that (A) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (B) such Lien shall not apply to any other property or assets of Parent, the Borrowers or any Subsidiary and (C) such Lien shall secure only those obligations that it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(e) Liens on fixed or capital assets acquired, constructed or improved by the Borrowers or any Subsidiary, provided that (A) such security interests secure Indebtedness permitted by clause (v) of Section 6.01(a), (B) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, (C) the Indebtedness secured thereby does not exceed 75% of the cost of acquiring, constructing or improving such fixed or capital assets and (D) such security interests shall not apply to any other property or assets of Parent, the Borrowers or any Subsidiary;

(f) Liens arising from UCC financing statements regarding leases permitted by this Agreement with respect to property subject to such leases;

(g) Liens imposed pursuant to Environmental Laws or ERISA to the extent not in violation of any of the representations, warranties or covenants in respect of Environmental Laws or ERISA made by Parent or the Borrowers in this Agreement;

(h) "Permitted Encumbrances" under and as such term or its equivalent is defined in the respective Mortgages;

(i) Liens (other than those permitted by paragraphs (a) through (h) above) securing Indebtedness permitted hereunder in an aggregate amount not exceeding $35,000,000 at any time outstanding; and

(j) Liens on Receivables and Related Property sold, financed, pledged or otherwise transferred in connection with any Permitted Receivables Financing.

SECTION 6.03. Fundamental Changes. (a) Parent and the Borrowers will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing (i) any Subsidiary (other than the Receivables Subsidiary) may merge into the U.S. Borrower or any Domestic Subsidiary (other than the Receivables Subsidiary) in a transaction in which the U.S. Borrower or such Domestic Subsidiary is the surviving corporation, (ii) any Canadian Borrower Subsidiary or Foreign Subsidiary may merge into the Canadian Borrower or any Canadian Borrower Subsidiary in a transaction in which the Canadian Borrower or such Canadian Borrower Subsidiary is the surviving entity, (iii) any Foreign Subsidiary may merge into any other Foreign Subsidiary and (iv) any Subsidiary may liquidate or dissolve if the U.S. Borrower determines in good faith that such liquidation or dissolution is in the best interests of the U.S. Borrower and is not materially disadvantageous to the Lenders, provided that any such merger involving a Person that is not a wholly owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.04.

(b) The Borrowers will not, and will not permit any of the Subsidiaries (other than the Receivables Subsidiary) to, engage to any material extent in any business other than businesses of the type conducted by the Borrowers and the Subsidiaries on the date of execution of this Agreement and businesses reasonably related thereto.

(c) Parent will not engage in any business or activity other than the ownership of all the outstanding shares of capital stock of the U.S. Borrower, actions contemplated by the Recapitalization Agreement and the Loan Documents, activities reasonably related to those being conducted on the Closing Date and activities incidental thereto. Parent will not own or acquire any assets (other than shares of capital stock of the U.S. Borrower, any personal property owned by Parent on the Closing Date, cash and Permitted Investments) or incur any liabilities (other than liabilities under the Recapitalization Agreement, the Loan Documents, liabilities existing on the Closing Date, liabilities imposed by law, including tax liabilities, and other liabilities incidental to its existence and permitted business and activities).

(d) The Receivables Subsidiary will not engage in any business other than the purchase and sale or other transfer of Receivables (or participation interests therein) in connection with any Permitted Receivables Financing, together with activities directly related thereto.

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. Parent and the Borrowers will not, and will not permit any of the Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary prior to such merger) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit, except:

(a) pursuant to the Recapitalization Agreement;

(b) Permitted Acquisitions;

(c) the U.S. Borrower and its subsidiaries may acquire and hold receivables owing to them, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms (including the dating of receivables and extensions of payment in the ordinary course of business consistent with past practices) of the U.S. Borrower or such subsidiary;

(d) Permitted Investments;

(e) investments existing on the date hereof and set forth on Schedule 6.04, to the extent such investments would not be permitted under any other clause of this Section;

(f) investments by the U.S. Borrower in the capital stock of the Canadian Borrower and the Subsidiaries (other than the Receivables Subsidiary), provided that (i) any such shares of capital stock shall be pledged pursuant to the U.S. Pledge Agreement (subject to the limitations applicable to common stock of a Foreign Subsidiary referred to in Section 5.12), (ii) the amount of investments by the U.S. Borrower and any Domestic Subsidiaries in the Canadian Borrower and the Canadian Borrower Subsidiaries shall not exceed in the aggregate at any time outstanding an amount equal to $50,000,000 minus the amount of any investments made pursuant to Section 6.04(g)(ii), (h)(i) and (n)(i) and (iii) the amount of investments by the U.S. Borrower in the Foreign Subsidiaries or any Joint Venture shall not exceed in the aggregate at any time outstanding an amount equal to the lesser at such time of (A) $25,000,000 minus the amount of any investments made pursuant to Section 6.04(g)(iii) and (n)(ii) and (B) $60,000,000 minus the amount of any investments made pursuant to Section 6.04(g)(iii), (h)(ii) and (n)(ii);

(g) loans or advances (i) made by the U.S. Borrower to any Domestic Subsidiary (other than the Receivables Subsidiary), (ii) made by the U.S. Borrower to the Canadian Borrower or any Canadian Borrower Subsidiary in an aggregate amount not to exceed at any time outstanding an amount equal to $50,000,000 minus the amount of any investments made pursuant to Section 6.04(f)(ii), (h)(i) and (n)(i), (iii) made by the U.S. Borrower to any Foreign Subsidiary or any Joint Venture in an aggregate amount not to exceed at any time outstanding an amount equal to the lesser at such time of (A) $25,000,000 minus the amount of any investments made pursuant to Section 6.04(f)(iii) and (n)(ii) and (B) $60,000,000 minus the amount of any investments made pursuant to Section 6.04(f)(iii), (h)(ii) and (n)(ii), and (iv) made by the Canadian Borrower to the U.S. Borrower, the Canadian Borrower Subsidiaries or any Domestic Subsidiary

(other than the Receivables Subsidiary), provided that any such loans and advances made by a Loan Party shall be evidenced by a promissory note pledged pursuant to the U.S. Pledge Agreement;

(h) Guarantees constituting Indebtedness permitted by Section 6.01 (other than Section 6.01(xiv)), provided that Guarantees (i) made by the U.S. Borrower and any Domestic Subsidiaries of Indebtedness of the Canadian Borrower or any Canadian Borrower Subsidiary shall not exceed at any time outstanding an amount equal to $50,000,000 minus the amount of any investments made pursuant to Section 6.04(f)(ii), (g)(ii) and (n)(i) and (ii) made by the U.S. Borrower and any Domestic Subsidiaries of Indebtedness of the Foreign Subsidiaries or any Joint Venture shall not exceed at any time outstanding an amount equal to the lesser at such time of (A) $35,000,000 and (B) $60,000,000 minus the amount of any investment made pursuant to Section 6.04(f)(iii), (g)(iii) and (n)(ii);

(i) investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(j) loans and advances to officers, directors or employees in the ordinary course of business, provided that such loans and advances shall not exceed in the aggregate at any time outstanding an amount equal to $20,000,000 minus the amount of any investment made pursuant to Section 6.04(v);

(k) investments otherwise permitted by Section 6.03(a) and Section 6.07;

(l) acquisitions of property, plant and equipment that constitute a business unit and are Capital Expenditures otherwise permitted by Section 6.13;

(m) investments in any Subsidiary with proceeds of dividends paid in accordance with Section 6.08(a)(iv) to the extent such investments are used by such Subsidiary to discharge liabilities of Parent, either of the Borrowers or such Subsidiary otherwise permitted to be discharged under this Agreement;

(n) investments by Parent in the Borrowers or any Subsidiary, provided that the aggregate amount of such investments to (i) the Canadian Borrower and the Canadian Borrower Subsidiaries shall not exceed at any time outstanding an amount equal to $50,000,000 minus the amount of any investments made pursuant to Section 6.04(f)(ii), (h)(i) and (g)(ii) and (ii) to the Foreign Subsidiaries or any Joint Venture shall not exceed at any time outstanding an amount equal to the lesser at such time of (A) $25,000,000 minus the amount of any investments made pursuant to Section 6.04(f)(iii) or (g)(iii) and (B) $60,000,000 minus the amount of any investments made pursuant to Section 6.04(f)(iii), (g)(iii) and (h)(ii);

(o) trade credit extended to customers of the Borrowers in the ordinary course of business;

(p) investments (in addition to investments otherwise permitted by this Section) in an aggregate amount not to exceed $25,000,000 at any time outstanding;

(q) investments by the Borrowers or any Subsidiary in (i) the capital stock of the Receivables Subsidiary and (ii) other interests in the Receivables Subsidiary, in each case to the extent determined by the Borrowers in their judgment to be reasonably necessary in connection with or required by the terms of the Permitted Receivables Financing;

(r) investments in the Fife LLC in connection with the Fife Transaction;

(s) investments of any Person existing at the time such Person becomes a Subsidiary or at the time such Person merges or consolidates with either of the Borrowers or any of the Subsidiaries, in either case in compliance with the terms of this Agreement, provided that such investments were not made by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Subsidiary or such merger or consolidation;

(t) loans to the Receivables Subsidiary evidenced by any subordinated notes issued to the U.S. Borrower or any Subsidiary under the U.S. Receivables Sale Agreement or any subordinated notes issued to the Canadian Borrower or any Subsidiary under the Canadian Receivables Sale Agreement;

(u) interests acquired or retained by the Receivables Subsidiary in the trust created under the Receivables Supplemental Pooling Agreement; and

(v) Guarantees constituting Indebtedness pursuant to Section 6.01(xiv), provided that such Guarantees shall not be given with respect to Indebtedness that exceeds in the aggregate at any time outstanding $20,000,000 minus the amount of any investment pursuant to Section 6.04(j).

SECTION 6.05. Asset Sales. Parent and the Borrowers will not, and will not permit any of the Subsidiaries to, sell, transfer, lease or otherwise dispose of any asset, including any capital stock, nor will Parent or the U.S. Borrower permit the U.S. Borrower, the Canadian Borrower or any of the Subsidiaries to issue any additional shares of its capital stock or other ownership interest in the U.S. Borrower, the Canadian Borrower or such Subsidiary, as the case may be, except:

(a) sales or other dispositions of inventory, used or surplus equipment and Permitted Investments in the ordinary course of business;

(b) sales, transfers and dispositions to the U.S. Borrower, the Canadian Borrower or a Subsidiary (other than, except as set forth in clause (e), the Receivables Subsidiary), provided that any such sales, transfers or dispositions from the U.S. Borrower or any Domestic Subsidiary to the Canadian Borrower, any Canadian Borrower Subsidiary or any Foreign Subsidiary shall be made in compliance with Section 6.09 and shall not exceed $5,000,000 during the term of this Agreement;

(c) sales, transfers and dispositions of assets (other than capital stock of the Borrowers or any Subsidiary) that are not permitted by any other clause of this Section, provided that the aggregate fair market value of all assets sold, transferred or otherwise disposed of in reliance upon this clause (c) shall not exceed $5,000,000 during any fiscal year of the U.S. Borrower or $20,000,000 in the aggregate during the term of this Agreement;

(d) pursuant to a transaction permitted by Section 6.03(a);

(e) the Borrowers and the Subsidiaries may sell or discount, in each case without recourse (other than customary representations, warranties and retained interests), Receivables to the Receivables Subsidiary, and the Receivables Subsidiary may sell Receivables and Related Property or an undivided interest therein to any other Person, pursuant to any Permitted Receivables Financing, and convert or exchange Receivables and Related Property into or for notes receivable in connection with the compromise or collection thereof;

(f) sales of assets in connection with a sale and lease-back transaction permitted by Section 6.06; and

(g) sales of assets to Fife LLC in connection with the Fife Transaction.

provided that all sales, transfers, leases and other dispositions permitted under paragraphs (a), (b) and (c) above shall be made for fair market value and for cash consideration equal to at least 75% of such fair market value.

SECTION 6.06. Sale and Lease-Back Transactions. Parent and the Borrowers will not, and will not permit any Subsidiary to, enter into any arrangement, directly or indirectly, with any Person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred, provided that the Borrowers and the Subsidiaries (other than the Receivables Subsidiary) may enter into any such transaction with respect to assets having a fair market value not in excess of $75,000,000 in the aggregate during the term of this Agreement.

SECTION 6.07. Hedging Agreements. Parent and the Borrowers will not, and will not permit any Subsidiary to, enter into any Hedging Agreement, other than (a) Hedging Agreements entered into in the ordinary course of business to hedge or mitigate risks to which the Borrowers or the Subsidiaries are exposed in the conduct of their business or the management of their liabilities and (b) Hedging Agreements that are reasonably acceptable to the U.S. Administrative Agent and are entered into in connection with any Permitted Receivables Financing.

SECTION 6.08. Restricted Payments; Certain Payments of Indebtedness. (a) Parent and the Borrowers will not, and will not permit any Subsidiary to, declare or make, or agree to declare or make, directly or indirectly, any Restricted Payment, except (i) Parent may declare and pay dividends with respect to its capital stock payable solely in additional shares of its common stock or options, warrants or other rights to

purchase common stock, (ii) the Subsidiaries and the Canadian Borrower may declare and pay dividends ratably with respect to their capital stock, (iii) Parent may make payments to officers, employees and directors of Parent, the Borrowers and the Subsidiaries (or to the respective estate or permitted transferee under such plans or agreements of any such officer, employee or director) in connection with the cancelation or repurchase of common stock (or options, warrants or other rights to purchase common stock) previously issued to such officers, employees and directors pursuant to and in accordance with stock option plans or other benefit plans or compensation agreements (or agreements entered into in connection therewith) entered into in the ordinary course of business for officers, employees and directors of Parent, the Borrowers and the Subsidiaries, either in the form of cash paid to repurchase such common stock or cash paid with respect to Indebtedness previously issued as permitted by Section 6.01(a)(xi) to repurchase such common stock, provided that all payments pursuant to this clause (iii) do not exceed (A) during any fiscal year, an aggregate amount equal to $5,000,000 plus the cash proceeds to Parent of any sale or resale of common stock during such fiscal year to other or new employees, officers or directors of Parent, the Borrowers or any Subsidiary or (B) during the term of this Agreement, an aggregate amount equal to $20,000,000 plus the cash proceeds to Parent of any sale or resale of common stock during the term of this Agreement to other or new employees, officers or directors of Parent, the Borrowers or any Subsidiary, (iv) the U.S. Borrower may pay dividends to Parent at such times and in such amounts, not exceeding $1,000,000 during any fiscal year, as shall be necessary to permit Parent to discharge liabilities of Parent, the Borrowers and the Subsidiaries otherwise permitted to be discharged under this Agreement, (v) the Borrowers and the Subsidiaries may make Restricted Payments to Parent in order to pay Parent's Taxes, (vi) the Borrowers and the Subsidiaries may make Restricted Payments to Parent in order for Parent (A) to satisfy obligations (other than in respect of Transaction Costs) incurred pursuant to transactions permitted under Section 6.09(d), (e) or (f) and (B) to pay Transaction Costs up to $60,000,000, consisting of transaction advisory fees, fees to Cypress and its Affiliates, consulting fees and other miscellaneous fees and expenses and (vii) the Borrowers and the Subsidiaries may make Restricted Payments to Parent at any time after the fifth anniversary of the Closing Date in order to enable Parent to pay cash interest on the Senior Discount Notes in accordance with their terms, provided that (A) at the time of any such Restricted Payment no Default or Event of Default shall have occurred and be continuing, (B) after giving effect to any such Restricted Payment, Parent and the Borrowers shall be in compliance, on a pro forma basis, with the covenants set forth in Sections 6.14, 6.15 and 6.16 and (C) such Restricted Payments shall not exceed in any quarterly period the amounts due with respect to the Senior Discount Notes for such quarter.

(b) Parent and the Borrowers will not, and will not permit any Subsidiary to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Indebtedness, or any payment or other dis tribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancelation or termination of any Indebtedness, except:

(i) payment of Indebtedness created under the Loan Documents;

(ii) payment of regularly scheduled interest and principal payments as and when due in respect of any Indebtedness;

(iii) refinancings of Indebtedness to the extent permitted by Section 6.01; and

(iv) payments in respect of any Permitted Receivables Financing.

SECTION 6.09. Transactions with Affiliates. Other than the Transactions, Parent and the Borrowers will not, and will not permit any Subsidiary to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions in the ordinary course of business that do not involve Parent or Investor and are at prices and on terms and conditions not less favorable to the Borrowers or any Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Borrowers and the Subsidiaries not involving any other Affiliate, (c) any Restricted Payment permitted by Section 6.08, (d) the payment by Parent or the U.S. Borrower of fees, expenses or other amounts to Cypress and its Affiliates in connection with the Transactions (provided that the Transaction Costs shall not exceed $60,000,000) and payments by Parent, the Borrowers and the Subsidiaries to Cypress and its Affiliates made pursuant to any financial, advisory, consulting, financing, underwriting or placement agreement, or in respect of other investment banking activities, in each case to the extent that the Board of Directors of such Person has determined in good faith that such amounts are reasonable in light of current market practices with respect to payment for such services, (e) employment and compensation arrangements entered into in the ordinary course of business with officers of Parent, the Borrowers and the Subsidiaries, (f) customary fees paid to members of the Board of Directors of Parent, the Borrowers and the Subsidiaries for their services as directors and (g) any Permitted Receivables Financing.

SECTION 6.10. Other Indebtedness. Parent and the Borrowers will not permit any waiver, supplement, modification, amendment, termination or release of any indenture, instrument or agreement pursuant to which any Material Indebtedness of Parent, the Borrowers or any Subsidiary is outstanding to the extent that any such waiver, supplement, modification, amendment, termination or release would be adverse to the Lenders.

SECTION 6.11. Restrictive Agreements. Parent and the Borrowers will not, and will not permit any Subsidiary to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of Parent, the Borrowers or any Subsidiary (other than the Receivables Subsidiary) to create, incur or permit to exist any Lien upon any of its property or assets to secure the Obligations, or (b) the ability of the Canadian Borrower or any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to the U.S. Borrower, the Canadian Borrower, any Domestic Subsidiary or any Canadian Borrower Subsidiary or to Guarantee Indebtedness of the U.S. Borrower, the Canadian Borrower, any Domestic Subsidiary or any Canadian Borrower Subsidiary, provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 6.11 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iv) clause (a) of this Section shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (v) clause (a) of this Section shall not apply to customary provisions in leases restricting the assignment thereof and (vi) the foregoing shall not apply to restrictions and conditions imposed by any Permitted Receivables Financing.

SECTION 6.12. Amendment of Material Documents. (a) Parent and the Borrowers will not, and will not permit any Subsidiary to, amend, modify or waive any of its rights under (i) its certificate of incorporation, by-laws or other organizational documents, (ii) the Recapitalization Agreement, (iii) the Senior Subordinated Note Indenture, (iv) the Senior Discount Note Indenture or (v) documents in respect of any Permitted Subordinated Refinancing Debt, if any, to the extent that such amendment, modification or waiver would be adverse to the Lenders.

(b) Parent and the Borrowers will not, and will not permit any Subsidiary to, amend, modify or waive any of its material rights under (i) the Receivables Sale Agreements, (ii) the Receivables Pooling Agreement, (iii) the Receivables Supplemental Pooling Agreement or (iv) any other Permitted Receivables Financing, if any, to the extent that such amendment, modification or waiver would be materially adverse to the Lenders.

SECTION 6.13. Capital Expenditures. (a) Parent and the U.S. Borrower will not permit the aggregate amount of Capital Expenditures made by Parent, the Borrowers and the Subsidiaries in any fiscal year to exceed the amount set forth below opposite such year, provided that for any period set forth below, the dates constituting the beginning and end of such period shall refer to the first and last day of the fiscal year of Parent beginning and ending, respectively, on or about such dates:

Fiscal Year	Amount
January 1, 1998--December 31, 1998	$25,000,000
January 1, 1999--December 31, 1999	$25,000,000
January 1, 2000--December 31, 2000	$30,000,000
January 1, 2001--December 31, 2001	$30,000,000
January 1, 2002--December 31, 2002	$35,000,000
January 1, 2003--December 31, 2003	$35,000,000
January 1, 2004--December 31, 2004	$35,000,000
January 1, 2005--December 31, 2005	$35,000,000
January 1, 2006--Tranche B Maturity Date	$35,000,000

(b) Notwithstanding the foregoing, in the event that the amount of Capital Expenditures permitted to be made pursuant to clause (a) in any fiscal year is greater than the amount of Capital Expenditures made during such fiscal year, 50% of such excess may be carried forward and utilized in the immediately succeeding fiscal year (it being understood and agreed that (i) no amount may be carried forward beyond the year immediately succeeding the fiscal year in which it arose and (ii) no portion of the carry-forward amount available in any fiscal year may be used until the entire amount of Capital Expenditures permitted to be made in such fiscal year (without giving effect to such carry-forward amount) shall have been made).

SECTION 6.14. Leverage Ratio. Parent and the U.S. Borrower will not permit the Leverage Ratio as of the end of any four-fiscal-quarter period ending during any period set forth below to be in excess of the ratio set forth below opposite such period, provided that for any period set forth below, the dates constituting the beginning and end of such period shall refer to the last day of the fiscal period of Parent ending on or about such dates:

Period	Ratio
January 1, 1998--December 31, 1998	5.00 to 1.00
January 1, 1999--December 31, 1999	4.50 to 1.00
January 1, 2000--December 31, 2000	3.75 to 1.00
January 1, 2001--December 31, 2001	3.00 to 1.00
January 1, 2002--December 31, 2002	2.50 to 1.00
January 1, 2003--December 31, 2003	2.25 to 1.00
January 1, 2004--December 31, 2004	2.25 to 1.00
January 1, 2005--December 31, 2005	2.25 to 1.00
January 1, 2006--Tranche B Maturity Date	2.25 to 1.00

SECTION 6.15. Consolidated Net Cash Interest Expense Coverage Ratio. Parent and the U.S. Borrower will not permit the ratio of (a) Consolidated EBITDA to (b) Consolidated Net Cash Interest Expense for any four-fiscal-quarter period ending on any date or during any period set forth below to be less than the ratio set forth below opposite such period, provided that for any period set forth below, the dates constituting the beginning and end of such period shall refer to the first and last day of the fiscal period of Parent ending on or about such dates:

Period	Ratio
January 1, 1998--December 31, 1998	1.65 to 1.00
January 1, 1999--December 31, 1999	1.80 to 1.00
January 1, 2000--December 31, 2000	2.00 to 1.00
January 1, 2001--December 31, 2001	2.25 to 1.00
January 1, 2002--December 31, 2002	2.50 to 1.00
January 1, 2003--December 31, 2003	2.50 to 1.00
January 1, 2004--December 31, 2004	2.75 to 1.00
January 1, 2005--December 31, 2005	2.75 to 1.00
January 1, 2006--Tranche B Maturity Date	2.75 to 1.00

SECTION 6.16. Working Capital Covenant. Parent and the U.S. Borrower will not permit the Working Capital Ratio to be less than 1.20 to 1.00 at any time.

SECTION 6.17. Additional Subsidiaries. Parent and the Borrowers will not, and will not permit any Subsidiary to, create any additional Subsidiary (other than the Receivables Subsidiary) unless such Subsidiary is a Loan Party.

SECTION 6.18. Fiscal Year. Parent and the Borrowers will not, and will not permit the Subsidiaries to, change the financial reporting convention by which Parent, the Borrowers and the Subsidiaries determine the dates on which their fiscal years and fiscal quarters will end; provided, however, that Parent, the

Borrowers and the Subsidiaries may, upon 30 days' prior written notice to the U.S. Administrative Agent, change the financial reporting convention so long as (a) such change applies to Parent, the Borrowers and all the Subsidiaries and (b) such financial reporting convention specified above is reasonably acceptable to the U.S. Administrative Agent, in which case Parent and the U.S. Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary in order to reflect such change in financial reporting convention.

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) either of the Borrowers shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) either of the Borrowers shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five days;

(c) any representation or warranty made or deemed made by or on behalf of Parent, the Borrowers or any Subsidiary in or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) Parent or either of the Borrowers shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.04 (with respect to the existence of Parent or either of the Borrowers), 5.11 or in Article VI;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in any Loan Document (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the U.S. Administrative Agent or the Canadian Administrative Agent, as applicable, to the U.S. Borrower or the Canadian Borrower, as applicable (which notice will be given at the request of any Lender);

(f) Parent, either of the Borrowers or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness (subject to relevant grace periods therein), when and as the same shall become due and payable;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due (after any applicable grace periods therein), or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity, provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any of Parent, the Borrowers or any Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any of Parent, the Borrowers or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) Parent, either of the Borrowers or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal,

state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Parent, either of the Borrowers or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) Parent, either of the Borrowers or any Subsidiary shall admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of $20,000,000 shall be rendered against Parent, either of the Borrowers or any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 45 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of Parent, either of the Borrowers or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of Parent, either of the Borrowers or any Subsidiary in an aggregate amount exceeding (i) $10,000,000 in any year or (ii) $20,000,000 for all periods;

(m) (i) any Loan Document (other than any U.S. $ Letter of Credit or C $ Letter of Credit) shall, at any time, cease to be in full force and effect (unless released as permitted under this Agreement) or shall be declared null and void, or the validity or enforceability in any respect thereof shall be contested by any Loan Party or (ii) any Lien purported to be created under any of the Security Documents shall cease to be, or shall be asserted by any Loan Party not to be, a valid and perfected Lien on Collateral with a fair market value of $1,000,000 or more, with the priority required by the applicable Security Document, except (a) as a result of the sale or other disposition of the applicable Collateral in a transaction permitted under the Loan Documents or (B) as a result of the U.S. Administrative Agent's failure to maintain possession of any stock certificates, promissory notes or other instruments delivered to it under the U.S. Pledge Agreement or to file any continuation statements with respect to the Collateral; or

(n) a Change in Control shall occur; or

(o) any default or other event shall have occurred under the Receivables Sale Agreements, the Receivables Pooling Agreement, the Receivables Supplemental Pooling Agreement or any other document governing any Permitted Receivables Financing if the effect of such default or other event is to cause the termination of any Permitted Receivables Financing;

then, and in every such event (other than an event with respect to Parent or either of the Borrowers described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the U.S. Administrative Agent or the Canadian Administrative Agent, as applicable, may, and at the request of the Required Lenders shall, by notice to the applicable Borrower take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; and in case of any event with respect to Parent or either of Borrowers described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers.

ARTICLE VIII

The Administrative Agents and the Collateral Agents

In order to expedite the transactions contemplated by this Agreement, The Chase Manhattan Bank is hereby appointed to act as U.S. Administrative Agent and U.S. Collateral Agent on behalf of the Term Lenders, the U.S. $ Revolving Lenders, the Additional Revolving Lenders and the U.S. Issuing Banks, and The Chase Manhattan Bank of Canada is hereby appointed to act as Canadian Administrative Agent and Canadian Collateral Agent on behalf of the C $ Revolving Lenders and the Canadian Issuing Banks (for purposes of this Article VIII, the U.S. Administrative Agent, the Canadian Administrative Agent, the U.S. Collateral Agent and the Canadian Collateral Agent are referred to collectively as the "Agents"). The Canadian Collateral Agent hereby agrees to act as the fonde de pouvoir (i.e., holder of the power of attorney) of the Canadian Secured Parties to the extent necessary or desirable for the purposes of creating, maintaining or enforcing any security interest created or established or to be created or established under any of the Canadian Security Documents including entering into the Canadian Security Documents and exercising all or any of the rights, powers, trusts or duties conferred upon the Canadian Collateral Agent therein or conferred upon the Canadian Collateral Agent hereunder with respect to such security interest, and each Canadian Secured Party by executing this Credit Agreement accepts the Canadian Collateral Agent as the fonde de pouvoir of such Canadian Secured Party for such purposes. Each of the Lenders and Issuing Banks hereby irrevocably authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to the Agents by the terms and provisions hereof and of the other Loan Documents, together with such actions and powers as are reasonably incidental thereto.

The banks serving as Administrative Agents hereunder shall have the same rights and powers in their capacity as a Lender as any other Lender and may exercise the same as though they were not the Administrative Agents, and such banks and their Affiliates may accept deposits from, lend money to and generally engage in any kind of business with Parent, either of the Borrowers, any Subsidiary or other Affiliate thereof or Investor as if they were not the Administrative Agents hereunder.

The Agents shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Agents shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Agents shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Agents are required to exercise upon the receipt of a written request by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02), and (c) except as expressly set forth in the Loan Documents, the Agents shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Parent, either of the Borrowers or any of the Subsidiaries that is communicated to or obtained by such Agent or any of its Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02) or in the absence of its own gross negligence or wilful misconduct. No Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by Parent, either of the Borrowers or a Lender, and no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent may

perform any and all of its duties and exercise its rights and powers through its Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, any Agent may resign at any time by notifying the Lenders, the Issuing Banks, Parent and the Borrowers. Upon any such resignation, the Required Lenders shall have the right, in consultation with Parent and the U.S. Borrower, to appoint a successor, provided that, in the case of the resignation of the Canadian Administrative Agent or the Canadian Collateral Agent, Lenders holding a majority of the C $ Revolving Loans shall have such right in consultation with the Canadian Borrower. If no successor shall have been so appointed by the Required Lenders (or the C $ Revolving Lenders, in the case of the Canadian Administrative Agent or the Canadian Collateral Agent) and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Agent that shall be a bank with an office in New York, New York, or an Affiliate of any such bank (or in the case of a successor to the Canadian Administrative Agent or the Canadian Collateral Agent, a Canadian bank with an office in Toronto having a combined capital and surplus of at least $500,000,000). Upon the acceptance of its appointment as an Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. The fees payable by the applicable Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the applicable Borrower and such successor. After the applicable Agent's resignation hereunder, the provisions of this Article and Section 10.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as an Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or related agreement or any document furnished hereunder or thereunder.

ARTICLE IX

Collection Allocation Mechanism

SECTION 9.01. Implementation of CAM. (a) On the CAM Exchange Date, (i) the Commitments shall automatically and without further act be terminated as provided in Article VII and (ii) the Lenders shall automatically and without further act (and without regard to the provisions of Section 10.04) be deemed to have exchanged interests in the Credit Facilities such that in lieu of the interest of each Lender in each Credit Facility in which it shall participate as of such date (including such Lender's interest in the Designated Obligations of each Loan Party in respect of each such Credit Facility), such Lender shall hold an interest in every one of the Credit Facilities (including the Designated Obligations of each Loan Party in respect of each such Credit Facility and each LC Reserve Account established pursuant to Section 9.02 below), whether or not such Lender shall previously have participated therein, equal to such Lender's CAM Percentage thereof. Each Lender and each Loan Party hereby consents and agrees to the CAM Exchange, and each Lender agrees that the CAM Exchange shall be binding upon its successors and assigns and any person that acquires a participation in its interests in any Credit Facility. Each Loan Party agrees from time to time to execute and deliver to the U.S. Administrative Agent all such Notes and other instruments and documents as the U.S. Administrative Agent shall reasonably request to evidence and confirm the respective interests of the Lenders after giving effect to the CAM Exchange, and each Lender agrees to surrender any Notes originally received by it in connection with its Loans hereunder to the U.S. Administrative Agent against delivery of new Notes evidencing its interests in the Credit Facilities; provided, however, that the failure of any Loan Party to execute or deliver or of any Lender to accept any such Note, instrument or document shall not affect the validity or effectiveness of the CAM Exchange.

(b) As a result of the CAM Exchange, upon and after the CAM Exchange Date, each pay ment received by the Administrative Agents or the Collateral Agents pursuant to any Loan Document in respect of the Designated Obligations, and each distribution made by the Collateral Agents pursuant to any Security Documents in respect of the Designated Obligations, shall be distributed to the Lenders pro rata in accordance

with their respective CAM Percentages. Any direct payment received by a Lender upon or after the CAM Exchange Date, including by way of setoff, in respect of a Designated Obligation shall be paid over to the U.S. Administrative Agent or the Canadian Administrative Agent, as applicable, for distribution to the Lenders in accordance herewith.

SECTION 9.02. Letters of Credit. (a) In the event that on the CAM Exchange Date any U.S. $ Letter of Credit or C $ Letter of Credit shall be outstanding and undrawn in whole or in part, or any amount drawn under a U.S. $ Letter of Credit or C $ Letter of Credit shall not have been reimbursed either by the U.S. Borrower or the Canadian Borrower, as applicable, or with the proceeds of a U.S. $ Revolving Borrowing or a C $ Revolving Borrowing, as applicable, (i) each U.S. $ Revolving Lender shall promptly pay over to the U.S. Administrative Agent, in immediately available funds, an amount equal to such U.S. $ Revolving Lender's Applicable Percentage (as notified to such Lender by the U.S. Administrative Agent) of such U.S. $ Letter of Credit undrawn face amount or (to the extent it has not already done so) such U.S. $ Letter of Credit unreimbursed drawing, together with interest thereon from the CAM Exchange Date to the date on which such amount shall be paid to the U.S. Administrative Agent at the rate that would be applicable at the time to an ABR U.S. $ Revolving Loan in a principal amount equal to such amount, as the case may be, and (ii) each C $ Revolving Lender shall promptly pay over to the Canadian Administrative Agent (which amounts shall be promptly paid over to the U.S. Administrative Agent), in immediately available funds, an amount equal to such C $ Revolving Lender's Applicable Percentage of such C $ Letter of Credit undrawn face amount or (to the extent it has not already done so) such C $ Letter of Credit unreimbursed drawing, as the case may be, together with interest thereon from the CAM Exchange Date to the date on which such amount shall be paid to the Canadian Administrative Agent at the rate that would be applicable at the time to a Canadian Prime Rate C $ Revolving Loan in a principal amount equal to such amount. The U.S. Administrative Agent shall establish a separate account or accounts for each Lender (each, an "LC Reserve Account") for the amounts received with respect to each such U.S. $ Letter of Credit and C $ Letter of Credit pursuant to the preceding sentence. The U.S. Administrative Agent shall deposit in each Lender's LC Reserve Account such Lender's CAM Percentage of the amounts received from the U.S. $ Revolving Lenders and the C $ Revolving Lenders as provided above. The U.S. Administrative Agent shall have sole dominion and control over each LC Reserve Account, and the amounts deposited in each LC Reserve Account shall be held in such LC Reserve Account until withdrawn as provided in paragraph (b), (c), (d) or (e) below. The U.S. Administrative Agent shall maintain records enabling it to determine the amounts paid over to it and deposited in the LC Reserve Accounts in respect of each U.S. $ Letter of Credit and C $ Letter of Credit and the amounts on deposit in respect of each U.S. $ Letter of Credit and C $ Letter of Credit attributable to each Lender's CAM Percentage. The amounts held in each Lender's LC Reserve Account shall be held as a reserve against the U.S. $ LC Exposure and C $ LC Exposure, shall be the property of such Lender, shall not constitute Loans to or give rise to any claim of or against any Loan Party and shall not give rise to any obligation on the part of any Borrower to pay interest to such Lender, it being agreed that the reimbursement obligations in respect of U.S. $ Letters of Credit and C $ Letters of Credit shall arise only at such times as drawings are made thereunder, as provided in Sections 2.05 and 2.05A.

(b) In the event that after the CAM Exchange Date any drawing shall be made in respect of a U.S. $ Letter of Credit or C $ Letter of Credit, the U.S. Administrative Agent shall, at the request of the U.S. Issuing Bank or Canadian Issuing Bank, as applicable, withdraw from the LC Reserve Account of each Lender any amounts, up to the amount of such Lender's CAM Percentage of such drawing, deposited in respect of such U.S. $ Letter of Credit or C $ Letter of Credit and remaining on deposit and deliver such amounts to the U.S. Issuing Bank or Canadian Issuing Bank, as applicable, in satisfaction of the reimbursement obligations of the U.S. $ Revolving Lenders or C $ Revolving Lenders under Sections 2.05(e) and 2.05A(e) (but not of the U.S. Borrower and the Canadian Borrower under Sections 2.05(f) and 2.05A(f), respectively). In the event any U.S. $ Revolving Lender or C $ Revolving Lender shall default on its obligation to pay over any amount to the U.S. Administrative Agent in respect of any U.S. $ Letter of Credit or C $ Letter of Credit as provided in this Section 9.02, the applicable U.S. Issuing Bank or Canadian Issuing Bank shall, in the event of a drawing thereunder, have a claim against such U.S. $ Revolving Lender or C $ Revolving Lender to the same extent as if such Lender had defaulted on its obligations under Sections 2.05(e) and 2.05A(e), but shall have no claim against any other Lender in respect of such defaulted amount, notwithstanding the exchange of interests in the Borrowers' reimbursement obligations pursuant to Section 9.01. Each other Lender shall have a claim against such defaulting U.S. $ Revolving Lender or C $ Revolving Lender for any damages sustained by it as a result of such default, including, in the event such U.S. $ Letter of Credit or C $ Letter of Credit shall expire undrawn, its CAM Percentage of the defaulted amount.

(c) In the event that after the CAM Exchange Date any U.S. $ Letter of Credit or C $ Letter of Credit shall expire undrawn, the U.S. Administrative Agent shall withdraw from the LC Reserve Account of each Lender the amount remaining on deposit therein in respect of such Letter of Credit and distribute such amount to such Lender.

(d) With the prior written approval of the U.S. Administrative Agent and the applicable U.S. Issuing Bank or Canadian Issuing Bank (not to be unreasonably withheld), any Lender may withdraw the amount held in its LC Reserve Account in respect of the undrawn amount of any U.S. $ Letter of Credit or C $ Letter of Credit. Any Lender making such a withdrawal shall be unconditionally obligated, in the event there shall subsequently be a drawing under such U.S. $ Letter of Credit or C $ Letter of Credit, to pay over to the U.S. Administrative Agent, for the account of the U.S. Issuing Bank or Canadian Issuing Bank, as applicable, on demand, its CAM Percentage of such drawing.

(e) Pending the withdrawal by any Lender of any amounts from its LC Reserve Account as contemplated by the above paragraphs, the U.S. Administrative Agent will, at the direction of such Lender and subject to such rules as the U.S. Administrative Agent may prescribe for the avoidance of inconvenience, invest such amounts in Permitted Investments. Each Lender that has not withdrawn its CAM Percentage of amounts in its LC Reserve Account as provided in paragraph (d) above shall have the right, at intervals reasonably specified by the U.S. Administrative Agent, to withdraw the earnings on investments so made by the U.S. Administrative Agent with amounts in its LC Reserve Account and to retain such earnings for its own account.

SECTION 9.03. Conversion. In the event the CAM Exchange Date shall occur, Obligations owed by the Loan Parties denominated in Canadian Dollars shall, automatically and with no further act required, be converted to obligations of the same Loan Parties denominated in Dollars. Such conversion shall be effected based upon the Spot Exchange Rate in effect with respect to Canadian Dollars on the CAM Exchange Date. On and after any such conversion, all amounts accruing and owed to any Lender in respect of its Obligations shall accrue and be payable in Dollars at the rates otherwise applicable hereunder (and, in the case of interest on Loans, at the default rate applicable to ABR Loans hereunder). Notwithstanding the foregoing provisions of this Section 9.03, any Lender may, by notice to the U.S. Borrower and the U.S. Administrative Agent prior to the CAM Exchange Date, elect not to have the provisions of this Section 9.03 apply with respect to all Obligations owed to such Lender immediately following the CAM Exchange Date, and, if such notice is given, all Obligations owed to such Lender immediately following the CAM Exchange Date shall remain designated in Canadian Dollars.

ARTICLE X

Miscellaneous

SECTION 10.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to Parent, the U.S. Borrower or the Canadian Borrower, to it at CDW Holding Corporation c/o WESCO Distribution Inc. Commerce Court, 4 Station Square, Suite 700, Pittsburgh, PA 15219, Attention: Jeffrey B. Kramp, Esq. (Telecopy No. (412) 454-2505);

(b) if to Investor, to it at Thor Acquisitions L.L.C., c/o The Cypress Group, 65 East 55th Street, 19th Floor, New York, New York 10022, Attention: James L. Singleton (Telecopy No. (212) 705-0199);

(c) if to the U.S. Administrative Agent or the U.S. Collateral Agent, to The Chase Manhattan Bank, c/o The Loan and Agency Services Group, One Chase Manhattan Plaza, 8th Floor, New York, New York 10081, Attention of Janet Belden (Telecopy No. (212) 552-5658), with a copy to The Chase Manhattan Bank, 270 Park Avenue, New York, New York 10017, Attention of William Caggiano (Telecopy No. (212) 972-0009);

(d) if to the Canadian Administrative Agent or the Canadian Collateral Agent, to The Chase Manhattan Bank of Canada, 1 First Canadian Place, 100 King Street West, Suite 6900, Toronto, Canada M5X 1A4, and with respect to any funding and/or repayment-related notice, Attention of Funding Officer (Telecopy No. (416) 216-4162), and with respect to any other notice, Attention of Vice President, Portfolio Management (Telecopy No. (416) 216-4161);

(e) if to the Primary U.S. Issuing Bank, to Chase Manhattan Bank Delaware, Letter of Credit Department, 8th Floor, 1201 Market Street, Wilmington, Delaware 19801, Attention of Michael Handago (Telecopy No. (302) 428-3390);

(f) if to the Primary Canadian Issuing Bank, to The Toronto-Dominion Bank, 55 King Street West, 9th Floor, Toronto Dominion Tower, Toronto, Ontario M5K 1A2, Attention of Credit Administration (Telecopy No. (416) 982-6630); and

(g) if to any other Lender or U.S. Issuing Bank or Canadian Issuing Bank, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 10.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agents, any U.S. Issuing Bank, any Canadian Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agents, any U.S. Issuing Bank, any Canadian Issuing Bank, the U.S. Swingline Lender, the Canadian Swingline Lender and the other Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a U.S. $ Letter of Credit or C $ Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agents, the U.S. Swingline Lender, the Canadian Swingline Lender, any other Lender, any U.S. Issuing Bank or any Canadian Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the U.S. Administrative Agent, the Canadian Administrative Agent, Parent, the Borrowers and the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the U.S. Administrative Agent or the Canadian Administrative Agent, as applicable, and the Loan Party or Loan Parties that are parties thereto, in each case with the consent of the Required Lenders, provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.18(b) or (c), in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of the term "Required Lenders", "Majority Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (or each Lender of such Class, as the case may be), (vi) release Parent, the U.S. Borrower or any Subsidiary from its Guarantee under the applicable Guarantee Agreements (except as expressly provided in such Guarantee Agreements), or limit its liability in respect of such Guarantee, without the written consent of each Lender, (vii) release all or substantially all of the Collateral from the Liens of the Security Documents (except as expressly permitted by the Loan Documents), without the written consent of each Lender, (viii) change any provisions of any Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to Lenders holding Loans of any Class differently than those holding Loans of any other Class, without the written consent of Lenders holding a majority in interest of the outstanding Loans and unused Commitments of each affected Class, (ix) change the rights of the Tranche B Lenders or the Delayed Draw Lenders to decline mandatory prepayments as provided in Section 2.11, without the written consent of Tranche B Lenders or Delayed Draw Lenders, as applicable, holding a majority of the outstanding Tranche B Loans or Delayed Draw Loans, as applicable or (x) amend, modify or waive any condition precedent to any extension of credit under the Revolving Commitments, the Additional Revolving Commitment or the Delayed Draw Commitment set forth in Section 4.02 in connection with, or in contemplation of, such extension of credit without the written consent of the Majority Lenders of the affected Class (it being understood that no amendment, modification or waiver of any representation or warranty, covenant or Default or Event of Default shall be deemed effective for purposes of determining whether the conditions precedent set forth in Section 4.02 have been satisfied at such time unless such Majority Lenders shall have consented to such amendment or waiver); and provided further that (A) no such agreement

shall amend, modify or otherwise affect the rights or duties of the U.S. Administrative Agent, the Canadian Administrative Agent, any U.S. Issuing Bank, any Canadian Issuing Bank, the U.S. Swingline Lender or the Canadian Swingline Lender without the prior written consent of the U.S. Administrative Agent, the Canadian Administrative Agent, the U.S. Issuing Bank, the Canadian Issuing Bank, the U.S. Swingline Lender or the Canadian Swingline Lender, as the case may be, and (B) any waiver, amendment or modification of this Agreement that by its terms affects the rights or duties under this Agreement of the U.S. $ Revolving Lenders (but not the Tranche A Lenders, the Tranche B Lenders, the Delayed Draw Lenders, the C $ Revolving Lenders and the Additional Revolving Lenders), the C $ Revolving Lenders and Additional Revolving Lenders (but not the U.S. $ Revolving Lenders, the Tranche A Lenders, the Delayed Draw Lenders and the Tranche B Lenders), the Tranche A Lenders (but not the U.S. $ Revolving Lenders, the C $ Revolving Lenders, the Additional Revolving Lenders, Delayed Draw Lenders and the Tranche B Lenders), the Tranche B Lenders (but not the U.S. $ Revolving Lenders, the C $ Revolving Lenders, the Additional Revolving Lenders, the Delayed Draw Lenders and the Tranche A Lenders) or the Delayed Draw Lenders (but not the U.S. $ Revolving Lenders, the C $ Revolving Lenders, the Additional Revolving Lenders, the Tranche A Lenders and the Tranche B Lenders) may be effected by an agreement or agreements in writing entered into by Parent, the Borrowers and the requisite percentage in interest of the affected Class of Lenders.

SECTION 10.03. Expenses; Indemnity; Damage Waiver. (a) Parent and the Borrowers shall pay (i) all reasonable out-of-pocket expenses incurred by the Agents and their respective Affiliates, including the reasonable fees, charges and disbursements of a single counsel for the Agents in each jurisdiction, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of the Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by any U.S. Issuing Bank or any Canadian Issuing Bank in connection with the issuance, amendment, renewal or extension of any U.S. $ Letter of Credit or C $ Letter of Credit by such U.S. Issuing Bank or Canadian Issuing Bank or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Agents, any U.S. Issuing Bank, any Canadian Issuing Bank, the U.S. Swingline Lender, the Canadian Swingline Lender or any other Lender, including the fees, charges and disbursements of any counsel for the Agents, any U.S. Issuing Bank, any Canadian Issuing Bank, the U.S. Swingline Lender, the Canadian Swingline Lender or any other Lender, in connection with the enforcement or protection of their rights in connection with the Loan Documents, including their rights under this Section, or in connection with the Loans made or U.S. $ Letters of Credit or C $ Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or U.S. $ Letters of Credit or C $ Letters of Credit.

(b) Each of Parent and the Borrowers shall indemnify the Agents, each U.S. Issuing Bank, each Canadian Issuing Bank, the U.S. Swingline Lender, the Canadian Swingline Lender and each other Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any single counsel for such Indemnitee, and any other Indemnitees as to which no conflict of interest exists, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any other agreement or instrument contemplated hereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or U.S. $ Letter of Credit or a C $ Letter of Credit or the use of the proceeds therefrom (including any refusal by a U.S. Issuing Bank or Canadian Issuing Bank to honor a demand for payment under a U.S. $ Letter of Credit or a C $ Letter of Credit issued by such U.S. Issuing Bank or Canadian Issuing Bank if the documents presented in connection with such demand do not strictly comply with the terms of such U.S. $ Letter of Credit or C $ Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials at, on or from any Mortgaged Property or any other property currently or formerly owned, leased or operated by Parent, the Borrowers or any of the Subsidiaries, or any Environmental Liability related in any way to the Borrowers or any of the Subsidiaries or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses resulted from the gross negligence or wilful misconduct of such Indemnitee or any Affiliate of such Indemnitee (or of any officer, director, employee, advisor or agent of such Indemnitee or any such Indemnitee's Affiliates).

(c) To the extent that any Loan Party fails to pay any amount required to be paid by it to the Agents, any U.S. Issuing Bank, any Canadian Issuing Bank, the U.S. Swingline Lender or the Canadian Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Agents, such U.S. Issuing Bank, such Canadian Issuing Bank, the U.S. Swingline Lender or the Canadian Swingline

Lender, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agents, such U.S. Issuing Bank, such Canadian Issuing Bank, the U.S. Swingline Lender or the Canadian Swingline Lender in its capacity as such. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the sum of the aggregate Revolving Exposures, outstanding Term Loans and unused Commitments at the time.

(d) To the extent permitted by applicable law, Parent and the Borrowers shall not assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan, any U.S. $ Letter of Credit or C $ Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable reasonably promptly after written demand therefor.

SECTION 10.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any U.S. Issuing Bank or Canadian Issuing Bank that issues any U.S. $ Letter of Credit or C $ Letter of Credit), except that neither Parent nor the Borrowers may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrowers without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any U.S. Issuing Bank or Canadian Issuing Bank that issues any U.S. $ Letter of Credit or C $ Letter of Credit) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents, the U.S. Issuing Bank, the Canadian Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it), provided that (i) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund (unless such assignment to an Affiliate or an Approved Fund will result in additional amounts being payable by either of the Borrowers under Section 2.15 or 2.17), in each case, the U.S. Borrower and, if applicable, the Canadian Borrower, and either the U.S. Administrative Agent (and, in the case of an assignment of all or a portion of a U.S. $ Revolving Commitment or any Lender's obligations in respect of its U.S. $ LC Exposure or U.S. Swingline Exposure, each U.S. Issuing Bank and the U.S. Swingline Lender) or the Canadian Administrative Agent (and, in the case of an assignment of all or a portion of the C $ Revolving Commitment or any Lender's obligations in respect of its C $ LC Exposure or C $ Swingline Exposure, each Canadian Issuing Bank and the Canadian Swingline Lender), as applicable, must each give its prior written consent to such assignment (which consent shall not in either case be unreasonably withheld or delayed), (ii) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the U.S. Administrative Agent or the Canadian Administrative Agent, as applicable) shall not be less than $5,000,000 unless each of the U.S. Borrower and the U.S. Administrative Agent or the Canadian Administrative Agent, as applicable, otherwise consent, (iii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, except that, subject to clause (vi), this clause (iii) shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans, (iv) the parties to each assignment shall execute and deliver to the U.S. Administrative Agent or the Canadian Administrative Agent, as applicable, an Assignment and Acceptance, together with a processing and recordation fee of $3,500, (v) the assignee, if it shall not be a Lender, shall deliver to the U.S. Administrative Agent an Administrative Questionnaire and (vi) each assignment by a C $ Revolving Lender (or, in the case of a C $ Revolving Lender that is not a Canadian Schedule I chartered bank, its Designated U.S. Affiliate) shall be (A) to an assignee that is able to comply with the reallocation mechanism set forth in Section 2.22 after giving effect to such assignment, (B) to an assignee that agrees to make (individually or together with a U.S. Affiliate) C $ Revolving Loans and Additional Revolving Loans as required pursuant to Section 2.22 (and, if such assignee is not a Canadian Schedule I chartered bank, such assignee must designate in the applicable Assignment and Acceptance a U.S. Affiliate for purposes of making Additional Revolving Loans) and (C) comprised of all or a pro rata portion of such Lender's C $ Revolving Commitments and Additional Revolving Commitments, provided further that any

consent of the U.S. Borrower or the Canadian Borrower otherwise required under this paragraph shall not be required if an Event of Default under clause (h) or (i) of Article VII has occurred and is continuing. Upon acceptance and recording pursuant to paragraph (d) of this Section, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 10.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section.

(c) Each of the U.S. Administrative Agent and the Canadian Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at its address referred to Section 10.01 a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans (whether or not evidenced by a promissory note) and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (each, a "Register"). The entries in a Register shall be conclusive, and Parent, the Borrowers, the Administrative Agents, each U.S. Issuing Bank, each Canadian Issuing Bank and the Lenders may treat each Person whose name is recorded in a Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. Each Register shall be available for inspection by the Borrowers, any U.S. Issuing Bank, any Canadian Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the U.S. Administrative Agent or the Canadian Administrative Agent, as applicable, shall accept such Assignment and Acceptance and record the information contained therein in its Register. An assignment of all or part of a Loan evidenced by a promissory note shall be registered on the Register only upon the surrender for registration of assignment of the Note evidencing such Loan, and thereupon one or more new promissory notes in the same aggregate principal amount shall be issued to the designated assignee and the old promissory notes shall be returned by the applicable Administrative Agent to the applicable Borrower marked "canceled". No assignment shall be effective for purposes of this Agreement unless it has been recorded in a Register as provided in this paragraph.

(e) Any Lender may, without the consent of any party, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it), provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agents, any U.S. Issuing Bank, any Canadian Issuing Bank, the U.S. Swingline Lender, the Canadian Swingline Lender and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents, provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.02(b) that affects such Participant. Subject to paragraph (f) of this Section, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.15, 2.16 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the U.S. Borrower's or the Canadian Borrower's prior written consent and, prior to giving such consent, the U.S. Borrower or the Canadian Borrower is made aware of any additional costs to which such Participant may be entitled.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest, provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 10.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any U.S. $ Letters of Credit or C $ Letters of Credit, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any U.S. $ Letter of Credit or C $ Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 10.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the U.S. $ Letters of Credit, the C $ Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof or any assignment or participation pursuant to Section 10.04.

SECTION 10.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Agents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Agents and when the U.S. Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of either of the Borrowers against any of and all the obligations of either of the Borrowers now or hereafter existing under this Agreement held by such Lender, and then due and owing, whether by acceleration or otherwise. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender may have. Notwithstanding anything to the contrary contained in any of the Loan Documents, no proceeds of the exercise of any such lien, setoff or similar right against the Canadian Borrower or its subsidiaries shall be applied to the payment of any amounts other than amounts owing by the Canadian Borrower hereunder in respect of C $ Revolving Borrowings.

SECTION 10.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each of Parent and the Borrowers hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in

other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Agents, any U.S. Issuing Bank, any Canadian Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Parent, the Borrowers or its properties in the courts of any jurisdiction.

(c) Each of Parent and the Borrowers hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 10.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 10.12. Confidentiality. Each of the Agents, the Issuing Banks, the Swingline Lenders and the other Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors, and to any direct or indirect contractual counterparty in swap agreements or to such contractual counterparty's professional advisor (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of Parent and the Borrowers or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Agents, any U.S. Issuing Bank, any Canadian Issuing Bank or any Lender on a nonconfidential basis from a source other than Parent or the Borrowers. For the purposes of this Section, the term "Information" means all information received from Parent or the Borrowers relating to Parent, the Borrowers, the Subsidiaries or their respective business other than any such information that is available to the Agents, any U.S. Issuing Bank, any Canadian Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by Parent or the Borrowers, provided that, in the case of information received from Parent or the Borrowers after the date hereof (other than any such information received pursuant to Section 5.01) such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 10.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively, the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such

Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate or Canadian Prime Rate, as applicable, to the date of repayment, shall have been received by such Lender.

SECTION 10.14. Judgment Currency. (a) The Borrowers' obligations hereunder and under the other Loan Documents to make payments in Dollars or in Canadian Dollars (the "Obligation Currency") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agents, the Collateral Agents or a Lender of the full amount of the Obligation Currency expressed to be payable to such Administrative Agent, Collateral Agent or Lender under this Agreement or the other Loan Documents. If, for the purpose of obtaining or enforcing judgment against either of the Borrowers or any other Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the "Judgment Currency") an amount due in the Obligation Currency, the conversion shall be made, at the Dollar Equivalent of such amount, in the case of any Canadian Dollars or Dollars, and, in the case of other currencies, the rate of exchange (as quoted by the U.S. Administrative Agent or if the U.S. Administrative Agent does not quote a rate of exchange on such currency, by a known dealer in such currency designated by the U.S. Administrative Agent) determined, in each case, as of the date immediately preceding the day on which the judgment is given (such Business Day being hereinafter referred to as the "Judgment Currency Conversion Date").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, the Borrowers covenant and agree to pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount), as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining the Dollar Equivalent or rate of exchange for this Section, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

SECTION 10.15. Limitation on Liability. Notwithstanding anything to the contrary in this Agreement, the Canadian Borrower shall not have any liability to any party with respect to any representation or warranty made pursuant hereto other than to the applicable Administrative Agents and to the C $ Revolving Lenders (and assignees thereof pursuant to Section 9.01 or Section 10.04).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

WESCO INTERNATIONAL, INC.,

by

Name:
Title:

WESCO DISTRIBUTION, INC.,

by

Name:
Title:

WESCO DISTRIBUTION - CANADA, INC.

by

Name:
Title:

THE CHASE MANHATTAN BANK, individually
and as U.S. Administrative Agent,
U.S. Collateral Agent and U.S.
Swingline Lender,

by

Name:
Title:

THE CHASE MANHATTAN BANK OF CANADA,
individually and as Canadian
Administrative Agent and Canadian
Swingline Lender,

by

Name:
Title:

CHASE MANHATTAN BANK DELAWARE, as
Primary U.S. Issuing Bank,

by

Name:
Title:

LEHMAN COMMERCIAL PAPER INC.,
individually and as Documentation Agent,

by

Name:
Title:

WESCO RECEIVABLES CORP.

AND

WESCO DISTRIBUTION, INC.

AND

THE OTHER SELLERS NAMED HEREIN

U.S. RECEIVABLES SALE AGREEMENT

DATED AS OF JUNE 5, 1998

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U.S. RECEIVABLES SALE AGREEMENT

THIS U.S. RECEIVABLES SALE AGREEMENT DATED AS OF JUNE 5, 1998 (THIS "AGREEMENT"), IS AMONG WESCO DISTRIBUTION, INC., A DELAWARE CORPORATION ("WESCO"), WESCO EQUITY CORPORATION, A DELAWARE CORPORATION ("EQUITY CORP."); WESCO AND EQUITY CORP., BEING COLLECTIVELY REFERRED TO HEREIN AS THE "SELLERS" AND INDIVIDUALLY AS A "SELLER"), WESCO RECEIVABLES CORP., A DELAWARE CORPORATION (THE "COMPANY") AND WESCO, IN ITS CAPACITY AS SERVICER (THE "SERVICER").

W I T N E S S E T H:

WHEREAS, THE SELLERS INTEND TO SELL RECEIVABLES AND RECEIVABLES PROPERTY (BOTH AS HEREINAFTER DEFINED) TO THE COMPANY ON THE TERMS AND SUBJECT TO THE CONDITIONS SET FORTH IN THIS AGREEMENT;

WHEREAS, THE COMPANY DESIRES TO PURCHASE RECEIVABLES AND RECEIVABLES PROPERTY FROM THE SELLERS ON THE TERMS AND SUBJECT TO THE CONDITIONS SET FORTH IN THIS AGREEMENT;

WHEREAS, THE SELLERS AND THE COMPANY DESIRE THE TRANSFER OF RECEIVABLES AND RECEIVABLES PROPERTY FROM THE SELLERS TO THE COMPANY TO BE A TRUE SALE PROVIDING THE COMPANY WITH THE FULL BENEFITS OF OWNERSHIP OF THE RECEIVABLES; AND

WHEREAS, TO OBTAIN THE NECESSARY FUNDS TO PURCHASE SUCH RECEIVABLES AND RECEIVABLES PROPERTY, THE COMPANY HAS ENTERED INTO THE POOLING AGREEMENT (AS HEREINAFTER DEFINED);

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL COVENANTS AND AGREEMENTS CONTAINED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I
DEFINITIONS

SECTION 1.01. CERTAIN DEFINED TERMS. UNLESS OTHERWISE DEFINED HEREIN, CAPITALIZED TERMS WHICH ARE USED HEREIN SHALL HAVE THE MEANINGS ASSIGNED TO SUCH TERMS IN SECTION 1.1 OF THE POOLING AGREEMENT, AMONG THE COMPANY, THE SERVICER AND THE TRUSTEE. AS USED IN THIS AGREEMENT, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS (SUCH MEANINGS TO BE EQUALLY APPLICABLE TO BOTH THE SINGULAR AND PLURAL FORMS OF THE TERMS DEFINED):

"ADDITIONAL SELLER SUPPLEMENT" MEANS AN INSTRUMENT SUBSTANTIALLY IN THE FORM OF EXHIBIT B HERETO PURSUANT TO WHICH A SUBSIDIARY OF WESCO BECOMES A SELLER PARTY HERETO.

"AUTHORIZED OFFICERS" MEANS THOSE OFFICERS OF THE SELLERS DESIGNATED IN SCHEDULE 1 HERETO (OR IN SUCH OTHER SCHEDULE AS MAY BE DELIVERED BY THE SELLERS TO THE OTHER PARTIES HERETO FROM TIME TO TIME) AS DULY AUTHORIZED TO EXECUTE AND DELIVER THIS AGREEMENT AND ANY INSTRUMENTS OR DOCUMENTS IN CONNECTION HEREWITH ON BEHALF OF THE SELLERS AND TO TAKE, FROM TIME TO TIME, ALL OTHER ACTIONS ON BEHALF OF THE SELLERS IN CONNECTION HEREWITH.

"CLOSING DATE" MEANS THE DATE OF THE INITIAL ISSUANCE OF THE INVESTOR CERTIFICATES.

"CODE" SHALL MEAN THE INTERNAL REVENUE CODE OF 1986, AND REGULATIONS PROMULGATED THEREUNDER OR ANY SUCCESSOR STATUTE AND RELATED REGULATIONS.

"COLLECTIONS" SHALL MEAN ALL COLLECTIONS, INCLUDING THE AGGREGATE UNCLEARED FUNDS AMOUNT, AND ALL AMOUNTS RECEIVED IN RESPECT OF THE RECEIVABLES, INCLUDING RECOVERIES, SELLER REPURCHASE PAYMENTS, SELLER ADJUSTMENT PAYMENTS, SERVICER INDEMNIFICATION AMOUNTS PAID BY THE SERVICER AND ANY OTHER PAYMENTS RECEIVED IN RESPECT OF DILUTION ADJUSTMENTS, TOGETHER WITH ALL COLLECTIONS RECEIVED IN RESPECT OF THE RELATED PROPERTY IN THE FORM OF CASH, CHECKS, WIRE TRANSFERS OR ANY OTHER FORM OF CASH PAYMENT, AND ALL PROCEEDS OF RECEIVABLES AND COLLECTIONS THEREOF (INCLUDING, WITHOUT LIMITATION, COLLECTIONS CONSTITUTING AN ACCOUNT OR GENERAL INTANGIBLE OR EVIDENCED BY A NOTE, INSTRUMENT, LETTER OF CREDIT, SECURITY, CONTRACT, SECURITY AGREEMENT, CHATTEL PAPER OR OTHER EVIDENCE OF INDEBTEDNESS OR SECURITY, WHATEVER IS RECEIVED UPON THE SALE, EXCHANGE, COLLECTION OR OTHER DISPOSITION OF, OR ANY INDEMNITY, WARRANTY OR GUARANTY PAYABLE IN RESPECT OF, THE FOREGOING AND ALL "PROCEEDS", AS DEFINED IN SECTION 9-306 OF THE UCC AS IN EFFECT IN THE STATE OF NEW YORK, OF THE FOREGOING).

"CONTRACT" MEANS A CONTRACT BETWEEN ANY SELLER AND ANY PERSON PURSUANT TO OR UNDER WHICH SUCH PERSON SHALL BE OBLIGATED TO MAKE PAYMENTS TO SUCH SELLER.

"DISCOUNTED PERCENTAGE" HAS THE MEANING SPECIFIED IN SCHEDULE 6 HERETO.

"EARLY TERMINATION" SHALL HAVE THE MEANING SPECIFIED IN SECTION 6.01.

"EFFECTIVE DATE" MEANS (I) WITH RESPECT TO EACH SELLER ON THE DATE HEREOF, THE DATE HEREOF AND (II) WITH RESPECT TO EACH SUBSIDIARY OF WESCO ADDED AS A SELLER PURSUANT TO SECTION 9.12, THE SELLER ADDITION DATE WITH RESPECT TO EACH SUCH SUBSIDIARY.

"EXCLUDED RECEIVABLE" MEANS RECEIVABLES (WITHOUT GIVING EFFECT TO THE EXCLUSION OF EXCLUDED RECEIVABLES FROM THE DEFINITION THEREOF) (I) OWED BY OBLIGORS NOT RESIDENT IN THE UNITED STATES, WHICH ARE DENOMINATED IN A CURRENCY OTHER THAN U.S. DOLLARS, (II) OWED TO A SELLER BY A VENDOR OF MERCHANDISE TO SUCH SELLER, WHICH RELATES TO THE MERCHANDISE SOLD BY SUCH VENDOR OR PROMOTIONAL PROGRAMS OF SUCH VENDOR OR (III) ORIGINATED BY THE NEW YORK CITY BRANCH, THE FIFE BRANCH AND THE TAMPA MAJOR PROJECTS BRANCH, IDENTIFIED ON WESCO'S SYSTEM AS BRANCH NOS. 1225, 7147 AND 3840, RESPECTIVELY.

"ERISA AFFILIATE" SHALL MEAN, WITH RESPECT TO ANY PERSON, ANY TRADE OR BUSINESS (WHETHER OR NOT INCORPORATED) THAT IS A MEMBER OF A GROUP OF WHICH SUCH PERSON IS A MEMBER AND WHICH IS TREATED AS A SINGLE EMPLOYER UNDER SECTION 414 OF THE INTERNAL REVENUE CODE.

"INSOLVENCY EVENT" WITH RESPECT TO THE SELLER, SHALL MEAN THE OCCURRENCE OF ANY ONE OR MORE OF THE PURCHASE TERMINATION EVENTS SPECIFIED IN SUBSECTION 6.01(G).

"LIEN" SHALL MEAN, WITH RESPECT TO ANY ASSET, (A) ANY MORTGAGE, DEED OF TRUST, LIEN, PLEDGE, ENCUMBRANCE, CHARGE OR SECURITY INTEREST IN OR ON SUCH ASSET, (B) THE INTEREST OF A VENDOR OR A LESSOR UNDER ANY CONDITIONAL SALE AGREEMENT, CAPITAL LEASE OR TITLE RETENTION AGREEMENT RELATING TO SUCH ASSET AND (C) IN THE CASE OF SECURITIES, ANY PURCHASE OPTION, CALL OR OTHER SIMILAR RIGHT OF A THIRD PARTY WITH RESPECT TO SUCH SECURITIES; PROVIDED, HOWEVER, THAT IF A LIEN IS IMPOSED UNDER SECTION 412(N) OF THE CODE OR SECTION 302(F) OF ERISA FOR A FAILURE TO MAKE A REQUIRED INSTALLMENT OR OTHER PAYMENT TO A PLAN TO WHICH SECTION 412(N) OF THE CODE OR SECTION 302(F) OF ERISA APPLIES, THEN SUCH LIEN SHALL NOT BE TREATED AS A "LIEN" FROM AND AFTER THE TIME ANY PERSON WHO IS OBLIGATED TO MAKE SUCH PAYMENT PAYS TO SUCH PLAN THE AMOUNT OF SUCH LIEN DETERMINED UNDER SECTION 412(N)(3) OF THE CODE OR SECTION 302(F)(3) OF ERISA, AS THE CASE MAY BE, AND PROVIDES TO THE TRUSTEE, ANY AGENT AND EACH RATING AGENCY A WRITTEN STATEMENT OF THE AMOUNT OF SUCH LIEN TOGETHER WITH WRITTEN EVIDENCE OF PAYMENT OF SUCH AMOUNT, OR SUCH LIEN EXPIRES PURSUANT TO SECTION 412(N)(4)(B) OF THE CODE OR SECTION 302(F)(4)(B) OF ERISA.

"MATERIAL ADVERSE EFFECT" SHALL MEAN, WITH RESPECT TO ANY SELLER, (A) A MATERIAL IMPAIRMENT OF THE ABILITY OF SUCH SELLER TO PERFORM ITS OBLIGATIONS UNDER THE TRANSACTION DOCUMENTS, (B) A MATERIAL IMPAIRMENT OF THE VALIDITY OR ENFORCEABILITY OF ANY OF THE TRANSACTION DOCUMENTS AGAINST SUCH SELLER, (C) A MATERIAL IMPAIRMENT OF THE COLLECTIBILITY OF THE RECEIVABLES ORIGINATED BY SUCH SELLER TAKEN AS A WHOLE OR (D) A MATERIAL IMPAIRMENT OF THE INTERESTS, RIGHTS OR REMEDIES OF THE COMPANY UNDER THE TRANSACTION DOCUMENTS OR THE RECEIVABLES TAKEN AS A WHOLE.

"MULTIEMPLOYER PLAN" SHALL MEAN, WITH RESPECT TO ANY PERSON, A "MULTIEMPLOYER PLAN" (WITHIN THE MEANING OF SECTION 4001(A)(3) OF ERISA) AS TO WHICH SUCH PERSON OR ANY ERISA AFFILIATE OF SUCH PERSON (OTHER THAN ONE CONSIDERED AN ERISA AFFILIATE ONLY PURSUANT TO SUBSECTION (M) OR (O) OF SECTION 414 OF THE CODE) IS MAKING OR ACCRUING AN OBLIGATION TO MAKE CONTRIBUTIONS, OR HAS WITHIN ANY OF THE PRECEDING FIVE YEARS MADE OR ACCRUED AN OBLIGATION TO MAKE CONTRIBUTIONS.

"PAYMENT DATE" HAS THE MEANING SPECIFIED IN SUBSECTION 2.03(A).

"PLAN" SHALL MEAN, WITH RESPECT TO ANY PERSON, ANY PENSION PLAN (OTHER THAN A MULTIEMPLOYER PLAN) SUBJECT TO THE PROVISIONS OF TITLE IV OF ERISA OR SECTION 412 OF THE INTERNAL REVENUE CODE WHICH IS MAINTAINED FOR EMPLOYEES OF SUCH PERSON OR ANY ERISA AFFILIATE OF SUCH PERSON.

"POOLING AGREEMENT" MEANS THE POOLING AGREEMENT DATED AS OF THE DATE HEREOF, AMONG THE COMPANY, THE SERVICER AND THE TRUSTEE ON BEHALF OF THE CERTIFICATEHOLDERS, AS SUCH AGREEMENT MAY BE AMENDED, SUPPLEMENTED, WAIVED, OR OTHERWISE MODIFIED FROM TIME TO TIME, INCLUDING, WITHOUT LIMITATION, THE SERIES 1998-1 SUPPLEMENT DATED AS OF THE DATE HEREOF AMONG THE COMPANY, THE SERVICER AND THE TRUSTEE.

"POTENTIAL PURCHASE TERMINATION EVENT" MEANS ANY CONDITION OR ACT SPECIFIED IN SECTION 6.01 THAT, WITH THE GIVING OF NOTICE OR THE LAPSE OF TIME OR BOTH, WOULD BECOME A PURCHASE TERMINATION EVENT.

"PURCHASED RECEIVABLE" MEANS, AT ANY TIME, ANY RECEIVABLE SOLD TO THE COMPANY BY ANY SELLER PURSUANT TO, AND IN ACCORDANCE WITH THE TERMS OF, THIS AGREEMENT AND NOT THERETOFORE RESOLD TO SUCH SELLER PURSUANT TO SUBSECTION 2.01(B) OR SECTIONS 2.06 OR 2.11.

"PURCHASED RECEIVABLES PERCENTAGE" MEANS, WITH RESPECT TO ANY SELLER AS TO WHICH WESCO HAS SUBMITTED A SELLER TERMINATION REQUEST, THE PERCENTAGE EQUIVALENT OF A FRACTION, THE NUMERATOR OF WHICH IS AN AMOUNT EQUAL TO THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF PURCHASED RECEIVABLES SOLD BY SUCH SELLER AS OF THE APPLICABLE SELLER TERMINATION REQUEST DATE, AND THE DENOMINATOR OF WHICH IS AN AMOUNT EQUAL TO THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF ALL PURCHASED RECEIVABLES AS OF SUCH DATE.

"PURCHASE PRICE" HAS THE MEANING SPECIFIED IN SECTION 2.02.

"PURCHASE TERMINATION DATE" MEANS, WITH RESPECT TO ANY SELLER, THE DATE ON WHICH THE COMPANY'S OBLIGATION TO PURCHASE RECEIVABLES FROM SUCH SELLER SHALL TERMINATE, WHICH SHALL BE THE DATE ON WHICH AN EARLY TERMINATION OCCURS WITH RESPECT TO SUCH SELLER.

"PURCHASE TERMINATION EVENT" HAS THE MEANING SPECIFIED IN SECTION 6.01.

"RECEIVABLE" SHALL MEAN THE INDEBTEDNESS AND PAYMENT OBLIGATIONS OF ANY PERSON TO A SELLER OR ACQUIRED BY A SELLER (INCLUDING, WITHOUT LIMITATION, OBLIGATIONS CONSTITUTING AN ACCOUNT OR GENERAL INTANGIBLE OR EVIDENCED BY A NOTE, INSTRUMENT, CONTRACT, SECURITY AGREEMENT, CHATTEL PAPER OR OTHER EVIDENCE OF INDEBTEDNESS OR SECURITY) ARISING FROM A SALE OF MERCHANDISE OR THE PROVISION OF SERVICES BY SUCH SELLER OR THE PERSON FROM WHOM SUCH INDEBTEDNESS AND PAYMENT OBLIGATION WAS ACQUIRED BY A SELLER, INCLUDING, WITHOUT LIMITATION, ANY RIGHT TO PAYMENT FOR GOODS SOLD OR FOR SERVICES RENDERED, AND INCLUDING THE RIGHT TO PAYMENT OF ANY INTEREST, SALES TAXES, FINANCE CHARGES, RETURNED CHECK OR LATE CHARGES AND OTHER OBLIGATIONS OF SUCH PERSON WITH RESPECT THERETO OTHER THAN EXCLUDED RECEIVABLES; PROVIDED, HOWEVER, THAT FOR PURPOSES OF ARTICLE II HEREOF IN THE EVENT THAT AN EXCLUDED RECEIVABLE IS INCLUDED ON ANY DAILY REPORT, SUCH EXCLUDED RECEIVABLE SHALL BE DEEMED TO BE A RECEIVABLE BUT NOT AN ELIGIBLE RECEIVABLE.

"RECEIVABLES PROPERTY" HAS THE MEANING SPECIFIED IN SECTION 2.01.

"REFERENCE RATE" SHALL MEAN, FOR ANY DAY, A RATE PER ANNUM (ROUNDED UPWARDS, IF NECESSARY, TO THE NEXT 1/16 OF 1%) EQUAL TO THE GREATER OF (A) THE PRIME RATE IN EFFECT ON SUCH DAY AND (B) THE FEDERAL FUNDS EFFECTIVE RATE IN EFFECT ON SUCH DAY PLUS 1/2 OF 1%. IF THE CHASE MANHATTAN BANK SHALL HAVE DETERMINED (WHICH DETERMINATION SHALL BE CONCLUSIVE ABSENT MANIFEST ERROR) THAT IT IS UNABLE TO ASCERTAIN THE FEDERAL FUNDS EFFECTIVE RATE FOR ANY REASON, INCLUDING THE FAILURE OF THE FEDERAL RESERVE BANK OF NEW YORK TO PUBLISH RATES OR THE INABILITY OF THE CHASE MANHATTAN BANK TO OBTAIN QUOTATIONS IN ACCORDANCE WITH THE TERMS OF THE DEFINITION THEREOF, THE REFERENCE RATE SHALL BE DETERMINED WITHOUT REGARD TO CLAUSE (B) OF THE IMMEDIATELY PRECEDING SENTENCE, AS APPROPRIATE, UNTIL THE CIRCUMSTANCES GIVING RISE TO SUCH

INABILITY NO LONGER EXIST. ANY CHANGE IN THE REFERENCE RATE DUE TO A CHANGE IN THE PRIME RATE OR THE FEDERAL FUNDS EFFECTIVE RATE SHALL BE EFFECTIVE ON THE EFFECTIVE DATE OF SUCH CHANGE IN THE PRIME RATE OR THE FEDERAL FUNDS EFFECTIVE RATE, RESPECTIVELY. THE TERM "PRIME RATE" SHALL MEAN THE RATE OF INTEREST PER ANNUM PUBLICLY ANNOUNCED FROM TIME TO TIME BY THE CHASE MANHATTAN BANK AS ITS PRIME RATE IN EFFECT AT ITS PRINCIPAL OFFICE IN NEW YORK CITY; EACH CHANGE IN THE PRIME RATE SHALL BE EFFECTIVE ON THE DATE SUCH CHANGE IS PUBLICLY ANNOUNCED AS BEING EFFECTIVE. THE TERM "FEDERAL FUNDS EFFECTIVE RATE" SHALL MEAN, FOR ANY DAY, THE WEIGHTED AVERAGE OF THE RATES ON OVERNIGHT FEDERAL FUNDS TRANSACTIONS WITH MEMBERS OF THE FEDERAL RESERVE SYSTEM ARRANGED BY FEDERAL FUNDS BROKERS, AS PUBLISHED ON THE NEXT SUCCEEDING BUSINESS DAY BY THE FEDERAL RESERVE BANK OF NEW YORK, OR, IF SUCH RATE IS NOT SO PUBLISHED FOR ANY DAY THAT IS A BUSINESS DAY, THE AVERAGE OF THE QUOTATIONS FOR THE DAY FOR SUCH TRANSACTIONS RECEIVED BY THE CHASE MANHATTAN BANK FROM THREE FEDERAL FUNDS BROKERS OF RECOGNIZED STANDING SELECTED BY IT.

"RELATED PROPERTY" SHALL MEAN, WITH RESPECT TO EACH RECEIVABLE:

(A) ALL OF THE APPLICABLE SELLER'S INTEREST IN THE GOODS, IF ANY, SOLD AND DELIVERED TO AN OBLIGOR WHICH GAVE RISE TO SUCH RECEIVABLE;

(B) ALL OTHER SECURITY INTERESTS OR LIENS PURPORTING TO SECURE PAYMENT OF SUCH RECEIVABLE, TOGETHER WITH ALL FINANCING STATEMENTS SIGNED BY AN OBLIGOR DESCRIBING ANY COLLATERAL SECURING SUCH RECEIVABLE; AND

(C) ALL GUARANTEES, CREDIT OR SIMILAR TYPES OF INSURANCE, LETTERS OF CREDIT AND OTHER AGREEMENTS OR ARRANGEMENTS OF WHATEVER CHARACTER FROM TIME TO TIME SUPPORTING OR SECURING PAYMENT OF SUCH RECEIVABLE;

IN THE CASE OF CLAUSES (B) AND (C), WHETHER PURSUANT TO THE CONTRACT RELATED TO SUCH RECEIVABLE OR OTHERWISE OR INCLUDING, WITHOUT LIMITATION, PURSUANT TO ANY OBLIGATIONS EVIDENCED BY A NOTE, INSTRUMENT, CONTRACT, SECURITY AGREEMENT, CHATTEL PAPER OR OTHER EVIDENCE OF INDEBTEDNESS OR SECURITY AND THE PROCEEDS THEREOF.

"RELEVANT UCC STATE" MEANS EACH JURISDICTION IN WHICH THE FILING OF A UCC FINANCING STATEMENT IS NECESSARY OR DESIRABLE TO PERFECT THE COMPANY'S INTEREST IN THE RECEIVABLES.

"REPORTABLE EVENT" SHALL MEAN ANY REPORTABLE EVENT AS DEFINED IN SECTION 4043(B) OF ERISA OR THE REGULATIONS ISSUED THEREUNDER WITH RESPECT TO A PLAN (OTHER THAN A PLAN MAINTAINED BY AN ERISA AFFILIATE WHICH IS CONSIDERED AN ERISA AFFILIATE ONLY PURSUANT TO SUBSECTION (M) OR (O) OF SECTION 414 OF THE CODE).

"SEC" MEANS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

"SELLER ADDITION DATE" HAS THE MEANING SPECIFIED IN SECTION 3.02.

"SELLER ADJUSTMENT PAYMENT" HAS THE MEANING SPECIFIED IN SECTION 2.05.

"SELLER REPURCHASE PAYMENT" HAS THE MEANING SPECIFIED IN SECTION 2.06.

"SELLER TERMINATION REQUEST" HAS THE MEANING SPECIFIED IN SUBSECTION 9.13(B).

"SELLER TERMINATION REQUEST DATE" HAS THE MEANING SPECIFIED IN SUBSECTION 9.13(B).

"SELLER NOTE" HAS THE MEANING SPECIFIED IN SECTION 8.01.

"WESCO PERSONS" MEANS EACH SELLER AND EACH OF ITS AFFILIATES OTHER THAN THE COMPANY.

"WITHDRAWAL LIABILITIES" SHALL MEAN LIABILITY TO A MULTIEMPLOYER PLAN AS A RESULT OF A COMPLETE OR PARTIAL WITHDRAWAL FROM SUCH MULTIEMPLOYER PLAN, AS SUCH TERMS ARE DEFINED IN PART I OF SUBTITLE E OF TITLE IV OF ERISA.

SECTION 1.02. OTHER DEFINITIONAL PROVISIONS. (A) ALL TERMS DEFINED HEREIN OR IN THE POOLING AGREEMENT OR ANY SUPPLEMENT SHALL HAVE THEIR DEFINED MEANINGS WHEN USED IN ANY CERTIFICATE OR OTHER DOCUMENT MADE OR DELIVERED PURSUANT HERETO UNLESS OTHERWISE DEFINED THEREIN.

(B) AS USED HEREIN AND IN ANY CERTIFICATE OR OTHER DOCUMENT MADE OR DELIVERED PURSUANT HERETO OR THERETO, ACCOUNTING TERMS NOT DEFINED IN SECTION 1.1 OF THE POOLING AGREEMENT OR ANY SUPPLEMENT, AND ACCOUNTING TERMS PARTLY DEFINED IN SECTION 1.1 OF THE POOLING AGREEMENT OR ANY SUPPLEMENT TO THE EXTENT NOT DEFINED, SHALL HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM UNDER GAAP. TO THE EXTENT THAT THE DEFINITIONS OF ACCOUNTING TERMS HEREIN ARE INCONSISTENT WITH THE MEANINGS OF SUCH TERMS UNDER GAAP, THE DEFINITIONS CONTAINED HEREIN SHALL CONTROL. ALL TERMS USED IN ARTICLE 9 OF THE UCC THAT ARE USED BUT NOT SPECIFICALLY DEFINED HEREIN ARE USED HEREIN AS DEFINED THEREIN.

(C) THE WORDS "HEREOF", "HEREIN" AND "HEREUNDER" AND WORDS OF SIMILAR IMPORT WHEN USED IN THIS AGREEMENT SHALL REFER TO THIS AGREEMENT AS A WHOLE AND NOT TO ANY PARTICULAR PROVISION OF THIS AGREEMENT, AND SECTION, SUBSECTION, ANNEX, SCHEDULE AND EXHIBIT REFERENCES CONTAINED IN THIS AGREEMENT ARE REFERENCES TO SECTIONS, SUBSECTIONS, ANNEX, SCHEDULES AND EXHIBITS IN OR TO THIS AGREEMENT UNLESS OTHERWISE SPECIFIED.

(D) THE DEFINITIONS CONTAINED IN SECTION 1.01 OF THIS AGREEMENT ARE APPLICABLE TO THE SINGULAR AS WELL AS THE PLURAL FORMS OF SUCH TERMS AND TO THE MASCULINE, THE FEMININE AND THE NEUTER GENDERS OF SUCH TERMS.

(E) ANY REFERENCE HEREIN OR IN ANY OTHER TRANSACTION DOCUMENT TO A PROVISION OF THE CODE OR ERISA SHALL BE DEEMED A REFERENCE TO ANY SUCCESSOR PROVISION THERETO.

(F) ALL REFERENCES HEREIN TO ANY AGREEMENT OR INSTRUMENT SHALL BE DEEMED REFERENCES TO SUCH AGREEMENT OR INSTRUMENT AS AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, SUBJECT TO COMPLIANCE WITH ANY RESTRICTIONS HEREIN ON THE AMENDMENT, SUPPLEMENTATION OR MODIFICATION OF SUCH AGREEMENT OR INSTRUMENT.

ARTICLE II
PURCHASE AND SALE OF RECEIVABLES

SECTION 2.01. PURCHASE AND SALE OF RECEIVABLES. (A) UPON THE TERMS SET FORTH HEREIN, EACH OF THE SELLERS HEREBY SELLS, ASSIGNS, TRANSFERS AND CONVEYS TO THE COMPANY, WITHOUT RECOURSE (EXCEPT TO THE LIMITED EXTENT PROVIDED HEREIN), ALL ITS RESPECTIVE PRESENT AND FUTURE RIGHT, TITLE AND INTEREST IN, TO AND UNDER:

(I) ALL RECEIVABLES NOW EXISTING AND HEREAFTER ARISING FROM TIME TO TIME (UNTIL AN EARLY TERMINATION WITH RESPECT TO SUCH SELLER OCCURS);

(II) ALL RELATED PROPERTY IN RESPECT OF SUCH RECEIVABLES;

(III) ALL COLLECTIONS;

(IV) ALL PAYMENT, ENFORCEMENT AND OTHER RIGHTS (INCLUDING RESCISSION, REPLEVIN OR RECLAMATION), BUT NONE OF THE OBLIGATIONS, RELATING TO ANY RECEIVABLE OR ARISING THEREFROM; AND

(V) ALL MONIES DUE OR TO BECOME DUE AND ALL AMOUNTS RECEIVED WITH RESPECT TO THE ITEMS LISTED IN CLAUSES (I), (II), (III) AND (IV) AND ALL PROCEEDS (INCLUDING, WITHOUT LIMITATION, WHATEVER IS RECEIVED UPON THE SALE, EXCHANGE, COLLECTION OR OTHER DISPOSITION OF THE FOREGOING AND ALL "PROCEEDS" AS DEFINED IN SECTION 9-306 OF THE UCC AS IN EFFECT IN THE COMMONWEALTH OF PENNSYLVANIA) THEREOF, INCLUDING ALL RECOVERIES RELATING THERETO AND ALL AMOUNTS ON DEPOSIT IN LOCKBOX ACCOUNTS OR ELIGIBLE SEGREGATED ACCOUNTS WHICH WERE NOT AVAILABLE FUNDS ON THE DATE HEREOF (THE PROPERTY DESCRIBED IN THE FOREGOING CLAUSES (II) THROUGH (V) ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "RECEIVABLES PROPERTY").

SUBJECT TO THE TERMS AND CONDITIONS SET FORTH HEREIN, THE COMPANY HEREBY AGREES TO PURCHASE THE RECEIVABLES AND RECEIVABLES PROPERTY OF EACH SELLER.

(B) ON EACH APPLICABLE EFFECTIVE DATE AND ON THE DATE OF CREATION OF EACH NEWLY CREATED RECEIVABLE, ALL OF THE APPLICABLE SELLER'S RIGHT, TITLE AND INTEREST IN, TO AND UNDER (I) IN THE CASE OF EACH SUCH EFFECTIVE DATE, ALL THEN EXISTING RECEIVABLES AND ALL RECEIVABLES PROPERTY IN RESPECT OF SUCH RECEIVABLES AND (II) IN THE CASE OF EACH SUCH DATE OF CREATION (BUT ONLY SO LONG AS NO EARLY TERMINATION WITH RESPECT TO SUCH SELLER HAS OCCURRED), ALL SUCH NEWLY CREATED RECEIVABLES AND ALL RECEIVABLES PROPERTY IN RESPECT OF SUCH RECEIVABLES, SHALL BE IMMEDIATELY AND AUTOMATICALLY SOLD, ASSIGNED, TRANSFERRED AND CONVEYED TO THE COMPANY PURSUANT TO PARAGRAPH (A) ABOVE WITHOUT ANY FURTHER ACTION BY SUCH SELLER OR ANY OTHER PERSON. IF ANY SELLER SHALL NOT HAVE RECEIVED PAYMENT (INCLUDING AS A RESULT OF THE FAILURE TO SATISFY THE CONDITIONS SET FORTH IN SECTION 3.03 OR THE APPLICATION OF THE FINAL PARAGRAPH OF SECTION 6.01) FROM THE COMPANY OF THE PURCHASE PRICE FOR ANY NEWLY CREATED RECEIVABLE AND THE RELATED RECEIVABLES PROPERTY ON THE PAYMENT DATE THEREFOR IN ACCORDANCE WITH THE TERMS OF SUBSECTION 2.03(B), SUCH NEWLY CREATED RECEIVABLE AND THE RECEIVABLES PROPERTY WITH RESPECT THERETO SHALL, UPON RECEIPT OF NOTICE BY THE COMPANY AND THE TRUSTEE FROM THE APPLICABLE SELLER OF SUCH FAILURE TO RECEIVE PAYMENT, IMMEDIATELY AND AUTOMATICALLY BE SOLD, ASSIGNED,

TRANSFERRED AND RECONVEYED BY THE COMPANY TO SUCH SELLER WITHOUT ANY FURTHER ACTION BY THE COMPANY OR ANY OTHER PERSON.

(C) THE PARTIES TO THIS AGREEMENT INTEND THAT THE TRANSACTIONS CONTEMPLATED BY SUBSECTIONS 2.01(A) AND (B) HEREBY SHALL BE, AND SHALL BE TREATED AS, A PURCHASE AND RECEIPT BY THE COMPANY AND A SALE BY THE APPLICABLE SELLER OF THE PURCHASED RECEIVABLES AND THE RECEIVABLES PROPERTY IN RESPECT THEREOF AND NOT A LENDING TRANSACTION. ALL TRANSFERS OF RECEIVABLES AND RECEIVABLES PROPERTY BY ANY SELLER HEREUNDER SHALL BE WITHOUT RECOURSE TO, OR REPRESENTATION OR WARRANTY OF ANY KIND (EXPRESS OR IMPLIED) BY, ANY SELLER, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN. THE FOREGOING SALE, ASSIGNMENT, TRANSFER AND CONVEYANCE DOES NOT CONSTITUTE AND IS NOT INTENDED TO RESULT IN A CREATION OR ASSUMPTION BY THE COMPANY OF ANY OBLIGATION OF ANY SELLER OR ANY OTHER PERSON IN CONNECTION WITH THE RECEIVABLES, THE RECEIVABLES PROPERTY OR ANY AGREEMENT OR INSTRUMENT RELATING THERETO, INCLUDING ANY OBLIGATION TO ANY OBLIGOR. IF, AND TO THE EXTENT, THIS AGREEMENT DOES NOT CONSTITUTE A VALID SALE, ASSIGNMENT, TRANSFER AND CONVEYANCE OF ALL RIGHT, TITLE AND INTEREST OF EACH SELLER IN, TO AND UNDER THE PURCHASED RECEIVABLES AND THE RECEIVABLES PROPERTY IN RESPECT THEREOF DESPITE THE INTENT OF THE PARTIES HERETO, SUCH SELLER HEREBY GRANTS A "SECURITY INTEREST" (AS DEFINED IN THE UCC AS IN EFFECT IN THE COMMONWEALTH OF PENNSYLVANIA) IN THE PURCHASED RECEIVABLES, THE RECEIVABLES PROPERTY IN RESPECT THEREOF AND ALL PROCEEDS THEREOF TO THE COMPANY, AND THE PARTIES AGREE THAT THIS AGREEMENT SHALL CONSTITUTE A SECURITY AGREEMENT UNDER THE UCC IN EFFECT IN THE COMMONWEALTH OF PENNSYLVANIA.

(D) IN CONNECTION WITH THE FOREGOING CONVEYANCES, EACH SELLER AGREES TO RECORD AND FILE, OR CAUSE TO BE RECORDED AND FILED, AT ITS OWN EXPENSE, FINANCING STATEMENTS (AND CONTINUATION STATEMENTS WITH RESPECT TO SUCH FINANCING STATEMENTS WHEN APPLICABLE), OR, WHERE APPLICABLE, REGISTRATIONS IN THE APPROPRIATE RECORDS, (I) WITH RESPECT TO THE RECEIVABLES NOW EXISTING AND HEREAFTER ACQUIRED PURSUANT TO THIS AGREEMENT BY THE COMPANY FROM THE SELLERS AND (II) WITH RESPECT TO ANY OTHER RECEIVABLES PROPERTY FOR WHICH A SECURITY INTEREST MAY BE PERFECTED UNDER THE RELEVANT UCC, LEGISLATION OR SIMILAR STATUTES BY SUCH FILING, IN EACH CASE MEETING THE REQUIREMENTS OF APPLICABLE STATE LAW IN SUCH MANNER AND IN SUCH JURISDICTIONS AS ARE NECESSARY TO PERFECT AND MAINTAIN PERFECTION OF THE COMPANY'S PURCHASE OF OWNERSHIP INTERESTS IN RECEIVABLES AND RECEIVABLES PROPERTY FROM THE SELLERS, AND TO DELIVER TO THE COMPANY AND THE TRUSTEE NO LATER THAN 10 DAYS AFTER THE EFFECTIVE DATE (I) WHERE APPLICABLE, A FILE-STAMPED COPY OR CERTIFIED STATEMENT OF SUCH FINANCING STATEMENT OR OTHER EVIDENCE OF SUCH FILING OR REGISTRATION AND (II) OTHERWISE, A PHOTOCOPY, CERTIFIED BY A RESPONSIBLE OFFICER TO BE A TRUE AND CORRECT COPY, OF SUCH FINANCING STATEMENT OR OTHER FILING MADE NO LATER THAN 10 DAYS AFTER THE EFFECTIVE DATE.

(E) IN CONNECTION WITH THE FOREGOING CONVEYANCES, EACH SELLER AGREES AT ITS OWN EXPENSE, AS AGENT OF THE COMPANY (I) NO LATER THAN 30 DAYS AFTER THE EFFECTIVE DATE, TO INDICATE OR CAUSE TO BE INDICATED ON THE COMPUTER FILES (BUT NOT ON INDIVIDUAL INVOICES OR INDIVIDUAL COLLECTION FILES) RELATING TO SUCH RECEIVABLES (BY MEANS OF A GENERAL LEGEND, SUBSTANTIALLY IN THE FORM DESCRIBED ON SCHEDULE 9 HERETO, THAT WILL AUTOMATICALLY APPEAR EACH TIME A PERSON ENTERS THE SELLERS' RECEIVABLES PROGRAM) THAT, UNLESS OTHERWISE SPECIFICALLY IDENTIFIED AS A RECEIVABLE NOT SO SOLD, TRANSFERRED, ASSIGNED AND CONVEYED, ALL RECEIVABLES (AND ANY SUCH OTHER RECEIVABLES) INCLUDED THEREIN AND ALL OTHER RECEIVABLES PROPERTY (AND ANY OTHER SIMILAR RELATED PROPERTY) HAVE BEEN SOLD, TRANSFERRED, ASSIGNED AND CONVEYED TO THE COMPANY

IN ACCORDANCE WITH THIS AGREEMENT AND (II) ON OR PRIOR TO THE EFFECTIVE DATE TO DELIVER, TO THE COMPANY COMPUTER FILES, MICROFICHE LISTS OR TYPED OR PRINTED LISTS (THE "RECEIVABLES LISTS") CONTAINING TRUE AND COMPLETE LISTS OF ALL SUCH RECEIVABLES, IDENTIFIED BY OBLIGOR AND SETTING FORTH THE RECEIVABLES BALANCE FOR EACH RECEIVABLE AS OF THE CUT-OFF DATE.

(F) AS FURTHER CONFIRMATION OF THE SALE OF THE RECEIVABLES BUT SUBJECT TO SUBSECTION 6.02(B), IT IS UNDERSTOOD AND AGREED THAT THE COMPANY SHALL HAVE THE FOLLOWING RIGHTS:

(A) THE COMPANY (AND ITS ASSIGNEES) SHALL HAVE THE RIGHT AT ANY TIME TO (I) NOTIFY, OR REQUIRE THAT SUCH SELLER AT ITS OWN EXPENSE NOTIFY, THE RESPECTIVE OBLIGORS OF THE COMPANY'S OWNERSHIP OF THE PURCHASED RECEIVABLES AND RECEIVABLES PROPERTY, (II) DIRECT THAT PAYMENT OF ALL AMOUNTS DUE OR TO BECOME DUE UNDER THE PURCHASED RECEIVABLES BE MADE DIRECTLY TO THE COMPANY OR ITS DESIGNEE, (III) SUE FOR COLLECTION ON ANY PURCHASED RECEIVABLE OR (IV) SELL ANY PURCHASED RECEIVABLES TO ANY PERSON FOR A PRICE THAT IS ACCEPTABLE TO THE COMPANY (OR ITS ASSIGNEE);

(B) SUCH SELLER SHALL, UPON WRITTEN REQUEST OF THE COMPANY, AND AT SUCH SELLER'S EXPENSE (I) DELIVER TO THE COMPANY OR A PARTY DESIGNATED BY THE COMPANY ALL DOCUMENTS, INSTRUMENTS AND OTHER RECORDS (INCLUDING CREDIT FILES) THAT EVIDENCE OR RECORD THE RECEIVABLES SOLD BY SUCH SELLER AND ALL LICENSES, RIGHTS, COMPUTER PROGRAMS, RELATED MATERIAL, COMPUTER TAPES, DISKS, CASSETTES AND DATA NECESSARY TO THE IMMEDIATE COLLECTION OF THE PURCHASED RECEIVABLES BY THE COMPANY, WITH OR WITHOUT THE PARTICIPATION OF SUCH SELLER AND (II) MAKE SUCH ARRANGEMENTS WITH RESPECT TO THE COLLECTION OF THE PURCHASED RECEIVABLES AS MAY BE REASONABLY REQUIRED BY THE COMPANY. IN RECOGNITION OF SUCH SELLER'S NEED TO HAVE ACCESS TO ANY DOCUMENTS WHICH MAY BE TRANSFERRED TO THE COMPANY HEREUNDER, WHETHER AS A RESULT OF ITS CONTINUING BUSINESS RELATIONSHIP WITH ANY OBLIGOR FOR RECEIVABLES PURCHASED HEREUNDER OR AS A RESULT OF ITS RESPONSIBILITIES AS A SUB-SERVICER, THE COMPANY HEREBY GRANTS TO SUCH SELLER AN IRREVOCABLE LICENSE TO ACCESS THE DOCUMENTS TRANSFERRED BY SUCH SELLER TO THE COMPANY AND TO ACCESS ANY SUCH TRANSFERRED COMPUTER SOFTWARE IN CONNECTION WITH ANY ACTIVITY ARISING IN THE ORDINARY COURSE OF SUCH SELLER'S BUSINESS OR IN PERFORMANCE OF SUCH SELLER'S DUTIES AS A SERVICING PARTY, PROVIDED, HOWEVER, THAT SUCH SELLER SHALL NOT DISRUPT OR OTHERWISE INTERFERE WITH THE COMPANY'S USE OF AND ACCESS TO THE DOCUMENTS AND ITS COMPUTER SOFTWARE DURING SUCH LICENSE PERIOD; AND

(C) SUCH SELLER HEREBY GRANTS TO THE COMPANY AN IRREVOCABLE POWER OF ATTORNEY (COUPLED WITH AN INTEREST) TO TAKE ANY AND ALL STEPS IN SUCH SELLER'S NAME NECESSARY OR DESIRABLE, IN THE REASONABLE OPINION OF THE COMPANY, TO COLLECT ALL AMOUNTS DUE UNDER THE PURCHASED RECEIVABLES, INCLUDING, WITHOUT LIMITATION, ENFORCING THE PURCHASED RECEIVABLES, EXERCISING ALL RIGHTS AND REMEDIES IN RESPECT THEREOF AND, WITHOUT REGARD TO THE LIMITATION SET FORTH IN SUBSECTION 6.02(B), ENDORSING SUCH SELLER'S NAME ON CHECKS AND OTHER INSTRUMENTS REPRESENTING COLLECTIONS.

SECTION 2.02. PURCHASE PRICE. THE AMOUNT PAYABLE BY THE COMPANY TO A SELLER (THE "PURCHASE PRICE") FOR RECEIVABLES AND RECEIVABLES PROPERTY ON ANY PAYMENT DATE UNDER THIS AGREEMENT SHALL BE EQUAL TO THE PRODUCT OF (A) THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF SUCH RECEIVABLES AS SET FORTH IN THE APPLICABLE DAILY REPORT TIMES (B) THE DISCOUNTED PERCENTAGE WITH RESPECT TO SUCH SELLER PLUS, ON THE EFFECTIVE DATE, THE AGGREGATE OF ALL AMOUNTS ON DEPOSIT IN LOCKBOX ACCOUNTS OR ELIGIBLE SEGREGATED ACCOUNTS WHICH WERE NOT AVAILABLE FUNDS ON SUCH DATE.

SECTION 2.03. PAYMENT OF PURCHASE PRICE. (A) UPON THE FULFILLMENT OF THE CONDITIONS SET FORTH IN ARTICLE III, THE PURCHASE PRICE FOR RECEIVABLES AND THE RECEIVABLES PROPERTY SHALL BE PAID OR PROVIDED FOR BY THE COMPANY IN THE MANNER PROVIDED BELOW ON EACH DAY FOR WHICH A DAILY REPORT IS DELIVERED TO THE COMPANY (EACH SUCH DAY, A "PAYMENT DATE") IN RESPECT OF A REPORTED DAY (WHICH DAILY REPORT SHALL SPECIFY, BY SELLER, THE PRINCIPAL AMOUNT OF RECEIVABLES BEING SOLD ON SUCH PAYMENT DATE, THE AGGREGATE PURCHASE PRICE FOR SUCH RECEIVABLES AND THE COMPONENTS OF PAYMENT AS PROVIDED IN PARAGRAPH (B) BELOW).

(B) THE PURCHASE PRICE FOR RECEIVABLES AND RECEIVABLES PROPERTY SHALL BE PAID BY THE COMPANY ON EACH PAYMENT DATE (INCLUDING THE INITIAL PAYMENT DATE) AS FOLLOWS:

(I) BY NETTING THE AMOUNT OF ANY SELLER ADJUSTMENT PAYMENTS OR SELLER REPURCHASE PAYMENTS PURSUANT TO SECTION 2.05 OR 2.06 AGAINST SUCH PURCHASE PRICE;

(II) TO THE EXTENT AVAILABLE FOR SUCH PURPOSE, IN CASH FROM COLLECTIONS RELEASED TO THE COMPANY PURSUANT TO THE POOLING AGREEMENT;

(III) TO THE EXTENT AVAILABLE FOR SUCH PURPOSE, IN CASH FROM THE NET PROCEEDS OF A TRANSFER OF INTERESTS IN PURCHASED RECEIVABLES BY THE COMPANY TO OTHER PERSONS;

(IV) TO THE EXTENT AVAILABLE FOR SUCH PURPOSE, IN CASH FROM THE PROCEEDS OF CAPITAL CONTRIBUTED BY WESCO TO THE COMPANY, IF ANY, IN RESPECT OF ITS EQUITY INTEREST IN THE COMPANY; AND

(V) AT THE OPTION OF THE COMPANY (SUBJECT TO THE PROVISIONS OF SECTION 8.01), BY MEANS OF AN ADDITION TO THE PRINCIPAL AMOUNT OF THE SELLER NOTE IN AN AGGREGATE AMOUNT UP TO THE REMAINING PORTION OF THE PURCHASE PRICE. ANY SUCH ADDITION TO THE PRINCIPAL AMOUNT OF THE SELLER NOTE SHALL BE ALLOCATED AMONG THE SELLERS (PRO RATA ACCORDING TO THE PRINCIPAL AMOUNT OF RECEIVABLES SOLD BY EACH SELLER) BY THE SERVICER IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBSECTION 2.03(B)(V) AND SECTION 8.01. THE SERVICER MAY EVIDENCE SUCH ADDITIONAL PRINCIPAL AMOUNTS BY RECORDING THE DATE AND AMOUNT THEREOF ON THE GRID ATTACHED TO SUCH SELLER NOTE; PROVIDED, HOWEVER, THAT THE FAILURE TO MAKE ANY SUCH RECORDATION OR ANY ERROR IN SUCH GRID SHALL NOT ADVERSELY AFFECT ANY SELLER'S RIGHTS.

(C) THE SERVICER SHALL BE RESPONSIBLE, IN ITS SOLE DISCRETION BUT IN ACCORDANCE WITH SUBSECTION 2.03(A), FOR ALLOCATING AMONG THE SELLERS THE PAYMENT OF THE PURCHASE PRICE FOR RECEIVABLES AND ANY AMOUNTS NETTED THEREFROM PURSUANT TO SUBSECTION 2.03(B)(I), EITHER IN THE FORM OF CASH RECEIVED FROM THE COMPANY OR AS AN ADDITION TO THE

PRINCIPAL AMOUNT OF A SELLER'S INTEREST IN THE SELLER NOTE. THE COMPANY SHALL BE ENTITLED TO PAY ALL AMOUNTS IN RESPECT OF THE PURCHASE PRICE OF RECEIVABLES AND RECEIVABLES PROPERTY TO AN ACCOUNT OF THE SERVICER FOR ALLOCATION BY THE SERVICER TO THE SELLERS, AND EACH OF THE SELLERS HEREBY APPOINT THE SERVICER AS THEIR AGENT FOR PURPOSES OF RECEIVING SUCH PAYMENTS AND MAKING SUCH ALLOCATIONS AND HEREBY AUTHORIZES THE COMPANY TO MAKE ALL PAYMENTS DUE TO SUCH SELLER DIRECTLY TO, OR AS DIRECTED BY, THE SERVICER. THE SERVICER HEREBY ACCEPTS AND AGREES TO SUCH APPOINTMENT. ALL PAYMENTS UNDER THIS AGREEMENT SHALL BE MADE NOT LATER THAN 3:00 P.M (NEW YORK CITY TIME) ON THE DATE SPECIFIED THEREFOR IN DOLLARS IN SAME DAY FUNDS OR BY CHECK, AS THE SERVICER SHALL ELECT AND TO THE BANK ACCOUNT DESIGNATED IN WRITING BY THE SERVICER TO THE COMPANY.

(D) WHENEVER ANY PAYMENT TO BE MADE UNDER THIS AGREEMENT SHALL BE STATED TO BE DUE ON A DAY OTHER THAN A BUSINESS DAY, SUCH PAYMENT SHALL BE MADE ON THE NEXT SUCCEEDING BUSINESS DAY. AMOUNTS NOT PAID WHEN DUE IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT SHALL BEAR INTEREST AT A RATE EQUAL AT ALL TIMES TO THE REFERENCE RATE, PAYABLE ON DEMAND.

SECTION 2.04. NO REPURCHASE. EXCEPT TO THE EXTENT EXPRESSLY SET FORTH HEREIN, NO SELLER SHALL HAVE ANY RIGHT OR OBLIGATION UNDER THIS AGREEMENT, BY IMPLICATION OR OTHERWISE, TO REPURCHASE FROM THE COMPANY ANY PURCHASED RECEIVABLES OR RECEIVABLES PROPERTY OR TO RESCIND OR OTHERWISE RETROACTIVELY AFFECT ANY PURCHASE OF ANY PURCHASED RECEIVABLES OR RECEIVABLES PROPERTY AFTER THE PAYMENT DATE RELATING THERETO.

SECTION 2.05. REBATES, ADJUSTMENTS, RETURNS AND REDUCTIONS; MODIFICATIONS. FROM TIME TO TIME, A SELLER MAY MAKE DILUTION ADJUSTMENTS TO RECEIVABLES IN ACCORDANCE WITH THIS SUBSECTION 2.05 AND SUBSECTION 5.03(C). THE SELLERS (OTHER THAN THOSE SELLERS FROM WHICH THE COMPANY HAS NO RECEIVABLES OUTSTANDING AT SUCH TIME), JOINTLY AND SEVERALLY, AGREE TO PAY TO THE COMPANY THE AMOUNT OF ANY SUCH DILUTION ADJUSTMENT (A "SELLER ADJUSTMENT PAYMENT"); PROVIDED, HOWEVER, THAT SUCH PAYMENT SHALL BE MADE NO LATER THAN THE SETTLEMENT REPORT DATE OF THE MONTH FOLLOWING THE GRANT OF THE DILUTION ADJUSTMENT (REGARDLESS OF WHICH SELLER SHALL HAVE GRANTED SUCH DILUTION ADJUSTMENT); PROVIDED, FURTHER, THAT, PRIOR TO THE OCCURRENCE OF ANY EARLY TERMINATION WITH RESPECT TO ALL SELLERS, ANY SUCH SELLER ADJUSTMENT PAYMENT KNOWN TO BE OWING TO THE COMPANY ON ANY PAYMENT DATE SHALL, ON SUCH PAYMENT DATE, BE NETTED AGAINST THE PURCHASE PRICE OF NEWLY CREATED RECEIVABLES IN ACCORDANCE WITH SUBSECTION 2.03(B)(I) TO THE EXTENT OF SUCH PRINCIPAL AMOUNT AND THE REMAINING AMOUNT OF SUCH SELLER ADJUSTMENT PAYMENT KNOWN TO BE OWING TO THE COMPANY AFTER SUCH NETTING, IF ANY, (OR FOLLOWING AN EARLY TERMINATION WITH RESPECT TO ALL SELLERS, THE FULL AMOUNT) SHALL BE PAID TO THE COMPANY ON SUCH DATE IN CASH. THE AMOUNT OF ANY DILUTION ADJUSTMENT POSTED ON ANY REPORTED DAY SHALL BE SET FORTH ON THE DAILY REPORT PREPARED WITH RESPECT TO SUCH REPORTED DAY.

SECTION 2.06. LIMITED REPURCHASE OBLIGATION. IN THE EVENT THAT (I) ANY REPRESENTATION OR WARRANTY CONTAINED IN SECTION 4.02 IN RESPECT OF ANY RECEIVABLE TRANSFERRED TO THE COMPANY IS NOT TRUE AND CORRECT IN ANY MATERIAL RESPECT ON THE APPLICABLE PAYMENT DATE, OR (II) THERE IS A BREACH OF ANY COVENANT CONTAINED IN SUBSECTION 5.01(C), (F) OR (N) OR SECTION 5.03 WITH RESPECT TO ANY RECEIVABLE IN ANY MATERIAL RESPECT OR (III) THE COMPANY'S INTEREST IN ANY RECEIVABLE IS NOT A FIRST PRIORITY PERFECTED OWNERSHIP OR SECURITY INTEREST AT ANY

TIME AS A RESULT OF ANY ACTION TAKEN BY, OR ANY FAILURE TO TAKE ACTION BY, ANY SELLER, THEN THE SELLERS (OTHER THAN THOSE SELLERS FROM WHICH THE COMPANY HAS NO RECEIVABLES OUTSTANDING AT SUCH TIME), JOINTLY AND SEVERALLY, AGREE TO PAY TO THE COMPANY AN AMOUNT EQUAL TO THE PRINCIPAL AMOUNT (DETERMINED AS OF THE PAYMENT DATE FOR SUCH RECEIVABLE) OF SUCH RECEIVABLE (WHETHER THE COMPANY PAID SUCH PURCHASE PRICE IN CASH OR OTHERWISE) LESS COLLECTIONS RECEIVED BY THE COMPANY IN RESPECT OF SUCH RECEIVABLE, REGARDLESS OF WHICH SELLER SHALL HAVE BEEN RESPONSIBLE FOR SUCH INCORRECTNESS OR BREACH, SUCH PAYMENT TO OCCUR NO LATER THAN THE PAYMENT DATE OCCURRING ON THE 30TH DAY (OR, IF SUCH 30TH DAY IS NOT A PAYMENT DATE, ON THE PAYMENT DATE IMMEDIATELY SUCCEEDING SUCH 30TH DAY) AFTER THE DAY SUCH BREACH OR INCORRECTNESS BECOMES KNOWN (OR SHOULD HAVE BECOME KNOWN WITH DUE DILIGENCE) TO ANY SELLER (UNLESS SUCH BREACH OR INCORRECTNESS SHALL HAVE BEEN CURED ON OR BEFORE SUCH DAY); PROVIDED, HOWEVER, THAT, PRIOR TO ANY EARLY TERMINATION WITH RESPECT TO ALL SELLERS, ANY SUCH PAYMENT DUE AND OWING TO THE COMPANY ON SUCH PAYMENT DATE SHALL BE NETTED AGAINST THE PURCHASE PRICE OF NEWLY CREATED RECEIVABLES IN ACCORDANCE WITH SUBSECTION 2.03(B)(I) TO THE EXTENT OF SUCH PRINCIPAL AMOUNT AND THE REMAINING AMOUNT OF SUCH PAYMENT DUE TO THE COMPANY AFTER SUCH NETTING, IF ANY, (OR FOLLOWING AN EARLY TERMINATION WITH RESPECT TO ALL SELLERS, THE FULL AMOUNT) SHALL BE PAID TO THE COMPANY IN CASH TO THE EXTENT STILL UNPAID ON SUCH PAYMENT DATE. ANY PAYMENT BY ANY SELLER PURSUANT TO THIS SECTION 2.06 IS REFERRED TO AS A "SELLER REPURCHASE PAYMENT". THE OBLIGATION TO REACQUIRE ANY RECEIVABLE SHALL, UPON SATISFACTION THEREOF, CONSTITUTE THE SOLE REMEDY RESPECTING THE EVENT GIVING RISE TO SUCH OBLIGATION AVAILABLE TO THE COMPANY. SIMULTANEOUSLY WITH ANY SELLER REPURCHASE PAYMENT WITH RESPECT TO ANY RECEIVABLE, SUCH RECEIVABLE AND THE RECEIVABLES PROPERTY WITH RESPECT THERETO SHALL IMMEDIATELY AND AUTOMATICALLY BE SOLD, ASSIGNED, TRANSFERRED AND CONVEYED BY THE COMPANY TO THE APPLICABLE SELLER WITHOUT ANY FURTHER ACTION BY THE COMPANY OR ANY OTHER PERSON.

SECTION 2.07. OBLIGATIONS UNAFFECTED. THE OBLIGATIONS OF THE SELLERS TO THE COMPANY UNDER THIS AGREEMENT SHALL NOT BE AFFECTED BY REASON OF ANY INVALIDITY OR ILLEGALITY OF ANY RECEIVABLE OR ANY SALE OF A RECEIVABLE.

SECTION 2.08. CERTAIN CHARGES. EACH SELLER AND THE COMPANY AGREE THAT LATE CHARGE REVENUE, REVERSALS OF DISCOUNTS, OTHER FEES AND CHARGES AND OTHER SIMILAR ITEMS, WHENEVER CREATED, ACCRUED IN RESPECT OF PURCHASED RECEIVABLES SHALL BE THE PROPERTY OF THE COMPANY NOTWITHSTANDING THE OCCURRENCE OF AN EARLY TERMINATION AND ALL COLLECTIONS WITH RESPECT THERETO SHALL CONTINUE TO BE ALLOCATED AND TREATED AS COLLECTIONS IN RESPECT OF PURCHASED RECEIVABLES.

SECTION 2.09. CERTAIN ALLOCATIONS. EACH SELLER HEREBY AGREES THAT, FOLLOWING THE OCCURRENCE OF AN EARLY TERMINATION WITH RESPECT TO SUCH SELLER, ALL COLLECTIONS AND OTHER PROCEEDS RECEIVED IN RESPECT OF RECEIVABLES GENERATED BY SUCH SELLER SHALL BE APPLIED, FIRST, TO PAY THE OUTSTANDING PRINCIPAL AMOUNT OF PURCHASED RECEIVABLES (AS OF THE DATE OF SUCH EARLY TERMINATION) OF THE OBLIGOR TO WHOM SUCH COLLECTIONS ARE ATTRIBUTABLE UNTIL SUCH PURCHASED RECEIVABLES ARE PAID IN FULL AND, SECOND, TO THE RELATED SELLER TO PAY RECEIVABLES OF SUCH OBLIGOR NOT SOLD TO THE COMPANY; PROVIDED, HOWEVER, THAT NOTWITHSTANDING THE FOREGOING, IF THE SELLER CAN ATTRIBUTE A COLLECTION TO A SPECIFIC OBLIGOR AND A SPECIFIC RECEIVABLE, THEN SUCH COLLECTION SHALL BE APPLIED TO PAY SUCH RECEIVABLE OF SUCH OBLIGOR. THE COMPANY AND THE SERVICER SHALL TAKE SUCH ACTION AS THE SELLER MAY REASONABLY REQUEST, AT THE EXPENSE OF THE

SELLER, TO ASSURE THAT ANY RECEIVABLE NOT SOLD TO THE COMPANY, THE RELATED PROPERTY AND COLLECTIONS WITH RESPECT THERETO DO NOT REMAIN COMMINGLED WITH OTHER COLLECTIONS HEREUNDER AND ARE IMMEDIATELY PAID TO THE SELLER.

SECTION 2.10. FURTHER ASSURANCES. FROM TIME TO TIME AT THE REQUEST OF A SELLER, THE COMPANY SHALL DELIVER TO SUCH SELLER SUCH DOCUMENTS, ASSIGNMENTS, RELEASES AND INSTRUMENTS OF TERMINATION AS SUCH SELLER MAY REASONABLY REQUEST TO EVIDENCE THE RECONVEYANCE BY THE COMPANY TO SUCH SELLER OF A RECEIVABLE PURSUANT TO THE TERMS OF SECTION 2.01(B), 2.06 OR 2.11(B), PROVIDED, HOWEVER, THAT THE COMPANY SHALL HAVE BEEN PAID ALL AMOUNTS DUE THEREUNDER; AND THE COMPANY AND THE SERVICER SHALL TAKE SUCH ACTION AS SUCH SELLER MAY REASONABLY REQUEST, AT THE EXPENSE OF SUCH SELLER, TO ASSURE THAT ANY SUCH RECEIVABLE, THE RELATED PROPERTY AND COLLECTIONS WITH RESPECT THERETO DO NOT REMAIN COMMINGLED WITH OTHER COLLECTIONS HEREUNDER.

SECTION 2.11. PURCHASE OF SELLERS' INTEREST IN RECEIVABLES AND RECEIVABLES PROPERTY. (A) IN THE EVENT OF ANY BREACH OF ANY OF THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SUBSECTION 4.01 (A), (B), (C), (E), (F) OR (G), AS OF THE DATE MADE, WHICH BREACH HAS A MATERIAL ADVERSE EFFECT ON THE INTERESTS OF THE COMPANY IN THE RECEIVABLES OR THE RECEIVABLES PROPERTY, THEN THE COMPANY, BY NOTICE THEN GIVEN IN WRITING TO THE SELLERS, MAY DIRECT THE SELLERS TO PURCHASE ALL RECEIVABLES AND RECEIVABLES PROPERTY AND THE SELLERS (OTHER THAN THOSE SELLERS FROM WHICH THE COMPANY HAS NO RECEIVABLES OUTSTANDING AT SUCH TIME), JOINTLY AND SEVERALLY, SHALL BE OBLIGATED TO MAKE SUCH PURCHASE 30 DAYS AFTER RECEIPT OF SUCH NOTICE ON THE TERMS AND CONDITIONS SET FORTH IN SUBSECTION 2.11(B) BELOW; PROVIDED, HOWEVER, THAT NO SUCH PURCHASE SHALL BE REQUIRED TO MADE IF, BY SUCH DATE, THE REPRESENTATIONS AND WARRANTIES CONTAINED IN SUBSECTIONS 4.01(A), (B), (C), (E), (F) OR (G) SHALL BE SATISFIED IN ALL MATERIAL RESPECTS, OR ANY MATERIAL ADVERSE EFFECT ON THE COMPANY CAUSED THEREBY HAS BEEN CURED.

(B) THE SELLERS (OTHER THAN THOSE SELLERS FROM WHICH THE COMPANY HAS NO RECEIVABLES OUTSTANDING AT SUCH TIME), JOINTLY AND SEVERALLY, SHALL, AS THE PURCHASE PRICE FOR THE RECEIVABLES AND RECEIVABLES PROPERTY TO BE PURCHASED PURSUANT TO SUBSECTION 2.11(A) ABOVE, PAY TO THE COMPANY, ON THE BUSINESS DAY PRECEDING SUCH DISTRIBUTION DATE, AN AMOUNT EQUAL TO THE PRINCIPAL AMOUNT OF THE PURCHASED RECEIVABLES (DETERMINED AS OF THE PAYMENT DATE OR CONTRIBUTION DATE FOR SUCH PURCHASED RECEIVABLES), LESS COLLECTIONS RECEIVED BY THE COMPANY IN RESPECT OF SUCH PURCHASED RECEIVABLES, AS OF SUCH DISTRIBUTION DATE. UPON PAYMENT OF SUCH AMOUNT, IN IMMEDIATELY AVAILABLE FUNDS, TO THE COMPANY, THE COMPANY'S RIGHTS WITH RESPECT TO THE PURCHASED RECEIVABLES SHALL TERMINATE AND SUCH INTEREST THEREIN SHALL IMMEDIATELY AND AUTOMATICALLY BE SOLD, ASSIGNED, TRANSFERRED AND CONVEYED BY THE COMPANY TO THE SELLERS WITHOUT ANY FURTHER ACTION BY THE COMPANY OR ANY OTHER PERSON AND THE COMPANY SHALL HAVE NO FURTHER RIGHTS WITH RESPECT THERETO. IF THE COMPANY GIVES NOTICE DIRECTING THE SELLERS TO PURCHASE THE PURCHASED RECEIVABLES AS PROVIDED ABOVE, THE OBLIGATION OF THE SELLERS TO PURCHASE THE PURCHASED RECEIVABLES PURSUANT TO THIS SECTION 2.11 SHALL, UPON SATISFACTION THEREOF, CONSTITUTE THE SOLE REMEDY RESPECTING AN EVENT OF THE TYPE SPECIFIED IN THE FIRST SENTENCE OF THIS SECTION 2.11 AVAILABLE TO THE COMPANY.

ARTICLE III
CONDITIONS TO PURCHASES

SECTION 3.01. CONDITIONS PRECEDENT TO COMPANY'S INITIAL PURCHASE. THE OBLIGATION OF THE COMPANY TO PURCHASE RECEIVABLES AND RECEIVABLES PROPERTY HEREUNDER ON THE EFFECTIVE DATE FROM THE SELLERS IS SUBJECT TO THE CONDITIONS PRECEDENT THAT THE COMPANY SHALL HAVE RECEIVED ON OR BEFORE THE DATE OF SUCH PURCHASE THE FOLLOWING, EACH (UNLESS OTHERWISE INDICATED) DATED THE DAY OF SUCH SALE AND IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY:

(A) SECRETARY'S CERTIFICATE. A CERTIFICATE OF THE SECRETARY OR AN ASSISTANT SECRETARY OF EACH SELLER, DATED THE CLOSING DATE, AND CERTIFYING (I) THAT ATTACHED THERETO IS A TRUE AND COMPLETE COPY OF THE BY-LAWS OF SUCH SELLER, AS IN EFFECT ON THE EFFECTIVE DATE AND AT ALL TIMES SINCE A DATE PRIOR TO THE DATE OF THE RESOLUTIONS DESCRIBED IN CLAUSE (II) BELOW, (II) THAT ATTACHED THERETO IS A TRUE AND COMPLETE COPY OF THE RESOLUTIONS, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, OF THE BOARD OF DIRECTORS OF SUCH SELLER OR COMMITTEES THEREOF AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS TO WHICH IT IS A PARTY AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, AND THAT SUCH RESOLUTIONS HAVE NOT BEEN AMENDED, MODIFIED, REVOKED OR RESCINDED AND ARE IN FULL FORCE AND EFFECT, (III) THAT THE CERTIFICATE OF INCORPORATION OF SUCH PERSON HAS NOT BEEN AMENDED SINCE THE DATE OF THE LAST AMENDMENT THERETO SHOWN ON THE CERTIFICATE OF GOOD STANDING (OR ITS EQUIVALENT) FURNISHED PURSUANT TO SUBSECTION (B) BELOW AND (IV) AS TO THE INCUMBENCY AND SPECIMEN SIGNATURE OF EACH OFFICER EXECUTING THIS AGREEMENT AND ANY OTHER TRANSACTION DOCUMENTS OR ANY OTHER DOCUMENT DELIVERED IN CONNECTION HEREWITH OR THEREWITH ON BEHALF OF SUCH SELLER (ON WHICH CERTIFICATES THE COMPANY MAY CONCLUSIVELY RELY UNTIL SUCH TIME AS THE COMPANY SHALL RECEIVE FROM SUCH SELLER A REVISED CERTIFICATE WITH RESPECT TO SUCH SELLER MEETING THE REQUIREMENTS OF THIS SUBSECTION (A));

(B) CORPORATE DOCUMENTS. THE CERTIFICATE OF INCORPORATION, INCLUDING ALL AMENDMENTS THERETO, OF THE SELLER, CERTIFIED AS OF A RECENT DATE BY THE SECRETARY OF STATE OR OTHER APPROPRIATE AUTHORITY OF THE STATE OF INCORPORATION, AS THE CASE MAY BE;

(C) GOOD STANDING CERTIFICATES. CERTIFICATES OF COMPLIANCE, OF STATUS OR OF GOOD STANDING, DATED AS OF A RECENT DATE, FROM THE SECRETARY OF STATE OF DELAWARE AND PENNSYLVANIA;

(D) CONSENTS, LICENSES, APPROVALS, ETC. A CERTIFICATE DATED THE CLOSING DATE OF A RESPONSIBLE OFFICER OF EACH SELLER EITHER (I) ATTACHING COPIES OF ALL CONSENTS (INCLUDING, WITHOUT LIMITATION, CONSENTS UNDER LOAN AGREEMENTS AND INDENTURES TO WHICH ANY SELLER OR ITS AFFILIATES ARE PARTIES), LICENSES AND APPROVALS REQUIRED IN CONNECTION WITH THE EXECUTION, DELIVERY AND PERFORMANCE BY SUCH SELLER OF THIS AGREEMENT AND THE VALIDITY AND ENFORCEABILITY OF THIS AGREEMENT AGAINST SUCH SELLER, AND SUCH CONSENTS, LICENSES AND APPROVALS SHALL BE IN FULL FORCE AND EFFECT OR (II) STATING THAT NO SUCH CONSENTS, LICENSES OR APPROVALS ARE SO REQUIRED;

(E) NO LITIGATION. CONFIRMATION THAT THERE IS NO PENDING OR, TO ITS KNOWLEDGE AFTER DUE INQUIRY, THREATENED ACTION OR PROCEEDING AFFECTING SUCH SELLER OR

ANY OF ITS SUBSIDIARIES BEFORE ANY GOVERNMENTAL AUTHORITY THAT COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT;

(F) UCC CERTIFICATE; UCC FINANCING STATEMENTS. (I) A UCC CERTIFICATE, SUBSTANTIALLY IN THE FORM OF EXHIBIT C HERETO, DULY EXECUTED BY A RESPONSIBLE OFFICER OF THE APPLICABLE SELLER AND DATED SUCH DATE OF PURCHASE AND (II) EXECUTED COPIES OF SUCH PROPER FINANCING STATEMENTS, FILED AND RECORDED AT SUCH SELLER'S EXPENSE PRIOR TO THE CLOSING DATE, NAMING THE APPLICABLE SELLER AS THE SELLER AND THE COMPANY AS THE PURCHASER OF THE RECEIVABLES AND THE RECEIVABLES PROPERTY, IN PROPER FORM FOR FILING IN EACH JURISDICTION IN WHICH THE COMPANY (OR ANY OF ITS ASSIGNEES) DEEMS IT NECESSARY OR DESIRABLE TO PERFECT THE COMPANY'S OWNERSHIP INTEREST IN ALL RECEIVABLES AND RECEIVABLES PROPERTY UNDER THE UCC OR ANY COMPARABLE LAW OF SUCH JURISDICTION;

(G) UCC SEARCHES. WRITTEN SEARCH REPORTS, LISTING ALL EFFECTIVE FINANCING STATEMENTS THAT NAME THE APPLICABLE SELLER AS DEBTOR OR ASSIGNOR AND THAT ARE FILED IN THE JURISDICTIONS IN WHICH FILINGS WERE MADE PURSUANT TO SUBSECTION (F) ABOVE AND IN ANY OTHER JURISDICTIONS THAT THE COMPANY DETERMINES ARE NECESSARY OR APPROPRIATE, TOGETHER WITH COPIES OF SUCH FINANCING STATEMENTS (NONE OF WHICH, EXCEPT FOR THOSE DESCRIBED IN SUBSECTION (F) ABOVE, SHALL COVER ANY RECEIVABLES OR RECEIVABLES PROPERTY), AND TAX AND JUDGMENT LIEN SEARCHES SHOWING NO SUCH LIENS THAT ARE NOT PERMITTED BY THE TRANSACTION DOCUMENTS;

(H) OTHER TRANSACTION DOCUMENTS. ORIGINAL COPIES, EXECUTED BY EACH OF THE PARTIES THERETO, OF EACH OF THE OTHER TRANSACTION DOCUMENTS TO BE EXECUTED AND DELIVERED IN CONNECTION HEREWITH;

(I) BACK-UP SERVICING ARRANGEMENTS. EVIDENCE THAT EACH SELLER MAINTAINS DISASTER RECOVERY SYSTEMS AND BACK-UP COMPUTER AND OTHER INFORMATION MANAGEMENT SYSTEMS THAT, IN THE COMPANY'S REASONABLE JUDGMENT AS OF THE DATE HEREOF, ARE SUFFICIENT TO PROTECT SUCH SELLER'S BUSINESS AGAINST MATERIAL INTERRUPTION OR LOSS OR DESTRUCTION OF ITS PRIMARY COMPUTER AND INFORMATION MANAGEMENT SYSTEMS;

(J) LEGAL OPINIONS. (I) ONE OR MORE LEGAL OPINIONS FROM COUNSEL TO THE SELLERS AND COUNSEL TO THE COMPANY TO THE EFFECT THAT:

(A) THE SALES OF RECEIVABLES BY EACH SELLER TO THE COMPANY PURSUANT TO THIS AGREEMENT WOULD CONSTITUTE TRUE SALES AND THAT SUCH RECEIVABLES WOULD NOT BE PROPERTY OF SUCH SELLER'S BANKRUPTCY ESTATE; AND

(B) A COURT WOULD NOT ORDER THE SUBSTANTIVE CONSOLIDATION OF THE ASSETS AND LIABILITIES OF THE COMPANY WITH THOSE OF ANY SELLER.

(II) ONE OR MORE LEGAL OPINIONS FROM COUNSEL TO THE SELLERS AND COUNSEL TO THE COMPANY:

(A) TO THE EFFECT THAT EACH SELLER AND THE COMPANY, AS APPLICABLE, HAS ALL APPROVALS, JUDICIAL, REGULATORY, LEGAL OR OTHERWISE, NEEDED TO EXECUTE,

DELIVER AND PERFORM EACH TRANSACTION DOCUMENT TO WHICH IT IS A PARTY AND THAT NO CONFLICT OR DEFAULT WILL OCCUR AS A RESULT OF THE EXECUTION, DELIVERY AND PERFORMANCE THEREOF;

(B) TO THE EFFECT THAT THE COMPANY HAS A PERFECTED, FIRST PRIORITY, SECURITY INTEREST IN THE RECEIVABLES; AND

(C) ADDRESSING OTHER CUSTOMARY MATTERS.

(III) EACH SUCH LEGAL OPINION SHALL ALSO BE ADDRESSED TO THE RATING AGENCIES, THE INITIAL PURCHASER, AND THE TRUSTEE;

(K) LOCK-BOX AGREEMENT. LOCKBOX AGREEMENTS SIGNED BY THE SERVICER, EACH SELLER (IF NECESSARY), THE COMPANY, EACH LOCKBOX PROCESSOR AND THE TRUSTEE AND NO LATER THAN 30 DAYS AFTER THE EFFECTIVE DATE, ELIGIBLE SEGREGATED ACCOUNT BANK ACKNOWLEDGEMENTS WITH RESPECT TO EACH ELIGIBLE SEGREGATED ACCOUNTS;

(L) POLICIES. A COPY OF THE POLICIES, WHICH SHALL BE SATISFACTORY IN FORM AND SUBSTANCE TO THE COMPANY;

(M) LIST OF OBLIGORS. THE RECEIVABLES LIST OF EACH SELLER SHOWING, AS OF THE CUT-OFF DATE, THE OBLIGORS WHOSE RECEIVABLES EXIST ON THE CUT-OFF DATE AND THE BALANCE OF THE RECEIVABLES WITH RESPECT TO EACH SUCH OBLIGOR AS OF SUCH PRIOR DATE; AND

(N) SYSTEMS. EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY, THE TRUSTEE AND THE AGENTS THAT SUCH SELLER'S SYSTEMS, PROCEDURES AND RECORD KEEPING RELATING TO THE PURCHASED RECEIVABLES IS IN ALL MATERIAL RESPECTS SUFFICIENT AND SATISFACTORY IN ORDER TO PERMIT THE PURCHASE AND ADMINISTRATION OF THE PURCHASED RECEIVABLES IN ACCORDANCE WITH THE TERMS AND INTENT OF THIS AGREEMENT.

SECTION 3.02. CONDITIONS PRECEDENT TO THE ADDITION OF A SELLER. THE OBLIGATION OF THE COMPANY TO PURCHASE RECEIVABLES AND RECEIVABLES PROPERTY HEREUNDER FROM A SUBSIDIARY OF WESCO REQUESTED TO BE AN ADDITIONAL SELLER PURSUANT TO SECTION 9.12 IS SUBJECT TO THE CONDITIONS PRECEDENT THAT THE COMPANY SHALL HAVE RECEIVED ON OR BEFORE THE DATE DESIGNATED FOR THE ADDITION OF SUCH SELLER (THE "SELLER ADDITION DATE") AND IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY:

(A) ADDITIONAL SELLER SUPPLEMENT. AN ADDITIONAL SELLER SUPPLEMENT (WITH A COPY FOR THE TRUSTEE AND EACH AGENT) DULY EXECUTED AND DELIVERED BY SUCH SELLER.

(B) SECRETARY'S CERTIFICATE. A CERTIFICATE OF THE SECRETARY OR AN ASSISTANT SECRETARY OF SUCH SELLER, DATED THE EFFECTIVE DATE, AND CERTIFYING (I) THAT ATTACHED THERETO IS A TRUE AND COMPLETE COPY OF THE BY-LAWS OF SUCH SELLER, AS IN EFFECT ON THE SELLER ADDITION DATE AND AT ALL TIMES SINCE A DATE PRIOR TO THE DATE OF THE RESOLUTIONS DESCRIBED IN CLAUSE (II) BELOW, (II) THAT ATTACHED THERETO IS A TRUE AND COMPLETE COPY OF THE RESOLUTIONS, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, OF THE

BOARD OF DIRECTORS OF SUCH SELLER OR COMMITTEES THEREOF AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS TO WHICH IT IS A PARTY AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, AND THAT SUCH RESOLUTIONS HAVE NOT BEEN AMENDED, MODIFIED, REVOKED OR RESCINDED AND ARE IN FULL FORCE AND EFFECT, (III) THAT THE CERTIFICATE OF INCORPORATION OF SUCH SELLER HAS NOT BEEN AMENDED SINCE THE DATE OF THE LAST AMENDMENT THERETO SHOWN ON THE CERTIFICATE OF GOOD STANDING (OR ITS EQUIVALENT) FURNISHED PURSUANT TO SUBSECTION (E) BELOW AND (IV) AS TO THE INCUMBENCY AND SPECIMEN SIGNATURE OF EACH OFFICER EXECUTING THE ADDITIONAL SELLER SUPPLEMENT AND ANY OTHER TRANSACTION DOCUMENTS OR ANY OTHER DOCUMENT DELIVERED IN CONNECTION THEREWITH ON BEHALF OF SUCH SELLER (ON WHICH CERTIFICATES THE COMPANY MAY CONCLUSIVELY RELY UNTIL SUCH TIME AS THE COMPANY SHALL RECEIVE FROM SUCH SELLER A REVISED CERTIFICATE WITH RESPECT TO SUCH SELLER MEETING THE REQUIREMENTS OF THIS SUBSECTION (B));

(C) OFFICER'S CERTIFICATE. A CERTIFICATE OF A RESPONSIBLE OFFICER OF WESCO, DATED THE EFFECTIVE DATE, AND CERTIFYING SUCH SELLER IS IN THE SAME LINE OF BUSINESS AS THE EXISTING SELLERS AS OF THE RELATED SELLER ADDITION DATE;

(D) CORPORATE DOCUMENTS. THE CERTIFICATE OF INCORPORATION, INCLUDING ALL AMENDMENTS THERETO, OF SUCH SELLER, CERTIFIED AS OF A RECENT DATE BY THE SECRETARY OF STATE OR OTHER APPROPRIATE AUTHORITY OF THE STATE OF INCORPORATION, AS THE CASE MAY BE;

(E) GOOD STANDING CERTIFICATES. CERTIFICATES OF COMPLIANCE, OF STATUS OR OF GOOD STANDING, DATED AS OF A RECENT DATE, FROM THE SECRETARY OF STATE OR OTHER APPROPRIATE AUTHORITY OF SUCH JURISDICTION, WITH RESPECT TO SUCH SELLER IN EACH STATE WHERE THE OWNERSHIP, LEASE OR OPERATION OF PROPERTY OR THE CONDUCT OF BUSINESS REQUIRES IT TO QUALIFY AS A FOREIGN CORPORATION, EXCEPT WHERE THE FAILURE TO SO QUALIFY WOULD NOT HAVE A MATERIAL ADVERSE EFFECT;

(F) CONSENTS, LICENSES, APPROVALS, ETC. A CERTIFICATE DATED THE RELATED SELLER ADDITION DATE OF A RESPONSIBLE OFFICER OF SUCH SELLER EITHER (I) ATTACHING COPIES OF ALL CONSENTS (INCLUDING, WITHOUT LIMITATION, CONSENTS UNDER LOAN AGREEMENTS AND INDENTURES TO WHICH ANY SELLER OR ITS AFFILIATES ARE PARTIES), LICENSES AND APPROVALS REQUIRED IN CONNECTION WITH THE EXECUTION, DELIVERY AND PERFORMANCE BY SUCH SELLER OF THE ADDITIONAL SELLER SUPPLEMENT AND THE VALIDITY AND ENFORCEABILITY OF THE ADDITIONAL SELLER SUPPLEMENT AGAINST SUCH SELLER, AND SUCH CONSENTS, LICENSES AND APPROVALS SHALL BE IN FULL FORCE AND EFFECT OR (II) STATING THAT NO SUCH CONSENTS, LICENSES OR APPROVALS ARE SO REQUIRED;

(G) NO LITIGATION. CONFIRMATION THAT THERE IS NO PENDING OR, TO ITS KNOWLEDGE AFTER DUE INQUIRY, THREATENED ACTION OR PROCEEDING AFFECTING SUCH SELLER OR ANY OF ITS SUBSIDIARIES BEFORE ANY GOVERNMENTAL AUTHORITY THAT COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT;

(H) LOCKBOXES; ELIGIBLE SEGREGATED ACCOUNTS. A LOCKBOX ACCOUNT OR AN ELIGIBLE SEGREGATED ACCOUNT WITH RESPECT TO RECEIVABLES TO BE SOLD BY SUCH SELLER SHALL HAVE BEEN ESTABLISHED IN THE NAME OF THE COMPANY, EACH INVOICE ISSUED TO AN

OBLIGOR ON AND AFTER THE EFFECTIVE DATE SHALL INDICATE THAT PAYMENTS IN RESPECT OF ITS RECEIVABLE SHALL BE MADE BY SUCH OBLIGOR TO A LOCKBOX ACCOUNT OR ELIGIBLE SEGREGATED ACCOUNT OR BY WIRE TRANSFER OR OTHER ELECTRONIC PAYMENT TO A LOCKBOX ACCOUNT, AN ELIGIBLE SEGREGATED ACCOUNT OR THE COLLECTION ACCOUNT OR OTHERWISE AS PROVIDED IN SECTION 2.03 OF THE SERVICING AGREEMENT AND THE SERVICER SHALL HAVE DELIVERED (I) WITH RESPECT TO EACH SUCH LOCKBOX ACCOUNT A LOCKBOX AGREEMENT SIGNED BY IT, THE COMPANY, THE TRUSTEE AND APPLICABLE LOCKBOX PROCESSOR AND (II) WITH RESPECT TO EACH SUCH ELIGIBLE SEGREGATED ACCOUNT, AN ELIGIBLE SEGREGATED ACCOUNT BANK ACKNOWLEDGEMENT, AS THE CASE MAY BE, OR A COMMITMENT TO TRANSFER THE SAME WITHIN 30 DAYS OF THE APPLICABLE SELLER ADDITION DATE.

(I) UCC CERTIFICATE; UCC FINANCING STATEMENTS. (I) A UCC CERTIFICATE DULY EXECUTED BY A RESPONSIBLE OFFICER OF SUCH SELLER AND DATED THE RELATED SELLER ADDITION DATE AND (II) EXECUTED COPIES OF SUCH PROPER FINANCING STATEMENTS, FILED AND RECORDED AT SUCH SELLER'S EXPENSE PRIOR TO THE RELATED SELLER ADDITION DATE, NAMING SUCH SELLER AS THE SELLER AND THE COMPANY AS THE PURCHASER OF THE RECEIVABLES AND THE RECEIVABLES PROPERTY, IN PROPER FORM FOR FILING IN EACH JURISDICTION IN WHICH THE COMPANY (OR ANY OF ITS ASSIGNEES) DEEMS IT NECESSARY OR DESIRABLE TO PERFECT THE COMPANY'S OWNERSHIP INTEREST IN ALL RECEIVABLES AND RECEIVABLES PROPERTY UNDER THE UCC OR ANY COMPARABLE LAW OF SUCH JURISDICTION;

(J) UCC SEARCHES. WRITTEN SEARCH REPORTS, LISTING ALL EFFECTIVE FINANCING STATEMENTS THAT NAME SUCH SELLER AS DEBTOR OR ASSIGNOR AND THAT ARE FILED IN THE JURISDICTIONS IN WHICH FILINGS WERE MADE PURSUANT TO SUBSECTION (I) ABOVE AND IN ANY OTHER JURISDICTIONS THAT THE COMPANY DETERMINES ARE NECESSARY OR APPROPRIATE, TOGETHER WITH COPIES OF SUCH FINANCING STATEMENTS (NONE OF WHICH, EXCEPT FOR THOSE DESCRIBED IN SUBSECTION (I) ABOVE, SHALL COVER ANY RECEIVABLES OR RECEIVABLES PROPERTY), AND TAX AND JUDGMENT LIEN SEARCHES SHOWING NO SUCH LIENS THAT ARE NOT PERMITTED BY THE TRANSACTION DOCUMENTS;

(K) LIST OF OBLIGORS. A MICROFICHE, TYPED OR PRINTED LIST OR OTHER TANGIBLE EVIDENCE REASONABLY ACCEPTABLE TO THE COMPANY SHOWING AS OF A DATE ACCEPTABLE TO THE COMPANY PRIOR TO THE RELATED SELLER ADDITION DATE THE OBLIGORS WHOSE RECEIVABLES ARE TO BE TRANSFERRED TO THE COMPANY AND THE BALANCE OF THE RECEIVABLES WITH RESPECT TO EACH SUCH OBLIGOR AS OF SUCH DATE;

(L) OPINIONS. LEGAL OPINIONS WITH RESPECT TO SUCH SELLER CONFORMING TO THE REQUIREMENTS OF SECTION 3.01(J).

(M) BACK-UP SERVICING ARRANGEMENTS. EVIDENCE THAT SUCH SELLER MAINTAINS DISASTER RECOVERY SYSTEMS AND BACK-UP COMPUTER AND OTHER INFORMATION MANAGEMENT SYSTEMS THAT, IN THE COMPANY'S REASONABLE JUDGMENT, ARE SUFFICIENT TO PROTECT SUCH SELLER'S BUSINESS AGAINST MATERIAL INTERRUPTION OR LOSS OR DESTRUCTION OF ITS PRIMARY COMPUTER AND INFORMATION MANAGEMENT SYSTEMS.

(N) PARTY TO SERVICING AGREEMENT. EVIDENCE THAT SUCH ADDITIONAL SELLER SHALL HAVE BECOME A PARTY TO THE SERVICING AGREEMENT IN ITS CAPACITY AS A SUB-SERVICER THEREUNDER.

(O) SYSTEMS. EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY, THE TRUSTEE AND THE AGENTS, THAT SUCH ADDITIONAL SELLER'S SYSTEMS, PROCEDURES AND RECORD KEEPING RELATING TO THE PURCHASED RECEIVABLES REMAIN IN ALL MATERIAL RESPECTS SUFFICIENT AND SATISFACTORY IN ORDER TO PERMIT THE PURCHASE AND ADMINISTRATION OF THE PURCHASED RECEIVABLES IN ACCORDANCE WITH THE TERMS AND INTENT OF THIS AGREEMENT.

SECTION 3.03. CONDITIONS PRECEDENT TO ALL THE COMPANY'S PURCHASES OF RECEIVABLES. THE OBLIGATION OF THE COMPANY TO PAY FOR ANY RECEIVABLE AND THE RECEIVABLES PROPERTY WITH RESPECT THERETO ON EACH PAYMENT DATE (INCLUDING THE EFFECTIVE DATE) SHALL BE SUBJECT TO THE FURTHER CONDITIONS PRECEDENT THAT, ON AND AS OF SUCH PAYMENT DATE:

(A) THE FOLLOWING STATEMENTS SHALL BE TRUE (AND THE ACCEPTANCE BY THE RELEVANT SELLER OF THE PURCHASE PRICE FOR SUCH RECEIVABLE ON SUCH PAYMENT DATE SHALL CONSTITUTE A REPRESENTATION AND WARRANTY BY SUCH SELLER THAT ON SUCH PAYMENT DATE SUCH STATEMENTS ARE TRUE):

(I) THE REPRESENTATION AND WARRANTIES OF SUCH SELLER CONTAINED IN SECTIONS 4.01 AND 4.02 SHALL BE TRUE AND CORRECT IN ALL MATERIAL RESPECTS ON AND AS OF SUCH PAYMENT DATE AS THOUGH MADE ON AND AS OF SUCH DATE EXCEPT TO THE EXTENT ANY SUCH REPRESENTATION OR WARRANTY IS EXPRESSLY MADE ONLY AS OF ANOTHER DATE (IN WHICH CASE IT SHALL BE TRUE AND CORRECT IN ALL MATERIAL RESPECTS ON AND AS OF SUCH OTHER DATE);

(II) AFTER GIVING EFFECT TO SUCH PURCHASE, NO (A) EARLY TERMINATION WITH RESPECT TO SUCH SELLER OR (B) POTENTIAL PURCHASE TERMINATION EVENT WITH RESPECT TO A PURCHASE TERMINATION EVENT SET FORTH IN CLAUSE (G)(II) OF SECTION 6.01 SHALL HAVE OCCURRED AND BE CONTINUING; AND

(III) THERE HAS BEEN NO MATERIAL ADVERSE CHANGE SINCE THE DATE OF THIS AGREEMENT IN THE COLLECTIBILITY OF THE RECEIVABLES TAKEN AS A WHOLE (OTHER THAN DUE TO A CHANGE IN THE CREDITWORTHINESS OF THE OBLIGORS);

(B) THE COMPANY SHALL HAVE RECEIVED (AFTER GIVING EFFECT TO SUBSECTION 2.03(B)(I)) PAYMENT IN FULL OF ALL AMOUNTS FOR WHICH PAYMENT IS DUE FROM SUCH SELLER PURSUANT TO SECTIONS 2.05, 2.06 OR 7.01;

(C) THE COMPANY SHALL HAVE RECEIVED SUCH OTHER APPROVALS, OPINIONS OR DOCUMENTS AS THE COMPANY MAY REASONABLY REQUEST; AND

(D) SUCH SELLER SHALL HAVE COMPLIED WITH ALL OF ITS COVENANTS IN ALL MATERIAL RESPECTS AND SATISFIED ALL OF ITS OBLIGATIONS IN ALL MATERIAL RESPECTS UNDER THIS AGREEMENT REQUIRED TO BE COMPLIED WITH OR SATISFIED AS OF SUCH DATE;

PROVIDED, HOWEVER, THAT THE FAILURE OF SUCH SELLER TO SATISFY ANY OF THE FOREGOING CONDITIONS SHALL NOT PREVENT SUCH SELLER FROM SUBSEQUENTLY SELLING RECEIVABLES UPON SATISFACTION OF ALL SUCH CONDITIONS OR EXERCISING ITS RIGHTS UNDER SUBSECTION 2.01(B).

SECTION 3.04. CONDITION PRECEDENT TO EACH SELLER'S OBLIGATIONS. THE OBLIGATION OF A SELLER TO SELL ANY RECEIVABLE GENERATED BY IT ON ANY DATE (INCLUDING ON THE EFFECTIVE DATE) SHALL BE SUBJECT TO THE CONDITION PRECEDENT THAT, ON THE RELATED PAYMENT DATE, THE FOLLOWING STATEMENT SHALL BE TRUE (AND THE PAYMENT BY THE COMPANY OF THE PURCHASE PRICE FOR SUCH RECEIVABLE ON SUCH DATE SHALL CONSTITUTE A REPRESENTATION AND WARRANTY BY THE COMPANY THAT ON SUCH PAYMENT DATE THE STATEMENTS IN CLAUSE (II) ARE TRUE): (I) NO PURCHASE TERMINATION EVENT SET FORTH IN PARAGRAPH (G) (OTHER THAN CLAUSE (V) THEREOF) OF SECTION 6.01 SHALL HAVE OCCURRED AND BE CONTINUING AND (II) NO EARLY AMORTIZATION EVENT OR POTENTIAL EARLY AMORTIZATION EVENT IN EACH CASE OF A TYPE SET FORTH IN PARAGRAPH (A) (OTHER THAN CLAUSE (V) THEREOF) OF SECTION 7.1 OF THE POOLING AGREEMENT (AS IN EFFECT ON THE DATE HEREOF) SHALL HAVE OCCURRED AND BE CONTINUING.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

SECTION 4.01. REPRESENTATIONS AND WARRANTIES OF THE SELLERS. EACH SELLER HEREBY REPRESENTS AND WARRANTS, AS TO ITSELF ONLY, FOR THE BENEFIT OF THE COMPANY AND ITS ASSIGNS (INCLUDING THE TRUSTEE) ON THE APPLICABLE EFFECTIVE DATE AND ON EACH PAYMENT DATE AS FOLLOWS:

(A) CORPORATE EXISTENCE. SUCH SELLER (I) IS A CORPORATION DULY INCORPORATED, VALIDLY EXISTING AND IN GOOD STANDING UNDER THE LAWS OF THE JURISDICTION OF ITS ORGANIZATION, (II) HAS ALL REQUISITE CORPORATE POWER AND AUTHORITY, AND ALL LEGAL RIGHT, TO OWN AND OPERATE ITS PROPERTIES, TO LEASE THE PROPERTIES IT OPERATES AS LESSEE AND TO CONDUCT ITS BUSINESS AS NOW CONDUCTED AND (III) IS DULY QUALIFIED AS A FOREIGN CORPORATION TO DO BUSINESS AND IN GOOD STANDING (OR IS EXEMPT FROM SUCH REQUIREMENTS) UNDER THE LAWS OF EACH JURISDICTION IN WHICH THE OWNERSHIP OR LEASE OF PROPERTY OR THE CONDUCT OF ITS BUSINESS REQUIRES SUCH QUALIFICATION, EXCEPT, IN THE CASE OF CLAUSES (II) AND (III), TO THE EXTENT THAT A FAILURE TO HAVE SUCH POWER, AUTHORITY OR RIGHT OR TO QUALIFY AND BE IN GOOD STANDING, AS THE CASE MAY BE, WOULD NOT BE REASONABLY LIKELY TO HAVE A MATERIAL ADVERSE EFFECT.

(B) CORPORATE POWER; AUTHORIZATION; CONSENTS. THE SELLER HAS THE CORPORATE POWER AND AUTHORITY, AND THE LEGAL RIGHT, TO EXECUTE, DELIVER AND PERFORM THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS TO WHICH IT IS A PARTY AND HAS TAKEN ALL NECESSARY CORPORATE ACTION TO AUTHORIZE THE EXECUTION, DELIVERY AND PERFORMANCE OF THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS TO WHICH IT IS A PARTY. NO CONSENT OR AUTHORIZATION OF, FILING WITH, NOTICE TO OR OTHER ACT BY OR IN RESPECT OF, ANY GOVERNMENTAL AUTHORITY OR ANY OTHER PERSON IS REQUIRED IN CONNECTION WITH THE EXECUTION, DELIVERY, PERFORMANCE, VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS TO WHICH IT IS A PARTY BY OR AGAINST THE SELLER OTHER THAN (I) THOSE CONSENTS WHICH HAVE DULY BEEN OBTAINED OR MADE AND ARE IN FULL FORCE AND

EFFECT ON THE EFFECTIVE DATE OR THE RELEVANT PAYMENT DATE, AS THE CASE MAY BE, (II) THE FILING OF THE UCC FINANCING STATEMENTS REFERRED TO IN ARTICLE III, ALL OF WHICH, AT THE TIME REQUIRED IN ARTICLE III, SHALL HAVE BEEN DULY MADE AND SHALL BE IN FULL FORCE AND EFFECT, (III) THOSE THAT MAY BE REQUIRED UNDER STATE SECURITIES OR "BLUE SKY" LAWS IN CONNECTION WITH THE OFFERING OR SALE OF CERTIFICATES AND (IV) ANY SUCH CONSENT, AUTHORIZATION, FILING, NOTICE OR OTHER ACT, THE ABSENCE OF WHICH WOULD NOT BE REASONABLY LIKELY TO HAVE A MATERIAL ADVERSE EFFECT. THIS AGREEMENT AND EACH OTHER TRANSACTION DOCUMENT TO WHICH IT IS A PARTY HAVE BEEN DULY EXECUTED AND DELIVERED ON BEHALF OF THE SELLER.

(C) NO DEFAULT. (I) SUCH SELLER IS NOT IN DEFAULT UNDER OR WITH RESPECT TO ANY OF ITS CONTRACTUAL OBLIGATIONS IN ANY RESPECT WHICH WOULD BE REASONABLY LIKELY TO HAVE A MATERIAL ADVERSE EFFECT. (II) NO (A) EARLY TERMINATION OR (B) POTENTIAL PURCHASE TERMINATION EVENT WITH RESPECT TO A PURCHASE TERMINATION EVENT SET FORTH IN CLAUSE (G)(II) OF SECTION 6.01, IN EACH CASE WITH RESPECT TO SUCH SELLER, HAS OCCURRED AND IS CONTINUING.

(D) VALID SALE; BINDING OBLIGATIONS. THIS AGREEMENT CONSTITUTES, AND EACH OTHER TRANSACTION DOCUMENT TO BE SIGNED BY A RESPONSIBLE OFFICER OF SUCH SELLER WHEN DULY EXECUTED AND DELIVERED WILL CONSTITUTE, AN ENFORCEABLE OBLIGATION OF SUCH SELLER IN ACCORDANCE WITH ITS TERMS, EXCEPT (A) AS SUCH ENFORCEABILITY MAY BE LIMITED BY APPLICABLE BANKRUPTCY, INSOLVENCY, REORGANIZATION, MORATORIUM OR OTHER SIMILAR LAWS NOW OR HEREAFTER IN EFFECT AFFECTING THE ENFORCEMENT OF CREDITORS' RIGHTS IN GENERAL, AND (B) AS SUCH ENFORCEABILITY MAY BE LIMITED BY GENERAL PRINCIPLES OF EQUITY (WHETHER CONSIDERED IN A SUIT AT LAW OR IN EQUITY).

(E) NO VIOLATION. THE EXECUTION, DELIVERY AND PERFORMANCE OF, AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY, THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS AND THE FULFILLMENT OF THE TERMS HEREOF AND THEREOF WILL NOT (I) CONFLICT WITH, RESULT IN ANY BREACH OF ANY OF THE TERMS AND PROVISIONS OF, OR CONSTITUTE (WITH OR WITHOUT NOTICE OR LAPSE OF TIME OR BOTH) A DEFAULT UNDER, (A) THE CERTIFICATE OR ARTICLES OF INCORPORATION OR BY-LAWS OF SUCH SELLER OR (B) ANY INDENTURE, LOAN AGREEMENT, MORTGAGE, DEED OF TRUST, OR OTHER MATERIAL CONTRACT, AGREEMENT OR INSTRUMENT TO WHICH SUCH SELLER IS A PARTY OR BY WHICH SUCH SELLER OR ANY OF ITS PROPERTIES IS BOUND, (II) RESULT IN THE CREATION OR IMPOSITION OF ANY LIEN UPON ANY OF ITS PROPERTIES PURSUANT TO THE TERMS OF ANY SUCH CONTRACT, INDENTURE, LOAN AGREEMENT, MORTGAGE, DEED OF TRUST, LEASE OR OTHER AGREEMENT OR INSTRUMENT, OTHER THAN THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS OR (III) VIOLATE ANY OTHER REQUIREMENT OF LAW, EXCEPT, IN THE CASE OF CLAUSES (I)(B), (II) AND (III) TO THE EXTENT THAT SUCH CONFLICT, BREACH, DEFAULT, LIEN OR VIOLATION, AS THE CASE MAY BE, WOULD NOT BE REASONABLY LIKELY TO HAVE A MATERIAL ADVERSE EFFECT.

(F) NO PROCEEDINGS. THERE ARE NO ACTIONS, SUITS OR PROCEEDINGS BY OR BEFORE ANY ARBITRATOR OR GOVERNMENTAL AUTHORITY PENDING AGAINST OR, TO THE KNOWLEDGE OF SUCH SELLER, THREATENED AGAINST OR AFFECTING SUCH SELLER (I) ASSERTING THE INVALIDITY OR UNENFORCEABILITY OF THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, (II) SEEKING TO PREVENT THE CONSUMMATION OF ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT

OR ANY OTHER TRANSACTION DOCUMENT, OR (III) SEEKING ANY DETERMINATION OR RULING THAT COULD REASONABLY BE EXPECTED TO RESULT IN A MATERIAL ADVERSE EFFECT (OTHER THAN THE DISCLOSED MATTERS).

(G) BULK SALES ACT. NO TRANSACTION CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT WITH RESPECT TO SUCH SELLER REQUIRES COMPLIANCE WITH, OR WILL BE SUBJECT TO AVOIDANCE UNDER, ANY BULK SALES ACT OR SIMILAR LAW.

(H) LOCATION OF RECORDS; CHIEF EXECUTIVE OFFICE. THE CHIEF EXECUTIVE OFFICE OF SUCH SELLER IS AS INDICATED ON SCHEDULE 2 HERETO AND IS THE PLACE WHERE THE SELLER IS "LOCATED" FOR THE PURPOSES OF SECTION 9-103(3)(D) OF THE UCC AS IN EFFECT IN THE STATE OF NEW YORK. THE STATE AND COUNTY WHERE THE CHIEF EXECUTIVE OFFICE OF SUCH SELLER IS "LOCATED" FOR THE PURPOSES OF SECTION 9-103(3)(D) OF THE UCC AS IN EFFECT IN THE STATE OF NEW YORK HAS NOT CHANGED IN THE PAST FOUR MONTHS. THE OFFICES WHERE SUCH SELLER KEEPS ITS RECORDS CONCERNING THE RECEIVABLES AND RELATED CONTRACTS AND ALL OTHER AGREEMENTS RELATED TO THE RECEIVABLES ARE AS INDICATED FOR SUCH SELLER ON SCHEDULE 2 HERETO (OR AT SUCH OTHER LOCATIONS, NOTIFIED TO THE COMPANY AND THE TRUSTEE IN ACCORDANCE WITH SECTION 5.01(H), IN JURISDICTIONS WHERE ALL ACTION REQUIRED BY SECTION 9.02 HAS BEEN TAKEN AND COMPLETED).

(I) MARGIN REGULATIONS. NO USE OF ANY FUNDS OBTAINED BY SUCH SELLER UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS WILL CONFLICT WITH OR CONTRAVENE ANY OF REGULATIONS G, T, U AND X PROMULGATED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FROM TIME TO TIME.

(J) PROCEEDS BANKS; PAYMENT INSTRUCTIONS. THE NAMES AND ADDRESSES OF ALL THE LOCKBOX BANKS, THE LOCKBOX PROCESSORS, AND ELIGIBLE SEGREGATED ACCOUNT BANKS, TOGETHER WITH THE ACCOUNT NUMBERS OF THE LOCKBOX ACCOUNTS AND THE ELIGIBLE SEGREGATED ACCOUNTS INTO WHICH COLLECTIONS ARE DEPOSITED AT SUCH INSTITUTIONS, ARE SPECIFIED IN SCHEDULE 3. THE SELLERS HAVE TRANSFERRED ALL OF THEIR RIGHT, TITLE AND INTEREST IN EACH LOCKBOX ACCOUNT AND ELIGIBLE SEGREGATED ACCOUNT TO THE COMPANY. EACH LOCKBOX BANK OR LOCKBOX PROCESSOR HAS EXECUTED AND DELIVERED TO THE COMPANY AND THE TRUSTEE A LOCKBOX AGREEMENT. EACH ELIGIBLE SEGREGATED ACCOUNT BANK HAS EXECUTED AND DELIVERED TO THE COMPANY AND THE TRUSTEE AN ELIGIBLE SEGREGATED ACCOUNT BANK AGREEMENT. WITH RESPECT TO ANY PAYMENTS IN RESPECT OF RECEIVABLES AND RELATED PROPERTY THAT ARE MADE DIRECTLY TO ANY SELLER (INCLUDING, WITHOUT LIMITATION, ANY COLLECTORS, OTHER EMPLOYEES THEREOF OR INDEPENDENT CONTRACTORS EMPLOYED THEREBY), SUCH SELLER AGREES TO DEPOSIT PAYMENTS IN THE FORM RECEIVED WITHIN ONE BUSINESS DAY OF RECEIPT DIRECTLY TO ONE OF THE LOCKBOX ACCOUNTS, OR ELIGIBLE SEGREGATED ACCOUNTS. EACH INVOICE ISSUED TO AN OBLIGOR ON AND AFTER THE EFFECTIVE DATE SHALL INDICATE THAT PAYMENTS IN RESPECT OF ITS RECEIVABLE SHALL BE MADE BY SUCH OBLIGOR TO A LOCKBOX ACCOUNT OR ELIGIBLE SEGREGATED ACCOUNT OR BY WIRE TRANSFER OR OTHER ELECTRONIC PAYMENT TO A LOCKBOX ACCOUNT, AN ELIGIBLE SEGREGATED ACCOUNT OR THE COLLECTION ACCOUNT OR OTHERWISE AS PROVIDED IN SECTION 2.03 OF THE SERVICING AGREEMENT.

(K) NO FRAUDULENT TRANSFERS. THE TRANSFERS OF RECEIVABLES AND RECEIVABLES PROPERTY BY SUCH SELLER TO THE COMPANY PURSUANT TO THIS AGREEMENT, AND ALL OTHER TRANSACTIONS BETWEEN SUCH SELLER AND THE COMPANY, HAVE BEEN AND WILL BE MADE IN GOOD FAITH AND WITHOUT INTENT TO HINDER, DELAY OR DEFRAUD CREDITORS OF SUCH SELLER, AND SUCH SELLER ACKNOWLEDGES THAT IT HAS RECEIVED AND WILL RECEIVE FAIR CONSIDERATION AND REASONABLY EQUIVALENT VALUE FOR THE PURCHASES BY THE COMPANY OF RECEIVABLES AND RECEIVABLES PROPERTY HEREUNDER. THE PURCHASE OF RECEIVABLES AND RECEIVABLES PROPERTY BY THE COMPANY FROM SUCH SELLER CONSTITUTES A TRUE SALE OF SUCH RECEIVABLES AND RECEIVABLES PROPERTY UNDER APPLICABLE STATE LAW.

(L) TRADE NAMES. SUCH SELLER USES NO TRADE NAME IN THE FURNISHING OF ITS PRODUCTS OR SERVICES WHICH GENERATE RECEIVABLES OTHER THAN ITS ACTUAL CORPORATE NAME AND THE TRADE NAMES SET FORTH FOR SUCH SELLER IN SCHEDULE 5. DURING THE FIVE YEARS PRECEDING THE DATE HEREOF, EXCEPT AS SET FORTH IN SCHEDULE 5, (I) SUCH SELLER HAS NOT BEEN KNOWN BY ANY LEGAL NAME OR TRADE NAME OTHER THAN ITS CORPORATE NAME, (II) NOR HAS SUCH SELLER BEEN THE SUBJECT OF ANY MERGER OR OTHER CORPORATE REORGANIZATION WITHIN THE LAST FIVE YEARS, OTHER THAN MERGERS OCCURRING MORE THAN ONE YEAR PRIOR TO THE DATE HEREOF IN WHICH THE SELLER WAS THE SURVIVING COMPANY AND THE MERGED ENTITY DID NOT INCLUDE IN ITS NAME THE NAME "WESCO".

(M) COMPLIANCE WITH APPLICABLE LAWS. SUCH SELLER IS IN COMPLIANCE WITH THE REQUIREMENTS OF ALL APPLICABLE LAWS, RULES, REGULATIONS, AND ORDERS OF ALL GOVERNMENTAL AUTHORITIES (FEDERAL, STATE, LOCAL OR FOREIGN, AND INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LAWS), RELATING TO THE RECEIVABLES A BREACH OF ANY OF WHICH, INDIVIDUALLY OR IN THE AGGREGATE, WOULD BE REASONABLY LIKELY TO HAVE A MATERIAL ADVERSE EFFECT.

(N) TAXES. SUCH SELLER HAS FILED ALL TAX RETURNS (FEDERAL, STATE AND LOCAL) REQUIRED BY LAW TO BE FILED AND HAS PAID OR MADE ADEQUATE PROVISION FOR THE PAYMENT OF ALL TAXES, ASSESSMENTS AND OTHER GOVERNMENTAL CHARGES DUE FROM SUCH SELLER OR IS CONTESTING ANY SUCH TAX, ASSESSMENT OR OTHER GOVERNMENTAL CHARGE IN GOOD FAITH THROUGH APPROPRIATE PROCEEDINGS. NO TAX LIEN HAS BEEN FILED WITH RESPECT TO TAXES WHICH COULD REASONABLY BE EXPECTED TO RESULT IN A MATERIAL ADVERSE EFFECT AND, TO THE BEST KNOWLEDGE OF THE SELLER, NO CLAIM IS PRESENTLY BEING ASSERTED WITH RESPECT TO TAXES WHICH COULD REASONABLY BE EXPECTED TO RESULT IN A MATERIAL ADVERSE EFFECT. FOR PURPOSES OF THIS PARAGRAPH, "TAXES" SHALL MEAN ANY PRESENT OR FUTURE TAX, LEVY, IMPOST, DUTY, CHARGE, ASSESSMENT OR FEE OF ANY NATURE (INCLUDING INTEREST, PENALTIES AND ADDITIONS THERETO) THAT IS IMPOSED BY ANY GOVERNMENTAL AUTHORITY. SUCH SELLER KNOWS OF NO BASIS FOR ANY MATERIAL ADDITIONAL TAX ASSESSMENT FOR ANY FISCAL YEAR FOR WHICH ADEQUATE RESERVES HAVE NOT BEEN ESTABLISHED.

(O) EMPLOYEE BENEFIT PLANS. NO REPORTABLE EVENT HAS OCCURRED OR IS REASONABLY EXPECTED TO OCCUR THAT, WHEN TAKEN TOGETHER WITH ALL OTHER SUCH REPORTABLE EVENTS, COULD REASONABLY BE EXPECTED TO RESULT IN A MATERIAL ADVERSE EFFECT. THE PRESENT VALUE OF ALL ACCUMULATED BENEFIT OBLIGATIONS OF ALL UNDERFUNDED PLANS (BASED ON THE ASSUMPTIONS USED FOR PURPOSES OF STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 87) OF SUCH SELLER DID NOT, AS OF THE DATE OF THE MOST RECENT FINANCIAL STATEMENTS

REFLECTING SUCH AMOUNTS, EXCEED BY MORE THAN $2,500,000 THE FAIR MARKET VALUE OF THE ASSETS OF SUCH PLAN AND THE PRESENT VALUE OF ALL ACCUMULATED BENEFIT OBLIGATIONS OF ALL UNDERFUNDED PLANS (BASED ON THE ASSUMPTIONS USED FOR PURPOSES OF STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 87) OF SUCH SELLER DID NOT, AS OF THE DATE OF THE MOST RECENT FINANCIAL STATEMENTS REFLECTING SUCH AMOUNTS, EXCEED BY MORE THAN $5,000,000 THE FAIR MARKET VALUE OF THE ASSETS OF ALL SUCH UNDERFUNDED PLANS.

(P) SOLVENCY. BOTH PRIOR TO AND AFTER GIVING EFFECT TO THE TRANSACTIONS OCCURRING ON THE EFFECTIVE DATE, (I) THE FAIR VALUE OF THE ASSETS OF SUCH SELLER AT A FAIR VALUATION WILL EXCEED THE DEBTS AND LIABILITIES, SUBORDINATED, CONTINGENT OR OTHERWISE, OF SUCH SELLER; (II) THE PRESENT FAIR SALABLE VALUE OF THE PROPERTY OF SUCH SELLER WILL BE GREATER THAN THE AMOUNT THAT WILL BE REQUIRED TO PAY THE PROBABLE LIABILITY OF SUCH SELLER ON ITS DEBTS AND OTHER LIABILITIES, SUBORDINATED, CONTINGENT OR OTHERWISE, AS SUCH DEBTS AND LIABILITIES BECOME ABSOLUTE AND MATURED; (III) SUCH SELLER WILL BE ABLE TO PAY ITS DEBTS AND LIABILITIES, SUBORDINATED, CONTINGENT OR OTHERWISE, AS SUCH DEBTS AND LIABILITIES BECOME ABSOLUTE AND MATURED; AND (IV) SUCH SELLER WILL NOT HAVE UNREASONABLY SMALL CAPITAL WITH WHICH TO CONDUCT THE BUSINESS IN WHICH IT IS ENGAGED AS SUCH BUSINESS IS NOW CONDUCTED AND IS PROPOSED TO BE CONDUCTED. FOR ALL PURPOSES OF CLAUSES (I) THROUGH (IV) ABOVE, THE AMOUNT OF CONTINGENT LIABILITIES AT ANY TIME SHALL BE COMPUTED AS THE AMOUNT THAT, IN THE LIGHT OF ALL THE FACTS AND CIRCUMSTANCES EXISTING AT SUCH TIME, REPRESENTS THE AMOUNT THAT CAN REASONABLY BE EXPECTED TO BECOME AN ACTUAL OR MATURED LIABILITY. SUCH SELLER DOES NOT INTEND TO, NOR DOES IT BELIEVE THAT IT WILL, INCUR DEBTS BEYOND ITS ABILITY TO PAY SUCH DEBTS AS THEY MATURE, TAKING INTO ACCOUNT THE TIMING OF AND AMOUNTS OF CASH TO BE RECEIVED BY IT AND THE TIMING OF AND AMOUNTS OF CASH TO BE PAYABLE IN RESPECT OF ITS DEBT.

(Q) INVESTMENT COMPANY ACT. NEITHER SUCH SELLER NOR ANY OF SUCH SELLER'S SUBSIDIARIES IS (I) AN "INVESTMENT COMPANY" REGISTERED OR REQUIRED TO BE REGISTERED UNDER THE 1940 ACT, OR (II) A "HOLDING COMPANY", OR A "SUBSIDIARY COMPANY" OR AN "AFFILIATE" OF A "HOLDING COMPANY" WITHIN THE MEANING OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935, AS AMENDED.

(R) OWNERSHIP. ALL OF THE ISSUED AND OUTSTANDING CAPITAL STOCK OF SUCH SELLER (OTHER THAN WESCO) IS OWNED, DIRECTLY OR INDIRECTLY, BY WESCO.

(S) INDEBTEDNESS TO COMPANY. SUCH SELLER HAD NO OUTSTANDING INDEBTEDNESS TO THE COMPANY OTHER THAN AMOUNTS PERMITTED BY THIS AGREEMENT OR AMOUNTS OUTSTANDING UNDER THE SELLER NOTE.

(T) RECEIVABLES DOCUMENTS. UPON THE DELIVERY, IF ANY, BY SUCH SELLER TO THE COMPANY OF LICENSES, RIGHTS, COMPUTER PROGRAMS, RELATED MATERIALS, COMPUTER TAPES, DISKS, CASSETTES AND DATA RELATING TO THE ADMINISTRATION OF THE PURCHASED RECEIVABLES PURSUANT TO SUBSECTION 5.01(O), THE COMPANY SHALL HAVE BEEN FURNISHED WITH ALL MATERIALS AND DATA NECESSARY TO PERMIT ORDERLY COLLECTION OF THE PURCHASED RECEIVABLES WITHOUT THE PARTICIPATION OF SUCH SELLER IN SUCH COLLECTION.

(U) FILINGS. ON OR PRIOR TO THE DATE THAT IS 10 DAYS AFTER THE EFFECTIVE DATE, ALL FILINGS AND OTHER ACTS (INCLUDING BUT NOT LIMITED TO ALL FILINGS AND OTHER ACTS NECESSARY OR ADVISABLE UNDER THE UCC) SHALL HAVE BEEN MADE OR PERFORMED SUCH THAT THE COMPANY HAS ON SUCH DATE A FIRST PRIORITY PERFECTED OWNERSHIP OR SECURITY INTEREST IN RESPECT OF ALL RECEIVABLES.

SECTION 4.02. REPRESENTATIONS AND WARRANTIES OF THE SELLERS RELATING TO THE RECEIVABLES. EACH SELLER HEREBY REPRESENTS AND WARRANTS, AS TO ITSELF ONLY, FOR THE BENEFIT OF THE COMPANY AND ITS ASSIGNS (INCLUDING THE TRUSTEE) ON EACH PAYMENT DATE AS FOLLOWS:

(I) RECEIVABLES DESCRIPTION. AS OF THE EFFECTIVE DATE, THE RECEIVABLES LIST DELIVERED PURSUANT TO SECTION 3.01(M) SETS FORTH IN ALL MATERIAL RESPECTS AN ACCURATE AND COMPLETE LISTING OF ALL ITS RECEIVABLES AS OF THE EFFECTIVE DATE AND THE INFORMATION CONTAINED THEREIN WITH RESPECT TO THE IDENTITY OF SUCH RECEIVABLES IS TRUE AND CORRECT IN ALL MATERIAL RESPECTS AS OF SUCH DATE. AS OF THE EFFECTIVE DATE, THE AGGREGATE AMOUNT OF RECEIVABLES OWNED BY SUCH SELLER IS ACCURATELY SET FORTH ON THE RECEIVABLES LIST.

(II) QUALITY OF TITLE. EACH RECEIVABLE EXISTING ON THE EFFECTIVE DATE OR, IN THE CASE OF RECEIVABLES SOLD TO THE COMPANY AFTER THE EFFECTIVE DATE, ON THE DATE THAT EACH SUCH RECEIVABLE SHALL HAVE BEEN SOLD TO THE COMPANY, HAS BEEN CONVEYED TO THE COMPANY AND THE COMPANY HAS ACQUIRED A VALID AND PERFECTED FIRST PRIORITY OWNERSHIP INTEREST IN EACH SUCH RECEIVABLE, IN EACH CASE, FREE AND CLEAR OF ANY LIENS, EXCEPT FOR PERMITTED LIENS SPECIFIED IN CLAUSES (I) OR (IV) OF THE DEFINITION THEREOF.

(III) ELIGIBLE RECEIVABLE. ON THE EFFECTIVE DATE, EACH RECEIVABLE, OTHER THAN RECEIVABLES DESIGNATED AS INELIGIBLE RECEIVABLES ON A DAILY REPORT, SOLD TO THE COMPANY ON SUCH DATE IS AN ELIGIBLE RECEIVABLE ON THE EFFECTIVE DATE AND, IN THE CASE OF RECEIVABLES SOLD TO THE COMPANY AFTER THE EFFECTIVE DATE, EACH SUCH RECEIVABLE, OTHER THAN RECEIVABLES DESIGNATED AS INELIGIBLE RECEIVABLES ON A DAILY REPORT, SOLD TO THE COMPANY ON SUCH LATER DATE IS AN ELIGIBLE RECEIVABLE ON SUCH LATER DATE.

THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS SECTION 4.02 SHALL SURVIVE THE TRANSFER AND ASSIGNMENT OF THE RESPECTIVE RECEIVABLES TO THE COMPANY PURSUANT TO THIS AGREEMENT. UPON DISCOVERY BY ANY SELLER OR THE COMPANY OF A BREACH OF ANY OF THE FOREGOING REPRESENTATIONS AND WARRANTIES, THE PARTY DISCOVERING SUCH BREACH SHALL GIVE PROMPT WRITTEN NOTICE TO THE OTHER.

SECTION 4.03. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. THE COMPANY REPRESENTS AND WARRANTS AS TO ITSELF FOR THE BENEFIT OF THE SELLERS AS FOLLOWS:

(A) CORPORATE EXISTENCE. IT (I) IS A CORPORATION DULY ORGANIZED, VALIDLY EXISTING AND IN GOOD STANDING UNDER THE LAWS OF THE JURISDICTION OF ITS INCORPORATION, AND IS DULY QUALIFIED AS A FOREIGN CORPORATION AND IS IN GOOD STANDING IN EACH JURISDICTION IN WHICH THE FAILURE TO SO QUALIFY WOULD HAVE A MATERIAL ADVERSE EFFECT, (II) HAS ALL REQUISITE CORPORATE POWER AND AUTHORITY AND THE LEGAL RIGHT TO OWN, PLEDGE, MORTGAGE AND OPERATE ITS PROPERTIES, AND TO CONDUCT ITS BUSINESS AS NOW OR CURRENTLY PROPOSED TO BE CONDUCTED AND (III) IS IN COMPLIANCE WITH ALL REQUIREMENTS OF LAW.

(B) CORPORATE POWER; AUTHORIZATION; CONSENTS. IT HAS THE CORPORATE POWER AND AUTHORITY, AND THE LEGAL RIGHT, TO EXECUTE, DELIVER AND PERFORM THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS TO WHICH IT IS A PARTY AND HAS TAKEN ALL NECESSARY CORPORATE ACTION TO AUTHORIZE THE EXECUTION, DELIVERY AND PERFORMANCE OF THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS TO WHICH IT IS A PARTY.

(C) NO VIOLATION. THE EXECUTION, DELIVERY AND PERFORMANCE BY IT OF THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS TO WHICH IT IS A PARTY AND ALL INSTRUMENTS AND DOCUMENTS TO BE DELIVERED HEREUNDER BY IT, AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, (I) DO NOT (A) VIOLATE ITS CERTIFICATE OR ARTICLES OF INCORPORATION AND BY-LAWS OR OTHER ORGANIZATIONAL OR GOVERNING DOCUMENTS OR, IN ANY MATERIAL RESPECT, ANY OTHER REQUIREMENT OF LAW, (B) CONFLICT WITH OR RESULT IN THE BREACH OF, OR CONSTITUTE A DEFAULT UNDER, ANY INDENTURE, MORTGAGE OR DEED OF TRUST OR ANY MATERIAL LEASE, AGREEMENT OR OTHER INSTRUMENT BINDING ON OR AFFECTING IT OR ANY OF ITS RESPECTIVE SUBSIDIARIES OR ANY OF ITS PROPERTIES IN ANY MATERIAL RESPECT OR (C) RESULT IN OR REQUIRE THE CREATION OR IMPOSITION OF ANY LIEN EXCEPT AS CREATED OR IMPOSED HEREUNDER OR UNDER THE POOLING AGREEMENT, AND NO TRANSACTION CONTEMPLATED HEREBY REQUIRES COMPLIANCE ON ITS PART WITH ANY BULK SALES ACT OR SIMILAR LAW, AND (II) DO NOT REQUIRE THE CONSENT OF, AUTHORIZATION BY OR APPROVAL OF OR NOTICE TO OR FILING OR REGISTRATION WITH, ANY GOVERNMENTAL BODY, AGENCY, AUTHORITY, REGULATORY BODY OR ANY OTHER PERSON OTHER THAN THOSE WHICH HAVE BEEN OBTAINED OR MADE EXCEPT FOR THE FILING OF THE FINANCING STATEMENTS REFERRED TO IN ARTICLE III HEREOF, WHICH FILINGS THE SELLERS HEREBY REPRESENT SHALL HAVE BEEN DULY MADE PRIOR TO OR SUBSTANTIALLY CONTEMPORANEOUSLY WITH ANY PURCHASES OF RECEIVABLES AND OTHER RECEIVABLES PROPERTY AND SHALL AT ALL TIMES BE IN FULL FORCE AND EFFECT (EXCEPT AS THEY MAY BE TERMINATED BY THE COMPANY).

(D) BINDING OBLIGATIONS. THIS AGREEMENT HAS BEEN DULY EXECUTED AND DELIVERED BY THE COMPANY AND CONSTITUTES ITS LEGAL, VALID AND BINDING OBLIGATION, ENFORCEABLE AGAINST IT IN ACCORDANCE WITH ITS TERMS EXCEPT (A) AS SUCH ENFORCEABILITY MAY BE LIMITED BY APPLICABLE BANKRUPTCY, INSOLVENCY, REORGANIZATION, MORATORIUM OR OTHER SIMILAR LAWS NOW OR HEREAFTER IN EFFECT AFFECTING THE ENFORCEMENT OF CREDITORS' RIGHTS IN GENERAL, AND (B) AS SUCH ENFORCEABILITY MAY BE LIMITED BY GENERAL PRINCIPLES OF EQUITY (WHETHER CONSIDERED IN A SUIT AT LAW OR IN EQUITY).

(E) ACCOUNTING TREATMENT. THE COMPANY WILL NOT PREPARE ANY FINANCIAL STATEMENTS THAT SHALL ACCOUNT FOR THE TRANSACTIONS CONTEMPLATED HEREBY, NOR WILL IT IN ANY OTHER RESPECT (OTHER THAN FOR TAX PURPOSES) ACCOUNT FOR THE TRANSACTIONS CONTEMPLATED HEREBY, IN A MANNER THAT IS INCONSISTENT WITH THE COMPANY'S OWNERSHIP INTEREST IN THE RECEIVABLES.

ARTICLE V
GENERAL COVENANTS

SECTION 5.01. AFFIRMATIVE COVENANTS OF THE SELLERS. EACH SELLER COVENANTS THAT, UNTIL THE PURCHASE TERMINATION DATE SHALL HAVE OCCURRED WITH RESPECT TO SUCH SELLER AND

THERE ARE NO AMOUNTS OUTSTANDING WITH RESPECT TO THE PURCHASED RECEIVABLES PREVIOUSLY SOLD BY SUCH SELLER TO THE COMPANY (OTHER THAN CHARGED-OFF RECEIVABLES):

(A) PRESERVATION OF CORPORATE EXISTENCE AND NAME. SUCH SELLER WILL PRESERVE AND MAINTAIN IN ALL MATERIAL RESPECTS ITS CORPORATE EXISTENCE, RIGHTS, FRANCHISES AND PRIVILEGES IN THE JURISDICTION OF ITS INCORPORATION, AND QUALIFY AND REMAIN QUALIFIED IN GOOD STANDING AS A FOREIGN CORPORATION IN EACH JURISDICTION WHERE THE FAILURE TO PRESERVE AND MAINTAIN SUCH EXISTENCE, RIGHTS, FRANCHISES, PRIVILEGES AND QUALIFICATION COULD HAVE A MATERIAL ADVERSE EFFECT.

(B) MAINTENANCE OF PROPERTY. SUCH SELLER WILL KEEP ALL PROPERTY AND ASSETS USEFUL AND NECESSARY TO PERMIT THE ORIGINATION, MONITORING AND COLLECTION OF RECEIVABLES.

(C) COMPLIANCE WITH LAWS, ETC. SUCH SELLER SHALL COMPLY IN ALL MATERIAL RESPECTS WITH ALL APPLICABLE LAWS, RULES, REGULATIONS AND ORDERS APPLICABLE TO THE RECEIVABLES AND THE RECEIVABLES PROPERTY, INCLUDING, WITHOUT LIMITATION, RULES AND REGULATIONS RELATING TO TRUTH IN LENDING, FAIR CREDIT BILLING, FAIR CREDIT REPORTING, EQUAL CREDIT OPPORTUNITY, FAIR DEBT COLLECTION PRACTICES AND PRIVACY, WHERE FAILURE TO SO COMPLY COULD REASONABLY BE EXPECTED TO HAVE A MATERIALLY ADVERSE IMPACT ON THE AMOUNT OF COLLECTIONS THEREUNDER.

(D) VISITATION RIGHTS. AT ANY REASONABLE TIME DURING NORMAL BUSINESS HOURS AND FROM TIME TO TIME UPON REASONABLE NOTICE, ACCORDING TO THE SELLER'S NORMAL SECURITY AND CONFIDENTIALITY PROVISIONS WITH RESPECT TO CUSTOMER LISTS, SUCH SELLER SHALL PERMIT (I) THE COMPANY, THE TRUSTEE OR ANY OF ITS AGENTS OR REPRESENTATIVES, (A) TO EXAMINE AND MAKE COPIES OF AND ABSTRACTS FROM THE RECORDS, BOOKS OF ACCOUNT AND DOCUMENTS (INCLUDING, WITHOUT LIMITATION, COMPUTER TAPES AND DISKS) OF SUCH SELLER RELATING TO RECEIVABLES AND RELATED PROPERTY OWNED OR TO BE PURCHASED BY THE COMPANY HEREUNDER, INCLUDING, WITHOUT LIMITATION, THE RELATED CONTRACTS AND PURCHASE ORDERS AND OTHER AGREEMENTS AND (B) FOLLOWING THE TERMINATION OF THE APPOINTMENT OF WESCO AS SERVICER OR OF SUCH SELLER AS A SERVICING PARTY WITH RESPECT TO THE RECEIVABLES, TO BE PRESENT AT THE OFFICES AND PROPERTIES OF SUCH SELLER TO ADMINISTER AND CONTROL THE COLLECTION OF AMOUNTS OWING ON THE PURCHASED RECEIVABLES AND (II) THE COMPANY, THE TRUSTEE OR ANY OF ITS AGENTS OR REPRESENTATIVES, OR THE TRUSTEE (UPON THE GIVING OF APPROPRIATE NOTICE TO THE COMPANY) TO VISIT THE PROPERTIES OF SUCH SELLER FOR THE PURPOSE OF EXAMINING SUCH RECORDS, BOOKS OF ACCOUNT AND DOCUMENTS, AND TO DISCUSS THE AFFAIRS, FINANCES AND ACCOUNTS OF SUCH SELLER RELATING TO THE RECEIVABLES OR SUCH SELLER'S PERFORMANCE HEREUNDER WITH ANY OF ITS OFFICERS OR DIRECTORS AND WITH ITS INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS; PROVIDED, HOWEVER, THAT THE COMPANY, THE TRUSTEE OR SUCH AGENTS OR REPRESENTATIVES, AS THE CASE MAY BE, SHALL NOTIFY SUCH SELLER PRIOR TO ANY CONTACT WITH SUCH ACCOUNTANTS AND PERMIT REPRESENTATIVES OF THE SELLER TO PARTICIPATE IN SUCH DISCUSSIONS.

(E) KEEPING OF RECORDS AND BOOKS OF ACCOUNT. SUCH SELLER WILL MAINTAIN AND IMPLEMENT ADMINISTRATIVE AND OPERATING PROCEDURES (INCLUDING, WITHOUT LIMITATION, AN ABILITY TO RECREATE RECORDS EVIDENCING RECEIVABLES AND THE RECEIVABLES PROPERTY IN

THE EVENT OF THE DESTRUCTION OF THE ORIGINALS THEREOF), AND KEEP AND MAINTAIN ALL DOCUMENTS, BOOKS, RECORDS AND OTHER INFORMATION WHICH, IN EACH CASE, IN THE REASONABLE DISCRETION OF THE COMPANY, ARE NECESSARY OR ADVISABLE FOR THE COLLECTION OF ALL RECEIVABLES AND THE RECEIVABLES PROPERTY (INCLUDING, WITHOUT LIMITATION, RECORDS ADEQUATE TO PERMIT THE IDENTIFICATION OF EACH NEW RECEIVABLE AND ALL COLLECTIONS OF AND ADJUSTMENTS TO EACH EXISTING RECEIVABLE). UPON THE REQUEST OF THE COMPANY, SUCH SELLER WILL DELIVER COPIES OF ALL BOOKS AND RECORDS MAINTAINED PURSUANT TO THIS SECTION 5.01(E) TO THE TRUSTEE.

(F) PERFORMANCE AND COMPLIANCE WITH POLICIES, RECEIVABLES AND CONTRACTS. SUCH SELLER WILL (I) PERFORM ITS OBLIGATIONS IN ACCORDANCE WITH AND COMPLY IN ALL MATERIAL RESPECTS WITH THE POLICIES, AS AMENDED FROM TIME TO TIME IN ACCORDANCE WITH THE TRANSACTION DOCUMENTS AND (II) AT ITS EXPENSE, TIMELY AND FULLY PERFORM AND COMPLY WITH ALL MATERIAL PROVISIONS, COVENANTS AND OTHER PROMISES REQUIRED TO BE OBSERVED BY IT UNDER THE RECEIVABLES AND THE CONTRACTS RELATED TO THE RECEIVABLES AND RELATED PROPERTY AND ALL PURCHASE ORDERS AND OTHER AGREEMENTS RELATED TO SUCH RECEIVABLES AND RELATED PROPERTY.

(G) OBLIGATIONS. SELLER SHALL PAY, DISCHARGE OR OTHERWISE SATISFY AT OR BEFORE MATURITY OR BEFORE THEY BECOME DELINQUENT, AS THE CASE MAY BE, ALL ITS OTHER OBLIGATIONS OF WHATEVER NATURE, EXCEPT WHERE (I) THE AMOUNT OF VALIDITY THEREOF IS CURRENTLY BEING CONTESTED IN GOOD FAITH BY APPROPRIATE PROCEEDINGS AND RESERVES IN CONFORMITY WITH GAAP WITH RESPECT THERETO HAVE BEEN PROVIDED ON ITS BOOKS, OR (II) THE FAILURE TO SO PAY, DISCHARGE OR SATISFY ALL SUCH OBLIGATIONS WOULD NOT, IN THE AGGREGATE, BE REASONABLY LIKELY TO HAVE A MATERIAL ADVERSE EFFECT AND WOULD NOT SUBJECT ANY OF ITS PROPERTIES TO ANY LIEN PROHIBITED BY SUBSECTION 5.03(B).

(H) LOCATION OF RECORDS. SUCH SELLER WILL KEEP ITS PRINCIPAL PLACE OF BUSINESS AND CHIEF EXECUTIVE OFFICE, AND THE OFFICES WHERE IT KEEPS ITS RECORDS CONCERNING THE RECEIVABLES, ALL RECEIVABLES PROPERTY, ALL CONTRACTS AND PURCHASE ORDERS AND OTHER AGREEMENTS RELATED TO SUCH RECEIVABLES (AND ALL ORIGINAL DOCUMENTS RELATING THERETO), AT THE ADDRESS(ES) OF SUCH SELLER REFERRED TO IN SCHEDULE 2 OR, UPON 30 DAYS' PRIOR WRITTEN NOTICE TO THE COMPANY AND THE AGENTS, AT SUCH OTHER LOCATIONS IN JURISDICTIONS WHERE ALL ACTION REQUIRED BY SECTION 5.01(M) SHALL HAVE BEEN TAKEN AND COMPLETED; PROVIDED, HOWEVER, THAT THE RATING AGENCY CONDITION SHALL HAVE BEEN SATISFIED WITH RESPECT TO ANY CHANGES IN LOCATION IF SUCH LOCATION IS NOT IN A STATE WHICH IS WITHIN THE TENTH CIRCUIT UNLESS IT DELIVERS AN OPINION OF COUNSEL REASONABLY ACCEPTABLE TO THE RATING AGENCIES TO THE EFFECT THAT OCTAGON GAS SYSTEMS, INC. V. RIMMER, 995 F.2D 948 (10TH CIR. 1993), IS NO LONGER CONTROLLING PRECEDENT IN THE TENTH CIRCUIT.

(I) OBLIGATION TO RECORD AND REPORT. SUCH SELLER SHALL TO THE FULLEST EXTENT PERMITTED BY GAAP AND BY APPLICABLE LAW, RECORD EACH PURCHASE OF THE PURCHASED RECEIVABLES AS A SALE ON ITS BOOKS AND RECORDS AND REFLECT EACH PURCHASE OF PURCHASED RECEIVABLES IN ITS FINANCIAL STATEMENTS AS A SALE.

(J) COLLECTIONS. SUCH SELLER SHALL CAUSE EACH INVOICE ISSUED TO AN OBLIGOR ON AND AFTER THE EFFECTIVE DATE SHALL INDICATE THAT PAYMENTS IN RESPECT OF ITS RECEIVABLE SHALL BE MADE BY SUCH OBLIGOR TO A LOCKBOX ACCOUNT OR ELIGIBLE SEGREGATED ACCOUNT OR BY WIRE TRANSFER OR OTHER ELECTRONIC PAYMENT TO A LOCKBOX ACCOUNT, AN ELIGIBLE SEGREGATED ACCOUNT OR THE COLLECTION ACCOUNT OR OTHERWISE AS PROVIDED IN SECTION 2.03 OF THE SERVICING AGREEMENT AND COMPLY IN ALL MATERIAL RESPECTS WITH PROCEDURES WITH RESPECT TO COLLECTIONS REASONABLY SPECIFIED FROM TIME TO TIME BY THE COMPANY, INCLUDING, WITHOUT LIMITATION, THE PROCEDURES SPECIFIED IN THE SERVICING AGREEMENT. IN THE EVENT THAT ANY PAYMENTS IN RESPECT OF ANY SUCH RECEIVABLES ARE MADE DIRECTLY TO THE SELLER (INCLUDING, WITHOUT LIMITATION, ANY COLLECTOR, ANY OTHER EMPLOYEES THEREOF OR INDEPENDENT CONTRACTORS EMPLOYED THEREBY), THE SELLER SHALL, WITHIN ONE BUSINESS DAY (EXCEPT AS PROVIDED IN THE SERVICING AGREEMENT) OF RECEIPT THEREOF, FORWARD SUCH AMOUNTS TO A LOCKBOX, A LOCKBOX ACCOUNT, AN ELIGIBLE SEGREGATED ACCOUNT OR THE COLLECTION ACCOUNT AND, PRIOR TO FORWARDING SUCH AMOUNTS, THE SELLER SHALL HOLD SUCH PAYMENTS IN TRUST AS CUSTODIAN FOR THE COMPANY AND THE TRUSTEE.

(K) TAXES. SUCH SELLER WILL FILE ALL TAX RETURNS AND REPORTS REQUIRED BY LAW TO BE FILED BY IT AND WILL PAY ALL TAXES AND GOVERNMENTAL CHARGES THEREBY SHOWN TO BE OWING, EXCEPT ANY SUCH TAXES OR CHARGES WHICH ARE BEING DILIGENTLY CONTESTED IN GOOD FAITH BY APPROPRIATE PROCEEDINGS AND FOR WHICH ADEQUATE RESERVES IN ACCORDANCE WITH GAAP HAVE BEEN SET ASIDE ON ITS BOOKS.

(L) SEPARATE CORPORATE EXISTENCE OF THE COMPANY. SUCH SELLER HEREBY ACKNOWLEDGES THAT THE TRUSTEE AND THE INVESTOR CERTIFICATEHOLDERS ARE ENTERING INTO THE TRANSACTIONS CONTEMPLATED BY THE TRANSACTION DOCUMENTS IN RELIANCE UPON THE COMPANY'S IDENTITY AS A LEGAL ENTITY SEPARATE FROM THE SELLERS AND ALL OTHER WESCO PERSONS. THEREFORE, FROM AND AFTER THE DATE HEREOF, SUCH SELLER WILL TAKE (OR REFRAIN FROM TAKING, AS THE CASE MAY BE) SUCH ACTIONS AND WILL CAUSE EACH OTHER WESCO PERSON TO TAKE (OR REFRAIN FROM TAKING, AS THE CASE MAY BE) SUCH ACTIONS, AS SHALL BE REQUIRED IN ORDER THAT:

(I) EACH WESCO PERSON MAINTAIN ITS DEPOSIT ACCOUNT OR ACCOUNTS SEPARATE FROM THOSE OF THE COMPANY AND ENSURE THAT ITS FUNDS WILL NOT BE DIVERTED TO THE COMPANY, NOR WILL SUCH FUNDS BE COMMINGLED WITH THE FUNDS OF THE COMPANY;

(II) TO THE EXTENT THAT ANY WESCO PERSON SHARES ANY OFFICERS OR OTHER EMPLOYEES WITH THE COMPANY, THE SALARIES OF AND THE EXPENSES RELATED TO PROVIDING BENEFITS TO SUCH OFFICERS AND OTHER EMPLOYEES SHALL BE FAIRLY ALLOCATED AMONG SUCH WESCO PERSON AND THE COMPANY, AND SUCH WESCO PERSON AND THE COMPANY SHALL BEAR THEIR FAIR SHARES OF THE SALARY AND BENEFIT COSTS ASSOCIATED WITH ALL SUCH COMMON OFFICERS AND EMPLOYEES;

(III) TO THE EXTENT THAT ANY WESCO PERSON JOINTLY CONTRACTS WITH THE COMPANY TO DO BUSINESS WITH VENDORS OR SERVICE PROVIDERS OR TO SHARE OVERHEAD EXPENSES, THE COSTS INCURRED IN SO DOING SHALL BE ALLOCATED FAIRLY BETWEEN SUCH

WESCO PERSON AND THE COMPANY, AND SUCH WESCO PERSON AND THE COMPANY SHALL BEAR THEIR FAIR SHARES OF SUCH COSTS. TO THE EXTENT THAT ANY WESCO PERSON CONTRACTS OR DOES BUSINESS WITH VENDORS OR SERVICE PROVIDERS WHERE THE GOODS AND SERVICES PROVIDED ARE PARTIALLY FOR THE BENEFIT OF THE COMPANY, THE COSTS INCURRED IN SO DOING SHALL BE FAIRLY ALLOCATED BETWEEN SUCH WESCO PERSON AND THE COMPANY IN PROPORTION TO THE BENEFIT OF THE GOODS OR SERVICES EACH IS PROVIDED, AND SUCH WESCO PERSON AND THE COMPANY SHALL BEAR THEIR FAIR SHARES OF SUCH COSTS. ALL MATERIAL TRANSACTIONS BETWEEN ANY WESCO PERSON AND THE COMPANY, WHETHER CURRENTLY EXISTING OR HEREAFTER ENTERED INTO, SHALL BE ONLY ON AN ARM'S LENGTH BASIS, IT BEING UNDERSTOOD AND AGREED THAT THE TRANSACTIONS CONTEMPLATED IN THE TRANSACTION DOCUMENTS MEET THE REQUIREMENTS OF THIS CLAUSE (III);

(IV) EACH WESCO PERSON WILL MAINTAIN OFFICE SPACE SEPARATE FROM THE OFFICE SPACE OF THE COMPANY (BUT WHICH MAY BE LOCATED AT THE SAME ADDRESS AS THE COMPANY). TO THE EXTENT THAT IT AND THE COMPANY HAVE OFFICES IN THE SAME LOCATION, THERE SHALL BE A FAIR AND APPROPRIATE ALLOCATION OF OVERHEAD COSTS BETWEEN THEM, AND EACH SHALL BEAR ITS FAIR SHARE OF SUCH EXPENSES;

(V) NO WESCO PERSON WILL ASSUME OR GUARANTEE ANY OF THE LIABILITIES OF THE COMPANY;

(VI) EACH WESCO PERSON WILL MAINTAIN CORPORATE RECORDS AND BOOKS OF ACCOUNT SEPARATE FROM THOSE OF THE COMPANY AND TELEPHONE NUMBERS, MAILING ADDRESSES, STATIONERY AND OTHER BUSINESS FORMS THAT ARE SEPARATE AND DISTINCT FROM THOSE OF THE COMPANY.

(VII) ANY FINANCIAL STATEMENTS OF ANY WESCO PERSON WHICH ARE CONSOLIDATED TO INCLUDE THE COMPANY WILL CONTAIN A DETAILED NOTE SUBSTANTIALLY IN THE FORM, AND TO THE EFFECT, OF THE NOTE SET FORTH ON SCHEDULE 8.

(VIII) NO WESCO PERSON WILL HOLD ITSELF OUT, OR PERMIT ITSELF TO BE HELD OUT, AS HAVING AGREED TO PAY OR BE LIABLE FOR THE DEBTS OF THE COMPANY.

(IX) EACH WESCO PERSON WILL TAKE, OR REFRAIN FROM TAKING, AS THE CASE MAY BE, ALL OTHER ACTIONS THAT ARE NECESSARY TO BE TAKEN OR NOT TO BE TAKEN IN ORDER (X) TO ENSURE THAT THE ASSUMPTIONS AND FACTUAL RECITATIONS SET FORTH IN THE SPECIFIED BANKRUPTCY OPINION PROVISIONS REMAIN TRUE AND CORRECT WITH RESPECT TO SUCH WESCO PERSON (AND, TO THE EXTENT WITHIN ITS CONTROL, TO ENSURE THAT THE ASSUMPTIONS AND FACTUAL RECITATIONS SET FORTH IN THE SPECIFIED BANKRUPTCY OPINION PROVISIONS REMAIN TRUE AND CORRECT WITH RESPECT TO THE COMPANY) AND (Y) TO COMPLY WITH THOSE PROCEDURES DESCRIBED IN SUCH PROVISIONS THAT ARE APPLICABLE TO SUCH WESCO PERSON.

(M) FURTHER ACTION EVIDENCING PURCHASES.

(I) SUCH SELLER AGREES THAT FROM TIME TO TIME, AT ITS EXPENSE, IT WILL PROMPTLY EXECUTE AND DELIVER ALL FURTHER INSTRUMENTS AND DOCUMENTS, AND TAKE ALL FURTHER ACTION, THAT MAY BE NECESSARY OR DESIRABLE OR THAT THE COMPANY MAY REASONABLY REQUEST, TO PROTECT OR MORE FULLY EVIDENCE THE COMPANY'S OWNERSHIP, RIGHT, TITLE AND INTEREST IN THE RECEIVABLES AND RECEIVABLES PROPERTY SOLD BY SUCH SELLER AND ITS RIGHTS UNDER THE CONTRACTS WITH RESPECT THERETO, OR TO ENABLE THE COMPANY TO EXERCISE OR ENFORCE ANY OF ITS RIGHTS HEREUNDER OR UNDER ANY OTHER TRANSACTION DOCUMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SUCH SELLER WILL UPON THE REQUEST OF THE COMPANY (A) EXECUTE AND FILE SUCH FINANCING OR CONTINUATION STATEMENTS, OR AMENDMENTS THERETO, AND SUCH OTHER INSTRUMENTS OR NOTICES, AS MAY BE NECESSARY OR, IN THE REASONABLE OPINION OF THE COMPANY OR THE AGENTS, DESIRABLE, (B) INDICATE ON ITS BOOKS AND RECORDS (INCLUDING, WITHOUT LIMITATION, MASTER DATA PROCESSING RECORDS) THAT THE RECEIVABLES AND RECEIVABLES PROPERTY HAVE BEEN SOLD AND ASSIGNED TO THE COMPANY AND, IN TURN, THE COMPANY HAS SOLD AND ASSIGNED ITS INTEREST THEREIN TO THE TRUSTEE, AND PROVIDE TO THE COMPANY, UPON REQUEST, COPIES OF ANY SUCH RECORDS, (C) AFTER THE OCCURRENCE OF A PURCHASE TERMINATION EVENT, CONTACT CUSTOMERS TO CONFIRM AND VERIFY RECEIVABLES AND (D) OBTAIN THE AGREEMENT OF ANY PERSON HAVING A LIEN ON ANY RECEIVABLES OWNED BY SUCH SELLER (OTHER THAN ANY LIEN CREATED OR IMPOSED HEREUNDER OR UNDER THE POOLING AGREEMENT OR ANY PERMITTED LIEN) TO RELEASE SUCH LIEN UPON THE PURCHASE OF ANY SUCH RECEIVABLES BY THE COMPANY.

(II) SUCH SELLER HEREBY IRREVOCABLY AUTHORIZES THE COMPANY AND THE TRUSTEE TO FILE ONE OR MORE FINANCING OR CONTINUATION STATEMENTS SUBSTANTIALLY IN THE FORM OF THE ORIGINALLY AGREED UPON FINANCING STATEMENTS, AND AMENDMENTS THERETO, RELATIVE TO ALL OR ANY PART OF THE RECEIVABLES AND RECEIVABLES PROPERTY SOLD OR TO BE SOLD BY SUCH SELLER, WITHOUT THE SIGNATURE OF SUCH SELLER WHERE PERMITTED BY LAW.

(III) IF SUCH SELLER FAILS TO PERFORM ANY OF ITS AGREEMENTS OR OBLIGATIONS UNDER THIS AGREEMENT, THE COMPANY OR ITS ASSIGNEES MAY (BUT SHALL NOT BE REQUIRED TO) PERFORM, OR CAUSE PERFORMANCE OF, SUCH AGREEMENTS OR OBLIGATIONS, AND THE EXPENSES OF THE COMPANY INCURRED IN CONNECTION THEREWITH SHALL BE PAYABLE BY SUCH SELLER AS PROVIDED IN SECTION 7.01.

(N) LEGEND REQUIREMENT FOR CHATTEL PAPER. SUCH SELLER AGREES (I) AT ALL TIMES TO COMPLY WITH THE TERMS AND PROVISIONS SET FORTH IN SCHEDULE 3 TO THE POOLING AGREEMENT AND (II) THAT ANY RECEIVABLE THAT CONSTITUTES OR IS EVIDENCED BY "CHATTEL PAPER" AS DEFINED IN ARTICLE 9 OF THE UCC AS IN EFFECT IN THE RELEVANT UCC STATE SHALL BEAR A LEGEND STATING THAT SUCH RECEIVABLE HAS BEEN CONVEYED TO THE TRUST.

(O) COMPUTER FILES. AT ITS OWN COST AND EXPENSE, EACH SELLER SHALL RETAIN THE LEDGER USED BY SUCH SELLER AS A MASTER RECORD OF THE OBLIGORS AND RETAIN COPIES OF ALL DOCUMENTS RELATING TO EACH OBLIGOR AS CUSTODIAN AND AGENT FOR THE COMPANY AND OTHER PERSONS WITH INTERESTS IN THE PURCHASED RECEIVABLES, AND EACH SELLER SHALL ASSURE CONTINUED COMPLIANCE WITH SECTION 2.01(E).

SECTION 5.02. REPORTING REQUIREMENTS. EACH SELLER SHALL FURNISH TO THE COMPANY AND ITS ASSIGNS (INCLUDING THE TRUSTEE) FROM THE DATE HEREOF UNTIL THE PURCHASE TERMINATION DATE SHALL HAVE OCCURRED WITH RESPECT TO SUCH SELLER AND UNTIL THERE ARE NO AMOUNTS OUTSTANDING WITH RESPECT TO PURCHASED RECEIVABLES PREVIOUSLY SOLD BY SUCH SELLER TO THE COMPANY:

(A) COMPLIANCE CERTIFICATE. NOT LATER THAN 120 DAYS AFTER THE END OF EACH FISCAL YEAR AND NOT LATER THAN 60 DAYS AFTER THE END OF EACH OF THE FIRST THREE FISCAL QUARTERS OF EACH FISCAL YEAR, A CERTIFICATE OF A RESPONSIBLE OFFICER OF SUCH SELLER STATING THAT, TO THE BEST OF SUCH RESPONSIBLE OFFICER'S KNOWLEDGE, SUCH SELLER DURING SUCH PERIOD, HAS OBSERVED OR PERFORMED ALL OF ITS COVENANTS AND OTHER AGREEMENTS, AND SATISFIED EVERY CONDITION, CONTAINED IN THE TRANSACTION DOCUMENTS TO WHICH IT IS A PARTY TO BE OBSERVED, PERFORMED OR SATISFIED BY IT, AND THAT SUCH RESPONSIBLE OFFICER HAS OBTAINED NO KNOWLEDGE OF ANY PURCHASE TERMINATION EVENT OR POTENTIAL PURCHASE TERMINATION EVENT EXCEPT AS SPECIFIED IN SUCH CERTIFICATE;

(B) ERISA. PROMPTLY AFTER THE FILING OR RECEIVING THEREOF, COPIES OF ALL REPORTS AND NOTICES WITH RESPECT TO ANY REPORTABLE EVENT WHICH SUCH SELLER FILES UNDER ERISA WITH THE INTERNAL REVENUE SERVICE, THE PENSION BENEFIT GUARANTY CORPORATION OR THE U.S. DEPARTMENT OF LABOR OR WHICH SUCH SELLER RECEIVES FROM THE PENSION BENEFIT GUARANTY CORPORATION IF, IN EACH CASE, SUCH REPORT OR NOTICE RELATES TO AN EVENT OR CONDITION THAT COULD REASONABLY BE EXPECTED TO GIVE RISE TO A PURCHASE TERMINATION EVENT, AMORTIZATION EVENT OR A MATERIAL ADVERSE EFFECT;

(C) TERMINATION EVENTS: OTHER MATERIAL EVENTS. (I) UPON THE COMPANY'S REQUEST, A CERTIFICATE OF A RESPONSIBLE OFFICER OF SUCH SELLER CERTIFYING, AS OF THE DATE THEREOF, THAT NO PURCHASE TERMINATION EVENT HAS OCCURRED AND IS CONTINUING AND SETTING FORTH THE COMPUTATIONS USED BY THE CHIEF FINANCIAL OFFICER OF SUCH SELLER IN MAKING SUCH DETERMINATION; (II) AS SOON AS POSSIBLE AND IN ANY EVENT WITHIN TWO BUSINESS DAYS AFTER A RESPONSIBLE OFFICER OF SUCH SELLER OBTAINS KNOWLEDGE OF THE OCCURRENCE OF ANY PURCHASE TERMINATION EVENT, POTENTIAL PURCHASE TERMINATION EVENT, SERVICER DEFAULT OR POTENTIAL SERVICER DEFAULT, A WRITTEN STATEMENT OF A RESPONSIBLE OFFICER OF SUCH SELLER SETTING FORTH DETAILS OF SUCH EVENT AND THE ACTION THAT SUCH SELLER PROPOSES TO TAKE OR HAS TAKEN WITH RESPECT THERETO; (III) PROMPTLY AFTER OBTAINING KNOWLEDGE OF ANY THREATENED ACTION OR PROCEEDING AFFECTING SUCH SELLER OR ITS SUBSIDIARIES BEFORE ANY COURT, GOVERNMENTAL AGENCY OR ARBITRATOR THAT MAY REASONABLY BE EXPECTED TO MATERIALLY AND ADVERSELY AFFECT THE ENFORCEABILITY OF THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS, NOTICE OF SUCH ACTION OR PROCEEDING; AND (IV) BY JUNE 15, 1999, A CERTIFICATE OF A RESPONSIBLE OFFICER OF SUCH SELLER (WITH A COPY TO EACH RATING AGENCY) CERTIFYING, AS OF THE DATE THEREOF, THAT SUCH SELLER'S COMPUTER SYSTEMS SHALL BE "YEAR 2000 COMPLIANT" BY JUNE 30, 1999;

(D) INELIGIBLE RECEIVABLES. PROMPTLY UPON DETERMINING THAT ANY PURCHASED RECEIVABLE ORIGINATED BY IT DESIGNATED AS AN ELIGIBLE RECEIVABLE ON THE APPLICABLE DAILY REPORT WAS NOT AN ELIGIBLE RECEIVABLE AS OF THE DATE PROVIDED THEREFOR, WRITTEN NOTICE OF SUCH DETERMINATION; AND

(E) OTHER. PROMPTLY, FROM TIME TO TIME, SUCH OTHER INFORMATION, DOCUMENTS, RECORDS OR REPORTS RESPECTING THE RECEIVABLES OF SUCH SELLER AS THE COMPANY OR THE AGENTS MAY FROM TIME TO TIME REASONABLY REQUEST IN ORDER TO PROTECT THE INTERESTS OF THE COMPANY AND THE AGENTS UNDER OR AS CONTEMPLATED BY THE TRANSACTION DOCUMENTS.

SECTION 5.03. NEGATIVE COVENANTS. EACH SELLER COVENANTS THAT, UNTIL THE PURCHASE TERMINATION DATE SHALL HAVE OCCURRED WITH RESPECT TO SUCH SELLER AND THERE ARE NO AMOUNTS OUTSTANDING WITH RESPECT TO PURCHASED RECEIVABLES PREVIOUSLY SOLD BY SUCH SELLER TO THE COMPANY,:

(A) RECEIVABLES TO BE ACCOUNTS, GENERAL INTANGIBLES OR CHATTEL PAPER. SUCH SELLER WILL TAKE NO ACTION TO CAUSE ANY RECEIVABLE TO BE EVIDENCED BY ANY "INSTRUMENT" OTHER THAN IN COMPLIANCE WITH SECTION 2.2(G) OF THE SERVICING AGREEMENT OR, PROVIDED THAT THE PROCEDURES SET FORTH IN SCHEDULE 3 TO THE POOLING AGREEMENT ARE FULLY IMPLEMENTED WITH RESPECT THERETO, AN INSTRUMENT WHICH TOGETHER WITH A SECURITY AGREEMENT CONSTITUTES "CHATTEL PAPER" (EACH AS DEFINED IN THE UCC AS IN EFFECT IN THE RELEVANT UCC STATE). SUCH SELLER WILL TAKE NO ACTION TO CAUSE ANY RECEIVABLE TO BE ANYTHING OTHER THAN AN "ACCOUNT", "GENERAL INTANGIBLE" OR "CHATTEL PAPER" (EACH AS DEFINED IN THE UCC AS IN EFFECT IN THE RELEVANT UCC STATE).

(B) SECURITY INTERESTS; SALE OF RECEIVABLES. EXCEPT FOR THE CONVEYANCES HEREUNDER AND AS PROVIDED BELOW, SUCH SELLER WILL NOT SELL, PLEDGE, ASSIGN OR TRANSFER TO ANY OTHER PERSON, OR GRANT, CREATE, INCUR, ASSUME OR SUFFER TO EXIST ANY OTHER LIEN ON ANY RECEIVABLE OR RECEIVABLES PROPERTY, WHETHER NOW EXISTING OR HEREAFTER CREATED, OR ANY INTEREST THEREIN; SUCH SELLER WILL IMMEDIATELY NOTIFY THE COMPANY OF THE EXISTENCE OF ANY OTHER LIEN ON ANY RECEIVABLE OR RECEIVABLES PROPERTY; AND SUCH SELLER SHALL DEFEND THE RIGHT, TITLE AND INTEREST OF THE COMPANY IN, TO AND UNDER THE RECEIVABLES OR RECEIVABLES PROPERTY, WHETHER NOW EXISTING OR HEREAFTER CREATED, AGAINST ALL CLAIMS OF THIRD PARTIES CLAIMING THROUGH OR UNDER SUCH SELLER; PROVIDED, HOWEVER, THAT NOTHING IN THIS SUBSECTION 5.03(B) SHALL PREVENT OR BE DEEMED TO PROHIBIT SUCH SELLER FROM SUFFERING TO EXIST UPON ANY OF THE RECEIVABLES ANY PERMITTED LIEN.

(C) EXTENSION OR AMENDMENT OF RECEIVABLES. SUCH SELLER WILL NOT EXTEND, RESCIND, CANCEL, MAKE ANY DILUTION ADJUSTMENT TO, AMEND OR OTHERWISE MODIFY, OR ATTEMPT OR PURPORT TO EXTEND, RESCIND, CANCEL, MAKE ANY DILUTION ADJUSTMENT TO, AMEND OR OTHERWISE MODIFY, THE TERMS OF ANY PURCHASED RECEIVABLES, EXCEPT IN ANY SUCH CASE (I) IN ACCORDANCE WITH THE TERMS OF THE POLICIES, (II) AS REQUIRED BY ANY REQUIREMENT OF LAW OR (III) IN THE CASE OF DILUTION ADJUSTMENTS (WHETHER OR NOT PERMITTED BY ANY OTHER CLAUSE OF THIS SENTENCE), UPON MAKING A SELLER ADJUSTMENT PAYMENT PURSUANT TO SECTION 2.05.

(D) CHANGE IN BUSINESS. SUCH SELLER WILL NOT MAKE OR PERMIT TO BE MADE ANY CHANGE IN THE CHARACTER OF ITS BUSINESS IN ANY MATERIAL RESPECT IF SUCH CHANGE COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT.

(E) CHANGE IN POLICIES. SUCH SELLER SHALL NOT MAKE OR PERMIT TO BE MADE ANY CHANGE IN THE POLICIES IN ANY MATERIAL RESPECT, EXCEPT (I) IF SUCH CHANGES OR

MODIFICATIONS ARE REQUIRED UNDER ANY REQUIREMENT OF LAW, (II) IF SUCH CHANGES OR MODIFICATIONS WOULD NOT REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT OR (III) IF THE RATING AGENCY CONDITION IS SATISFIED WITH RESPECT THERETO.

(F) CHANGE IN NAME. SUCH SELLER WILL NOT CHANGE ITS NAME, IDENTITY OR CORPORATE STRUCTURE IN ANY MANNER INCLUDING BY WAY OF ANY MERGER, CONSOLIDATION, AMALGAMATION, LIQUIDATION, A WINDING UP OR DISSOLUTION WHICH WOULD OR MIGHT MAKE ANY FINANCING STATEMENT OR CONTINUATION STATEMENT (OR OTHER SIMILAR INSTRUMENT) RELATING TO THIS AGREEMENT SERIOUSLY MISLEADING WITHIN THE MEANING OF SECTION 9-402(7) OF THE UCC, OR IMPAIR THE PERFECTION OF THE COMPANY'S INTEREST IN ANY RECEIVABLE UNDER ANY OTHER SIMILAR LAW, WITHOUT HAVING (I) DELIVERED 30 DAYS' PRIOR WRITTEN NOTICE TO THE COMPANY, THE SERVICER AND THE TRUSTEE AND (II) TAKEN ALL ACTION REQUIRED BY SUBSECTION 5.01(A).

(G) CHANGE IN PAYMENT INSTRUCTIONS TO OBLIGORS. SUCH SELLER SHALL NOT INSTRUCT ANY OBLIGOR OF ANY PURCHASED RECEIVABLES TO MAKE ANY PAYMENTS WITH RESPECT TO ANY RECEIVABLES OTHER THAN TO A LOCKBOX, A LOCKBOX ACCOUNT, AN ELIGIBLE SEGREGATED ACCOUNT OR THE COLLECTION ACCOUNT OR OTHERWISE IN ACCORDANCE WITH THE SERVICING AGREEMENT.

(H) ACCOUNTING CHANGES. SUCH SELLER SHALL NOT PREPARE ANY FINANCIAL STATEMENTS (OTHER THAN CONSOLIDATED FINANCIAL STATEMENTS) WHICH SHALL ACCOUNT FOR THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY MANNER OTHER THAN AS A SALE OF THE PURCHASED RECEIVABLES BY SUCH SELLER TO THE COMPANY NOR IN ANY OTHER RESPECT (OTHER THAN FOR TAX PURPOSES) ACCOUNT FOR OR TREAT THE TRANSACTIONS CONTEMPLATED HEREBY (INCLUDING FOR FINANCIAL ACCOUNTING PURPOSES, EXCEPT AS REQUIRED BY LAW) IN ANY MANNER OTHER THAN AS SALES OF THE PURCHASED RECEIVABLES ORIGINATED BY SUCH SELLER TO THE COMPANY.

(I) INELIGIBLE RECEIVABLES. SUCH SELLER SHALL NOT TAKE ANY ACTION TO CAUSE AN ELIGIBLE RECEIVABLE TO CEASE TO BE AN ELIGIBLE RECEIVABLE, EXCEPT IN ANY SUCH CASE UPON MAKING A SELLER REPURCHASE PAYMENT PURSUANT TO SECTION 2.06; PROVIDED, HOWEVER, THAT IN NO EVENT SHALL AN ELIGIBLE RECEIVABLE BECOMING AN AGED RECEIVABLE CONSTITUTE A BREACH OF THIS PARAGRAPH (I).

ARTICLE VI
PURCHASE TERMINATION EVENTS

SECTION 6.01. PURCHASE TERMINATION EVENTS. IF, WITH RESPECT TO ANY SELLER, ANY OF THE FOLLOWING EVENTS (EACH, A "PURCHASE TERMINATION EVENT" WITH RESPECT TO SUCH SELLER) SHALL HAVE OCCURRED AND BE CONTINUING:

(A) THE SELLER SHALL FAIL TO MAKE ANY PAYMENT OR DEPOSIT TO BE MADE BY IT HEREUNDER WHEN DUE AND SUCH FAILURE SHALL REMAIN UNREMEDIED FOR FIVE BUSINESS DAYS; OR

(B) THERE SHALL HAVE OCCURRED (I) AN EARLY AMORTIZATION EVENT SET FORTH IN SECTION 7.1 OF THE POOLING AGREEMENT OR (II) THE AMORTIZATION PERIOD WITH RESPECT TO ALL OUTSTANDING SERIES SHALL HAVE OCCURRED AND BE CONTINUING; OR

(C) ANY REPRESENTATION OR WARRANTY MADE OR DEEMED TO BE MADE BY SUCH SELLER OR ANY OF ITS OFFICERS UNDER OR IN CONNECTION WITH ANY TRANSACTION DOCUMENT, DAILY REPORT, MONTHLY SETTLEMENT STATEMENT OR OTHER INFORMATION, STATEMENT, RECORD, CERTIFICATE, DOCUMENT OR REPORT DELIVERED PURSUANT TO A TRANSACTION DOCUMENT SHALL PROVE TO HAVE BEEN FALSE OR INCORRECT IN ANY MATERIAL RESPECT WHEN MADE OR DEEMED MADE (INCLUDING IN EACH CASE BY OMISSION OF MATERIAL INFORMATION NECESSARY TO MAKE SUCH REPRESENTATION, WARRANTY, CERTIFICATE OR STATEMENT NOT MISLEADING); PROVIDED, HOWEVER, THAT NO SUCH EVENT SHALL CONSTITUTE A PURCHASE TERMINATION EVENT UNLESS SUCH EVENT SHALL CONTINUE UNREMEDIED FOR A PERIOD OF 30 DAYS FROM THE EARLIER OF (A) THE DATE ANY RESPONSIBLE OFFICER OF SUCH SELLER OBTAINS KNOWLEDGE THEREOF AND (B) THE DATE SUCH SELLER RECEIVES NOTICE OF THE INCORRECTNESS OF SUCH REPRESENTATION OR WARRANTY FROM THE COMPANY OR THE TRUSTEE; PROVIDED, FURTHER,THAT A PURCHASE TERMINATION EVENT SHALL NOT BE DEEMED TO HAVE OCCURRED UNDER THIS PARAGRAPH (C) BASED UPON A BREACH OF ANY REPRESENTATION OR WARRANTY SET FORTH IN SECTION 4.02 WITH RESPECT TO ANY RECEIVABLE IF THE SELLERS SHALL HAVE COMPLIED WITH THE PROVISIONS OF SECTIONS 2.06 OR 2.11, AS THE CASE MAY BE; OR

(D) SUCH SELLER SHALL FAIL TO PERFORM OR OBSERVE ANY OTHER TERM, COVENANT OR AGREEMENT CONTAINED HEREIN; PROVIDED, HOWEVER, THAT NO FAILURE TO PERFORM OR OBSERVE ANY OTHER TERM, COVENANT OR AGREEMENT CONTAINED HEREIN SHALL CONSTITUTE A PURCHASE TERMINATION EVENT UNLESS SUCH EVENT SHALL CONTINUE UNREMEDIED FOR A PERIOD OF 30 DAYS FROM THE EARLIER OF (A) THE DATE ANY RESPONSIBLE OFFICER OF SUCH SELLER OBTAINS KNOWLEDGE OF SUCH FAILURE AND (B) THE DATE SUCH SELLER RECEIVES NOTICE OF SUCH FAILURE FROM THE COMPANY OR THE TRUSTEE; PROVIDED, FURTHER, THAT A PURCHASE TERMINATION EVENT SHALL NOT BE DEEMED TO HAVE OCCURRED UNDER THIS PARAGRAPH (D) BASED UPON A BREACH OF ANY COVENANT SET FORTH IN SUBSECTION 5.01(C), (F) OR (G) OR SECTION 5.03 WITH RESPECT TO ANY RECEIVABLE IF THE SELLERS SHALL HAVE COMPLIED WITH THE PROVISIONS OF SECTIONS 2.06 OR 2.11, AS THE CASE MAY BE; OR

(E) ANY TRANSACTION DOCUMENT TO WHICH SUCH SELLER IS A PARTY SHALL CEASE, FOR ANY REASON, TO BE IN FULL FORCE AND EFFECT, OR WESCO OR SUCH SELLER SHALL SO ASSERT IN WRITING, OR THE COMPANY SHALL FAIL TO HAVE A VALID AND PERFECTED FIRST PRIORITY OWNERSHIP INTEREST IN SUBSTANTIALLY ALL OF THE RECEIVABLES AND THE RECEIVABLES PROPERTY; OR

(F) (I) SUCH SELLER SHALL COMMENCE ANY CASE, PROCEEDING OR OTHER ACTION (A) UNDER ANY EXISTING OR FUTURE LAW OF ANY JURISDICTION, DOMESTIC OR FOREIGN, RELATING TO BANKRUPTCY, INSOLVENCY, REORGANIZATION OR RELIEF OF DEBTORS, SEEKING TO HAVE AN ORDER FOR RELIEF ENTERED WITH RESPECT TO IT, OR SEEKING TO ADJUDICATE IT A BANKRUPT OR INSOLVENT, OR SEEKING REORGANIZATION, ARRANGEMENT, ADJUSTMENT, WINDING-UP, LIQUIDATION, DISSOLUTION, COMPOSITION OR OTHER RELIEF WITH RESPECT TO IT OR ITS DEBTS, OR (B) SEEKING APPOINTMENT OF A RECEIVER, TRUSTEE, CUSTODIAN OR OTHER SIMILAR OFFICIAL FOR IT OR FOR ALL OR ANY SUBSTANTIAL PART OF ITS ASSETS, OR SUCH SELLER SHALL MAKE A GENERAL ASSIGNMENT FOR

THE BENEFIT OF ITS CREDITORS; OR (II) THERE SHALL BE COMMENCED AGAINST SUCH SELLER ANY CASE, PROCEEDING OR OTHER ACTION OF A NATURE REFERRED TO IN CLAUSE (I) ABOVE WHICH (A) RESULTS IN THE ENTRY OF AN ORDER FOR RELIEF OR ANY SUCH ADJUDICATION OR APPOINTMENT OR (B) REMAINS UNDISMISSED, UNDISCHARGED OR UNBONDED FOR A PERIOD OF 60 DAYS; OR (III) THERE SHALL BE COMMENCED AGAINST SUCH SELLER OR ANY OF ITS SUBSIDIARIES ANY CASE, PROCEEDING OR OTHER ACTION SEEKING ISSUANCE OF A WARRANT OF ATTACHMENT, EXECUTION, DISTRAINT OR SIMILAR PROCESS AGAINST ALL OR ANY SUBSTANTIAL PART OF ITS ASSETS WHICH RESULTS IN THE ENTRY OF AN ORDER FOR ANY SUCH RELIEF WHICH SHALL NOT HAVE BEEN VACATED, DISCHARGED, OR STAYED OR BONDED PENDING APPEAL WITHIN 60 DAYS FROM THE ENTRY THEREOF; OR (IV) SUCH SELLER OR ANY OF ITS RESPECTIVE SUBSIDIARIES SHALL TAKE ANY ACTION IN FURTHERANCE OF ANY OF THE ACTS SET FORTH IN CLAUSE (I), (II), OR (III) ABOVE; OR (V) SUCH SELLER SHALL GENERALLY NOT, OR SHALL BE UNABLE TO, OR SHALL ADMIT IN WRITING ITS INABILITY TO, PAY ITS DEBTS AS THEY BECOME DUE; OR

(G) WESCO HAS BEEN TERMINATED AS SERVICER FOLLOWING A SERVICER DEFAULT WITH RESPECT TO WESCO UNDER THE SERVICING AGREEMENT; OR

(H) 15 DAYS SHALL HAVE ELAPSED AFTER THERE SHALL BE FILED AGAINST SUCH SELLER A (I) A NOTICE OF FEDERAL TAX LIEN FROM THE INTERNAL REVENUE SERVICE (PROVIDED THAT IN THE CASE OF A FEDERAL TAX LIEN WITH RESPECT TO PAYROLL TAXES SUCH LIEN SHALL RELATE TO TAXES IN EXCESS OF $750,000) OR (II) A NOTICE OF LIEN FROM THE PBGC UNDER SECTION 412(N) OF THE CODE OR SECTION 302(F) OF ERISA FOR A FAILURE TO MAKE A REQUIRED INSTALLMENT OR OTHER PAYMENT TO A PLAN TO WHICH SECTION 412(N) OF THE CODE OR SECTION 302(F) OF ERISA APPLIES, UNLESS IN EACH CASE THERE SHALL HAVE BEEN DELIVERED TO THE TRUSTEE AND EACH RATING AGENCY PROOF OF THE RELEASE OF, OR PAYMENT OF AMOUNTS SECURED BY, SUCH LIEN; OR

(I) THERE SHALL BE FILED AGAINST SUCH SELLER A NOTICE OF ANY OTHER LIEN, THE EXISTENCE OF WHICH COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT UNLESS THERE HAS BEEN DELIVERED TO THE TRUSTEE PROOF OF RELEASE OF, OR PAYMENT OF AMOUNTS SECURED BY, SUCH LIEN;

THEN, (X) IN THE CASE OF ANY PURCHASE TERMINATION EVENT DESCRIBED IN PARAGRAPH (B)(I) OR (F) (OTHER THAN CLAUSE (V) THEREOF), THE OBLIGATION OF THE COMPANY TO PURCHASE RECEIVABLES SHALL THEREUPON AUTOMATICALLY TERMINATE WITHOUT FURTHER NOTICE OF ANY KIND, WHICH IS HEREBY WAIVED BY SUCH SELLER, (Y) IN THE CASE OF ANY PURCHASE TERMINATION EVENT DESCRIBED IN PARAGRAPH (B)(II) ABOVE, THE OBLIGATION OF THE COMPANY TO PURCHASE RECEIVABLES SHALL THEREUPON TERMINATE WITHOUT NOTICE OF ANY KIND, WHICH IS HEREBY WAIVED BY SUCH SELLER, UNLESS BOTH THE COMPANY AND SUCH SELLER AGREE IN WRITING THAT SUCH EVENT SHALL NOT TRIGGER AN EARLY TERMINATION HEREUNDER AND (Z) IN THE CASE OF ANY OTHER PURCHASE TERMINATION EVENT, SO LONG AS SUCH PURCHASE TERMINATION EVENT SHALL BE CONTINUING, THE COMPANY MAY TERMINATE ITS OBLIGATION TO PURCHASE RECEIVABLES FROM SUCH SELLER BY WRITTEN NOTICE TO SUCH SELLER (ANY TERMINATION WITH RESPECT TO ANY SELLER PURSUANT TO CLAUSE (X), (Y) OR (Z) OF THIS ARTICLE VI IS HEREIN CALLED AN "EARLY TERMINATION" WITH RESPECT TO SUCH SELLER); PROVIDED, HOWEVER, THAT IN THE EVENT OF (A) THE FILING OF ANY NOTICE OF LIEN DESCRIBED IN PARAGRAPH (H) ABOVE OR (B) AN INVOLUNTARY PETITION OR PROCEEDING AS DESCRIBED IN PARAGRAPHS (F)(II) AND (F)(III) ABOVE, THE

COMPANY SHALL NOT PURCHASE RECEIVABLES FROM SUCH SELLER UNTIL SUCH TIME, IF ANY, AS SUCH LIEN IS RELEASED OR PAID (AND EVIDENCE OF SUCH RELEASE OR PAYMENT IS RECEIVED AND VERIFIED BY S&P) AS DESCRIBED ABOVE OR SUCH INVOLUNTARY PETITION OR PROCEEDING HAS BEEN DISMISSED; PROVIDED, FURTHER, THAT IN THE CASE OF CLAUSE (B) SUCH DISMISSAL SHALL HAVE OCCURRED WITHIN 60 DAYS OF THE FILING OF SUCH PETITION OR THE COMMENCEMENT OF SUCH PROCEEDING; PROVIDED, FURTHER, THAT UPON THE OCCURRENCE OF AN EARLY TERMINATION OF A SELLER, SUCH SELLER SHALL HAVE NO FURTHER OBLIGATION TO SELL ANY ADDITIONAL RECEIVABLES TO THE COMPANY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SECTION 6.01, A DELAY IN OR FAILURE OF PERFORMANCE REFERRED TO UNDER CLAUSE (A) ABOVE FOR A PERIOD OF 10 BUSINESS DAYS AFTER THE APPLICABLE GRACE PERIOD SHALL NOT CONSTITUTE A PURCHASE TERMINATION EVENT, IF SUCH DELAY OR FAILURE COULD NOT HAVE BEEN PREVENTED BY THE EXERCISE OF REASONABLE DILIGENCE BY SUCH SELLER AND SUCH DELAY OR FAILURE WAS CAUSED BY A FORCE MAJEURE DELAY.

SECTION 6.02. ADDITIONAL REMEDIES. (A) UPON THE OCCURRENCE OF ANY PURCHASE TERMINATION EVENT, THE COMPANY SHALL HAVE, IN ADDITION TO ALL OTHER RIGHTS AND REMEDIES UNDER THIS AGREEMENT OR OTHERWISE ALL OTHER RIGHTS AND REMEDIES PROVIDED UNDER THE UCC OF EACH APPLICABLE JURISDICTION AND OTHER APPLICABLE LAWS, WHICH RIGHTS SHALL BE CUMULATIVE. WITHOUT LIMITING THE FOREGOING, THE OCCURRENCE OF A PURCHASE TERMINATION EVENT SHALL NOT DENY TO THE COMPANY ANY REMEDY (IN ADDITION TO TERMINATION OF THE COMPANY'S OBLIGATION TO PURCHASE RECEIVABLES FROM ANY RELEVANT SELLER OR SELLERS) TO WHICH THE COMPANY MAY BE OTHERWISE APPROPRIATELY ENTITLED, WHETHER BY STATUTE OR OTHER APPLICABLE LAW, AT LAW OR IN EQUITY.

(B) IN THE ABSENCE OF A PURCHASE TERMINATION EVENT UNDER SECTION 6.01(B)(I) OR (F), IT IS UNDERSTOOD AND AGREED THAT THE COMPANY WILL NOT EXERCISE THE RIGHTS GRANTED TO IT PURSUANT TO SECTION 2.01(F).

ARTICLE VII
INDEMNIFICATION; EXPENSES; COSTS

SECTION 7.01. INDEMNITIES BY THE SELLERS. WESCO AND THE OTHER SELLERS (OTHER THAN THOSE SELLERS FROM WHICH THE COMPANY HAS NO RECEIVABLES OUTSTANDING AT SUCH TIME) AGREE (I) TO PAY OR REIMBURSE THE COMPANY FOR ALL ITS COSTS AND EXPENSES INCURRED IN CONNECTION WITH THE ENFORCEMENT OR PRESERVATION OF ANY RIGHTS AGAINST ANY SELLER UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THE REASONABLE FEES AND DISBURSEMENTS OF COUNSEL TO THE COMPANY, (II) TO PAY, INDEMNIFY AND HOLD THE COMPANY HARMLESS FROM, ANY AND ALL RECORDING AND FILING FEES AND ANY AND ALL LIABILITIES WITH RESPECT TO, OR RESULTING FROM ANY DELAY CAUSED BY THE SELLER IN PAYING, STAMP, EXCISE AND OTHER SIMILAR TAXES, IF ANY, WHICH MAY BE PAYABLE OR DETERMINED TO BE PAYABLE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF, OR ANY AMENDMENT, SUPPLEMENT OR MODIFICATION OF, OR ANY WAIVER OR CONSENT UNDER OR IN RESPECT OF, THIS AGREEMENT AND ANY SUCH OTHER DOCUMENTS, AND (III) WITHOUT LIMITING ANY OTHER RIGHTS THAT THE COMPANY MAY HAVE HEREUNDER OR UNDER APPLICABLE LAW, TO INDEMNIFY THE COMPANY FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES AND LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES) (ALL THE FOREGOING BEING COLLECTIVELY REFERRED TO AS "INDEMNIFIED AMOUNTS") ARISING OUT OF OR RESULTING FROM ANY OF THE FOLLOWING, EXCLUDING, HOWEVER, INDEMNIFIED AMOUNTS (A) TO THE EXTENT RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE COMPANY,

(B) ARISING SOLELY FROM A DELAY IN PAYMENT, OR DEFAULT BY, AN OBLIGOR WITH RESPECT TO ANY RECEIVABLE (OTHER THAN ANY DELAY OR DEFAULT ARISING OUT OF ANY DISCHARGE, CLAIM, OFFSET OR DEFENSE (OTHER THAN DISCHARGE IN BANKRUPTCY OF THE OBLIGOR OR OTHERWISE IN RESPECT OF A CHARGED-OFF RECEIVABLE) OF THE OBLIGOR TO THE PAYMENT OF ANY TRANSFERRED RECEIVABLE ARISING FROM THE ACTIONS OF SUCH SELLER (INCLUDING, WITHOUT LIMITATION, A DEFENSE BASED ON SUCH TRANSFERRED RECEIVABLE'S NOT BEING A LEGAL, VALID AND BINDING OBLIGATION OF SUCH OBLIGOR ENFORCEABLE AGAINST IT IN ACCORDANCE WITH ITS TERMS) OR (C) ATTRIBUTABLE TO ANY INCOME OR FRANCHISE TAXES IMPOSED ON (OR MEASURED BY) THE COMPANY'S NET INCOME:

(A) THE TRANSFER BY SUCH SELLER OF ANY INTEREST IN ANY RECEIVABLE OR RECEIVABLES PROPERTY OR PROCEEDS THEREOF TO A PERSON OTHER THAN THE COMPANY;

(B) RELIANCE ON ANY REPRESENTATION OR WARRANTY OR STATEMENT MADE OR DEEMED MADE BY SUCH SELLER (OR ANY OF ITS OFFICERS) UNDER OR IN CONNECTION WITH THIS AGREEMENT OR IN ANY CERTIFICATE OR REPORT DELIVERED PURSUANT HERETO THAT, IN EITHER CASE, SHALL HAVE BEEN FALSE OR INCORRECT IN ANY MATERIAL RESPECT WHEN MADE OR DEEMED MADE;

(C) THE FAILURE BY SUCH SELLER TO COMPLY WITH ANY APPLICABLE LAW, RULE OR REGULATION OF ANY GOVERNMENTAL AUTHORITY WITH RESPECT TO ANY RECEIVABLE OR RECEIVABLES PROPERTY, OR THE NONCONFORMITY OF ANY RECEIVABLE OR RECEIVABLES PROPERTY WITH ANY SUCH APPLICABLE LAW, RULE OR REGULATION;

(D) THE FAILURE TO VEST AND MAINTAIN VESTED IN THE COMPANY AN OWNERSHIP INTEREST IN ANY RECEIVABLE OR RECEIVABLES PROPERTY, FREE AND CLEAR OF ANY LIEN, OTHER THAN A LIEN ARISING UNDER THE TRANSACTION DOCUMENTS, WHETHER EXISTING AT THE TIME OF THE PURCHASE OF SUCH RECEIVABLE OR RECEIVABLES PROPERTY OR AT ANY TIME THEREAFTER;

(E) THE FAILURE TO FILE, OR ANY DELAY IN FILING, FINANCING STATEMENTS OR OTHER SIMILAR INSTRUMENTS OR DOCUMENTS UNDER THE UCC OF ANY APPLICABLE JURISDICTION OR OTHER APPLICABLE LAWS WITH RESPECT TO ANY RECEIVABLES OR RECEIVABLES PROPERTY OF SUCH SELLER;

(F) ANY DISPUTE, CLAIM, OFFSET OR DEFENSE OF THE OBLIGOR TO THE PAYMENT OF ANY RECEIVABLE (INCLUDING, WITHOUT LIMITATION, A DEFENSE BASED ON SUCH RECEIVABLE OR THE RELATED CONTRACT NOT BEING FULLY ENFORCEABLE AGAINST THE OBLIGOR IN ACCORDANCE WITH ITS TERMS), OR ANY OTHER CLAIM RESULTING FROM THE SALE OF THE MERCHANDISE OR SERVICES RELATED TO ANY SUCH RECEIVABLE OR THE FURNISHING OR FAILURE TO FURNISH SUCH MERCHANDISE OR SERVICES;

(G) ANY FAILURE OF SUCH SELLER TO PERFORM ITS DUTIES OR OBLIGATIONS UNDER THIS AGREEMENT;

(H) ANY PRODUCTS LIABILITY CLAIM ARISING OUT OF OR IN CONNECTION WITH MERCHANDISE, INSURANCE OR SERVICES THAT ARE THE SUBJECT OF ANY RECEIVABLE OR RECEIVABLES PROPERTY;

(I) THE COMMINGLING OF COLLECTIONS AT ANY TIME WITH OTHER FUNDS OF SUCH SELLER;

(J) ANY CLAIM INVOLVING ENVIRONMENTAL LIABILITY THAT RELATES TO ANY PROPERTY THAT HAS BEEN, IS NOW OR HEREAFTER WILL BE OWNED, LEASED, OPERATED OR OTHERWISE USED BY SUCH SELLER;

(K) ANY TAX OR GOVERNMENTAL FEE OR CHARGE (BUT NOT INCLUDING FRANCHISE TAXES AND TAXES UPON OR MEASURED BY NET INCOME OF THE COMPANY), ALL INTEREST AND PENALTIES THEREON OR WITH RESPECT THERETO, AND ALL OUT-OF-POCKET COSTS AND EXPENSES, INCLUDING THE REASONABLE FEES AND EXPENSES OF COUNSEL IN DEFENDING AGAINST THE SAME, WHICH MAY ARISE BY REASON OF THE PURCHASE OR OWNERSHIP OF ANY RECEIVABLE OR RECEIVABLES PROPERTY, OR ANY INTEREST THEREIN OR IN ANY MERCHANDISE WHICH SECURE ANY SUCH RECEIVABLES, ANY RECEIVABLES PROPERTY OR ANY OTHER RIGHTS OR ASSETS TRANSFERRED HEREUNDER; OR

(L) ANY INVESTIGATION, LITIGATION OR PROCEEDING RELATED TO THIS AGREEMENT OR IN RESPECT OF ANY RECEIVABLE OR RECEIVABLES PROPERTY OF SUCH SELLER.

THE SELLERS SHALL PAY ON DEMAND TO THE COMPANY ANY AND ALL AMOUNTS NECESSARY TO INDEMNIFY THE COMPANY FROM AND AGAINST ANY AND ALL INDEMNIFIED AMOUNTS. NOTWITHSTANDING THE FOREGOING, SUCH SELLERS SHALL NOT UNDER ANY CIRCUMSTANCES BE REQUIRED TO INDEMNIFY THE COMPANY FOR ANY INDEMNIFIED AMOUNTS THAT RESULT FROM ANY DELAY IN THE COLLECTION OF ANY RECEIVABLES OR ANY DEFAULT BY AN OBLIGOR WITH RESPECT TO ANY RECEIVABLES.

SECTION 7.02. INDEMNITIES BY THE COMPANY. WITHOUT LIMITING ANY OTHER RIGHTS THAT THE SELLERS MAY HAVE HEREUNDER OR UNDER APPLICABLE LAW, THE COMPANY HEREBY AGREES TO INDEMNIFY EACH SELLER FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES AND LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES) ARISING OUT OF OR RESULTING FROM SUCH SELLER'S RELIANCE ON ANY REPRESENTATION OR WARRANTY MADE BY THE COMPANY IN THIS AGREEMENT OR IN ANY CERTIFICATE DELIVERED PURSUANT HERETO THAT, IN EITHER CASE, SHALL HAVE BEEN FALSE OR INCORRECT IN ANY MATERIAL RESPECT WHEN MADE OR DEEMED MADE; PROVIDED, HOWEVER, THAT ANY PAYMENTS MADE BY THE COMPANY IN RESPECT OF ANY OF THE FOREGOING ITEMS SHALL BE MADE SOLELY FROM FUNDS AVAILABLE TO THE COMPANY WHICH ARE NOT OTHERWISE REQUIRED TO BE APPLIED TO THE PAYMENT OF ANY AMOUNTS PURSUANT TO ANY POOLING AND SERVICING AGREEMENTS (OTHER THAN TO THE COMPANY), SHALL BE NON-RECOURSE OTHER THAN WITH RESPECT TO SUCH FUNDS AND SHALL NOT CONSTITUTE A CLAIM AGAINST THE COMPANY TO THE EXTENT THAT INSUFFICIENT FUNDS EXIST TO MAKE SUCH PAYMENT.

ARTICLE VIII
SELLER NOTE

SECTION 8.01. SELLER NOTE. (A) ON THE INITIAL EFFECTIVE DATE, THE COMPANY SHALL ISSUE TO EACH SELLER A NOTE SUBSTANTIALLY IN THE FORM OF EXHIBIT A (AS AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "SELLER NOTE"). THE AGGREGATE PRINCIPAL AMOUNT OF THE SELLER NOTE AT ANY TIME SHALL BE EQUAL TO THE DIFFERENCE BETWEEN (A) THE AGGREGATE PRINCIPAL AMOUNT ON THE ISSUANCE THEREOF AND EACH ADDITION TO THE PRINCIPAL AMOUNT OF SUCH SELLER NOTE WITH RESPECT TO EACH SELLER PURSUANT TO THE TERMS OF SECTION 2.03 AS OF SUCH TIME, MINUS (B) THE AGGREGATE AMOUNT OF ALL PAYMENTS MADE IN RESPECT OF THE PRINCIPAL OF SUCH SELLER NOTE AS OF SUCH TIME. ALL PAYMENTS MADE IN RESPECT OF THE SELLER NOTE SHALL BE ALLOCATED AMONG THE SELLERS BY THE SERVICER. EACH SELLER'S INTEREST IN THE SELLER

NOTE SHALL EQUAL THE SUM OF EACH ADDITION THERETO ALLOCATED TO SUCH SELLER PURSUANT TO SUBSECTION 2.03(C) LESS THE SUM OF EACH REPAYMENT THEREOF ALLOCATED TO SUCH SELLER. ALL PAYMENTS MADE IN RESPECT OF THE SELLER NOTE SHALL BE ALLOCATED, FIRST, TO PAY ACCRUED AND UNPAID INTEREST THEREON, AND SECOND, TO PAY THE OUTSTANDING PRINCIPAL AMOUNT THEREOF. INTEREST ON THE OUTSTANDING PRINCIPAL AMOUNT OF THE SELLER NOTE SHALL ACCRUE ON THE LAST DAY OF EACH SETTLEMENT PERIOD AT A RATE PER ANNUM EQUAL TO THE REFERENCE RATE IN EFFECT FROM TIME TO TIME PLUS 2% FROM AND INCLUDING THE INITIAL EFFECTIVE DATE TO BUT EXCLUDING THE LAST DAY OF EACH SETTLEMENT PERIOD AND SHALL BE PAID (X) ON EACH DISTRIBUTION DATE WITH RESPECT TO THE PRINCIPAL AMOUNT OF THE SELLER NOTE OUTSTANDING FROM TIME TO TIME DURING THE SETTLEMENT PERIOD IMMEDIATELY PRECEDING SUCH DISTRIBUTION DATE AND/OR (Y) ON THE MATURITY DATE THEREOF; PROVIDED, HOWEVER, THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, ACCRUED INTEREST ON THE SELLER NOTE WHICH IS NOT SO PAID SHALL BE ADDED, AT THE REQUEST OF SUCH SELLER, TO THE PRINCIPAL AMOUNT OF THE SELLER NOTE. PRINCIPAL HEREUNDER NOT PAID OR PREPAID PURSUANT TO THE TERMS HEREOF SHALL BE PAYABLE ON THE MATURITY DATE OF THE SELLER NOTE. DEFAULT IN THE PAYMENT OF PRINCIPAL OR INTEREST UNDER THE SELLER NOTE SHALL NOT CONSTITUTE A PURCHASE TERMINATION EVENT UNDER THIS AGREEMENT, A SERVICER DEFAULT UNDER ANY SERVICING AGREEMENT OR AN EARLY AMORTIZATION EVENT UNDER THE POOLING AGREEMENT OR ANY SUPPLEMENT THERETO.

SECTION 8.02. RESTRICTIONS ON TRANSFER OF SELLER NOTE. NEITHER THE Seller Note, nor any right of any Seller to receive payments thereunder, shall be assigned, transferred, exchanged, pledged, hypothecated, participated or otherwise conveyed except as provided in the Credit Agreement and the security documents related thereto.

Section 8.03. Aggregate Amount. Anything herein to the contrary notwithstanding, the Company may not make any payment of any Purchase Price in the form of Indebtedness of the Company under the Seller Note unless (i) at the time of such payment and after giving effect thereto, the fair market value of the Company's assets, including beneficial interests in, or indebtedness of, a trust and all Receivables and Receivables Property the Company owns, is greater than the amount of its liabilities, including its liabilities on the Seller Note and all interest and other fees due and payable under any Pooling and Servicing Agreements and the other Transaction Documents plus $45,000,000 and (ii) the aggregate principal amount of Indebtedness evidenced by the Seller Note, incurred on or before such Payment Date and outstanding on such Payment Date (after giving effect to all repayments thereof on or before such Payment Date) would not exceed 25% of the outstanding balance of the Receivables on such Payment Date.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Amendment. Neither this Agreement nor any of the terms hereof may be amended, supplemented or modified except in a writing signed by the Company and the Sellers. Any amendment, supplement or modification shall not be effective until the Rating Agency Condition, if applicable, has been satisfied.

Section 9.02. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile

communication) and shall be personally delivered or sent by certified mail, postage-prepaid, by facsimile or by overnight courier, to the intended party at the address or facsimile number of such party set forth under its name on the signature pages hereof or at such other address or facsimile number as shall be designated by such party in a written notice to the other parties hereto given in accordance with this Section 9.02. Copies of all notices and other communications provided for hereunder shall be delivered, if to the Trustee, at its address at 450 West 33rd Street, New York, New York 10001, Attention: Structured Finance Services, and if to the Servicer, at its address set forth on Schedule 4. All notices and communications provided for hereunder shall be effective, (a) if personally delivered by express mail or courier, when received, (b) if sent by certified mail, three Business Days after having been deposited in the mail, postage prepaid and (c) if transmitted by facsimile, when sent, receipt confirmed by telephone or electronic means.

Section 9.03. No Waiver; Remedies. No failure on the part of the Company, the Sellers or the Agents to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 9.04. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Sellers and the Company and their respective successors (whether by merger, consolidation or otherwise) and assigns. Each Seller agrees that it will not assign or transfer all or any portion of its rights or obligations hereunder without the prior written consent of the Company and the Trustee. Each Seller hereby acknowledges and consents to the assignment by the Company of the Receivables and Receivables Property and the rights and remedies of the Company under this Agreement to the Trustee for the benefit of the Certificateholders pursuant to the Pooling and Servicing Agreements. Each Seller hereby acknowledges and consents that the Company will grant a security interest in the Lockbox Accounts, the Collection Account and the Eligible Segregated Accounts to the Trust and the Trustee for the benefit of the Certificateholders. Each Seller agrees to take any action that the Company or the Trust may reasonably request in connection with such assignment or security interest. Each Seller agrees that the Trustee shall be entitled to enforce the terms of this Agreement and the rights (including, without limitation, the right to grant or withhold any consent or waiver or give any notice) of the Company directly against such Seller, whether or not a Purchase Termination Event or a Termination Event has occurred and that so long as any Investor Certificates are outstanding that no consent, waiver or notice given hereunder by the Company shall be effective unless the Trustee has given its written consent thereto. Each Seller further agrees that, in respect of its obligations hereunder, it will act at the direction of, and in accordance with, all requests and instructions from the Trustee until all amounts due to the Investor Certificateholders are paid in full. Each of the Trustee and the Investor Certificateholders shall have the rights of third-party beneficiaries under this Agreement.

Section 9.05. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES

HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS, EXCEPT (I) THAT ARTICLE II OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, (II) AS REQUIRED BY MANDATORY PROVISIONS OF LAW AND (III) TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE COMPANY'S OWNERSHIP OF THE RECEIVABLES AND RECEIVABLES PROPERTY, OR REMEDIES HEREUNDER IN RESPECT THEREOF, MAY BE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

Section 9.06. Waiver of Jury Trial. EACH PARTY HERETO WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR RELATING TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT, OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH OR ARISING FROM ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), ACTIONS OF ANY OF THE PARTIES HERETO OR ANY OTHER RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

Section 9.07. Jurisdiction; Consent to Service of Process. (a) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Transaction Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Company may otherwise have to bring any action or proceeding relating to this Agreement or the other Transaction Documents against any Seller or its properties in the courts of any jurisdiction.

(b) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent they may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Transaction Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.02. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.08. Integration. This Agreement and the other Transaction Documents contain a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and thereof and shall together constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof, superseding all prior oral or written understandings.

Section 9.09. Captions and Cross References. The various captions (including, without limitation, the table of contents) in this Agreement are provided solely for convenience of reference and shall not affect the meaning or interpretation of any provision of this Agreement.

Section 9.10. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

Section 9.11. No Petition in Bankruptcy. Each Seller covenants and agrees that prior to the date which is one year and one day after the date of termination of this Agreement pursuant to Section 9.14, it will not institute against or join any other Person in instituting against the Company any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any State of the United States.

Section 9.12. Addition of Sellers. Subject to the terms and conditions hereof, from time to time one or more wholly-owned Subsidiaries of WESCO may become additional Sellers parties hereto. If any such Subsidiary wishes to become an additional Seller, WESCO shall submit a request to such effect in writing to the Company. Such wholly-owned Subsidiary shall become an additional Seller party hereto on the related Seller Addition Date upon satisfaction of the conditions set forth in Section 3.02 and the conditions, if any, set forth in the Pooling and Servicing Agreements.

Section 9.13. Treatment of Sellers other than WESCO; Termination Thereof. (a) WESCO hereby covenants and agrees with the Company that WESCO shall not permit any Seller (other than WESCO) at any time to cease to be a wholly-owned Subsidiary of WESCO, except as provided in the following paragraph (b).

(b) If WESCO wishes to permit any Seller (other than WESCO) or Seller Division (other than "core" WESCO) to cease to be a wholly-owned Subsidiary of WESCO or terminate the sales of Receivables hereunder by any Seller Division, then WESCO shall submit a request (a "Seller Termination Request") to such effect in writing to the Company, which request shall be accompanied by a certificate prepared by a Responsible Officer of the Servicer indicating the Purchased Receivables Percentage applicable to such Seller (or Seller Division) as of the date of submission of such request (the "Seller Termination Request Date"). Subject to the terms and provisions hereof and of the Pooling and Servicing Agreements, the relevant Seller (or Seller Division) shall be terminated as a Seller (or Seller Division) hereunder immediately upon the consummation of the transaction in connection with which such Seller ceases to be a wholly-owned Subsidiary of WESCO or in the case of

a Seller Division upon the satisfaction of any applicable conditions in the Pooling and Servicing Agreements. From and after the date any such Seller (or Seller Division) is terminated as a Seller (or Seller Division) pursuant to this subsection, the Seller (or Seller Division) shall cease selling, and the Company shall cease buying, Receivables and Receivables Property from such Seller (or Seller Division) and, in the case of the termination of a Seller, an "Early Termination" shall deemed to have occurred with respect to such Seller.

(c) A terminated Seller shall have no further obligation under any Transaction Document, other than pursuant to Sections 2.05, 2.06 and 2.11, with respect to Receivables previously sold by it to the Company.

Section 9.14. Termination. This Agreement will terminate at such time as (a) an Early Termination shall have occurred with respect to all Sellers herewith and (b) all Receivables purchased hereunder have been collected, and the proceeds thereof turned over to the Company and all other amounts owing to the Company hereunder shall have been paid in full or, if Receivables sold hereunder have not been collected, such Receivables have become Charged-Off Receivables and the Company shall have completed its collection efforts with respect thereto; provided, however, that the indemnities of the Sellers to the Company set forth in Article 7 of this Agreement shall survive such termination and provided, further, that the Company shall remain entitled to receive any Collections on Receivables sold hereunder which have become Charged-Off Receivables.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE SELLERS:

WESCO Distribution, Inc.

By: /s/ [ILLEGIBLE]

Name:
Title:

Address:
Commerce Court
4 Station Square, Suite 700
Pittsburgh, PA 15219
Telephone: (412) 454-2284
Facsimile: (412) 454-2555

WESCO Equity Corporation

By: /s/ [ILLEGIBLE]

Name:
Title:

Address:
3065 Sheridan Street
Las Vegas, NV 89102
Telephone: (702) 253-7660
Facsimile: (702) 253-7886

THE COMPANY:

WESCO RECEIVABLES CORP.

By: /s/ [ILLEGIBLE]

Name:
Title:

Address:
Commerce Court
4 Station Square, Suite 700
Pittsburgh, PA 15219
Telephone: (412) 454-2270
Facsimile: (412) 454-2555

THE SERVICER:

WESCO Distribution, Inc.

By: /s/ [ILLEGIBLE]

Name:
Title:

Address:
Commerce Court
4 Station Square, Suite 700
Pittsburgh, PA 15219
Telephone: (412) 454-2283
Facsimile: (412) 454-2555

WESCO RECEIVABLES CORP.

AND

WESCO DISTRIBUTION - CANADA, INC.

AND

WESCO DISTRIBUTION, INC.

CANADIAN RECEIVABLES SALE AGREEMENT

Dated as of June 5, 1998

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CANADIAN RECEIVABLES SALE AGREEMENT

This CANADIAN RECEIVABLES SALE AGREEMENT dated as of June 5, 1998 (this "Agreement"), is among WESCO DISTRIBUTION, INC., a Delaware corporation ("WESCO") in its capacity as servicer (the "Servicer"), WESCO Distribution-Canada, Inc., an Ontario corporation ("WESCO Canada") in its capacity as a seller (a "Seller") and WESCO RECEIVABLES CORP., a Delaware corporation (the "Company").

W I T N E S S E T H:

WHEREAS, WESCO Canada intends to sell Receivables and Receivables Property (both as hereinafter defined) to the Company on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Company desires to purchase Receivables and Receivables Property from the Sellers on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Sellers and the Company desire the transfer of Receivables and Receivables Property from the Sellers to the Company to be a true sale providing the Company with the full benefits of ownership of the Receivables; and

WHEREAS, to obtain the necessary funds to purchase such Receivables and Receivables Property, the Company has entered into the Pooling Agreement (as hereinafter defined);

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Certain Defined Terms. Unless otherwise defined herein, capitalized terms which are used herein shall have the meanings assigned to such terms in Section 1.1 of the Pooling Agreement, among the Company, the Servicer and the Trustee. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Additional Seller Supplement" means an instrument substantially in the form of Exhibit B hereto pursuant to which a Subsidiary of WESCO Canada becomes a Seller party hereto.

"Articles" has the meaning set out in Section 3.1(a).

"Assignment" has the meaning specified in Section 2.1(c).

"Authorized Officers" means those officers of the Sellers designated in Schedule 1 hereto (or in such other Schedule as may be delivered by the Sellers to the other parties hereto from time to time) as duly authorized to execute and deliver this Agreement and any instruments or documents in connection herewith on behalf of the Sellers and to take, from time to time, all other actions on behalf of the Sellers in connection herewith.

"Canadian Dollars" means the lawful currency of Canada.

"Closing Date" means the date of the initial issuance of the Investor Certificates.

"Collections" shall mean all collections, including the Aggregate Uncleared Funds Amount, and all amounts received in respect of the Receivables, including Recoveries, Seller Repurchase Payments, Seller Adjustment Payments, Servicer Indemnification Amounts paid by the Servicer and any other payments received in respect of Dilution Adjustments, together with all collections received in respect of the Related Property in the form of cash, checks, wire transfers or any other form of cash payment, and all proceeds of Receivables and collections thereof (including, without limitation, collections constituting an account or general intangible or evidenced by a note, instrument, letter of credit, security, contract, security agreement, chattel paper or other evidence of indebtedness or security, whatever is received upon the sale, exchange, collection or other disposition of, or any indemnity, warranty or guaranty payable in respect of, the foregoing and all "proceeds", as defined in the PPSA as in effect in the Province of Ontario, of the foregoing), but in any event, not including any collections of Excluded Receivables.

"Contract" means a contract between any Seller and any Person pursuant to or under which such Person shall be obligated to make payments to such Seller.

"Discounted Percentage" has the meaning specified in Schedule 6 hereto.

"Early Termination" shall have the meaning specified in Section 6.01.

"Effective Date" means (i) with respect to WESCO Canada on the date hereof and (ii) with respect to each Subsidiary of WESCO Canada added as a Seller pursuant to Section 9.12, the Seller Addition Date with respect to each such Subsidiary.

"Excluded Receivables" means Receivables (without giving effect to the exclusion of Excluded Receivables from the definition thereof) (i) owed by Obligors not resident in Canada, or which are denominated in a currency other than Canadian Dollars, (ii) owed to a Seller by a vendor of merchandise to such Seller, which relates to the merchandise sold by such vendor or promotional programs of such vendor.

"Insolvency Event" with respect to the Seller, shall mean the occurrence of any one or more of the Purchase Termination Events specified in subsection 6.01(f).

"Lien" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, deemed trust, pledge, hypothec, encumbrance, charge or security interest in or on such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement relating to such asset and (c) in the case of securities, any purchase option, call or other similar right of a third party with respect to such securities.

"Material Adverse Effect" shall mean, with respect to any Seller, (a) a material impairment of the ability of such Seller to perform its obligations under the Transaction Documents, (b) a material impairment of the validity or enforceability of any of the Transaction Documents against such Seller, (c) a material impairment of the collectibility of the Receivables originated by such Seller taken as a whole or (d) a material impairment of the interests, rights or remedies of the Company under the Transaction Documents or the Receivables taken as a whole.

"Ontario PPSA" means the PPSA as in effect from time to time in the Province of Ontario.

"Payment Date" has the meaning specified in subsection 2.03(a).

"Pooling Agreement" means the Pooling Agreement dated as of the date hereof, among the Company, the Servicer and the Trustee on behalf of the Certificateholders, as such agreement may be amended, supplemented, waived, or otherwise modified from time to time, including, without limitation, the Series 1998-1 Supplement dated as of the date hereof among the Company, the Servicer and the Trustee.

"Potential Purchase Termination Event" means any condition or act specified in Section 6.01 that, with the giving of notice or the lapse of time or both, would become a Purchase Termination Event.

"PPSA" means, in respect of each province or territory in Canada (other than Quebec), the Personal Property Security Act as from time to time in effect in such province or territory, and in respect of Quebec, the Civil Code of Quebec as from time to time in effect in such province; provided, however, that in the case of the Province of Newfoundland and the Northwest Territories, until such time as a personal property security act or similar legislation comes into force in such province or territory, the term "PPSA" in respect of such province or territory means the assignment of book debts act as from time to time in effect in such province or territory; provided, further, that if any terms which are used herein are expressed to be defined in the PPSA of a particular jurisdiction, and such particular jurisdiction's PPSA does not define such term, then such term shall have the meaning ascribed to it in the Ontario PPSA.

"Purchased Receivable" means, at any time, any Receivable sold to the Company by any Seller pursuant to, and in accordance with the terms of, this Agreement and not theretofore resold to such Seller pursuant to subsection 2.01(b) or Sections 2.06 or 2.11.

"Purchased Receivables Percentage" means, with respect to any Seller as to which WESCO Canada has submitted a Seller Termination Request, the percentage equivalent of a fraction, the numerator of which is an amount equal to the aggregate outstanding Principal Amount of Purchased Receivables sold by such Seller as of the applicable Seller Termination Request Date, and the denominator of which is an amount equal to the aggregate outstanding Principal Amount of all Purchased Receivables as of such date.

"Purchase Price" has the meaning specified in Section 2.02.

"Purchase Termination Date" means, with respect to any Seller, the date on which the Company's obligation to purchase Receivables from such Seller shall terminate, which shall be the date on which an Early Termination occurs with respect to such Seller.

"Purchase Termination Event" has the meaning specified in Section 6.01.

"Receivable" shall mean the indebtedness and payment obligations of any Person to a Seller or acquired by a Seller (including, without limitation, obligations constituting an account or general intangible or evidenced by a note, instrument, contract, security agreement, chattel paper or other evidence of indebtedness or security) arising from a sale of merchandise or the provision of services by such Seller or the Person from whom such indebtedness and payment obligation was acquired by a Seller, including, without limitation, any right to payment for goods sold or for services rendered, and including the right to payment of any transfer, sales or use taxes, goods and services taxes, returned check charges and other obligations of such Person with respect thereto other than Excluded Receivables; provided, however, that for purposes of Article II hereof in the event that an Excluded Receivable is included on any Daily Report, such Excluded Receivable shall be deemed to be a Receivable but not an Eligible Receivable.

"Receivables Property" has the meaning specified in Section 2.01.

"Reference Rate" shall mean, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. If The Chase Manhattan Bank shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the failure of the Federal Reserve Bank of New York to publish rates or the inability of The Chase Manhattan Bank to obtain quotations in accordance with the terms of the definition thereof, the Reference Rate shall be determined without regard to clause (b) of the immediately preceding sentence, as appropriate, until the circumstances giving rise to such inability no longer exist. Any change in the Reference Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively. The term "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by The Chase Manhattan Bank as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as being effective. The term "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members

of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day for such transactions received by The Chase Manhattan Bank from three Federal funds brokers of recognized standing selected by it.

"Registrations" shall have the meaning specified in Section 2.1(d).

"Related Property" shall mean, with respect to each Receivable:

(a) all of the applicable Seller's interest in the goods, if any, sold and delivered to an Obligor which gave rise to such Receivable;

(b) all other security interests or Liens purporting to secure payment of such Receivable, together with all financing statements signed by an Obligor describing any collateral securing such Receivable; and

(c) all guarantees, credit or similar types of insurance, letters of credit and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable;

in the case of clauses (b) and (c), whether pursuant to the contract related to such Receivable or otherwise and including, without limitation, pursuant to any obligations evidenced by a note, instrument, contract, security agreement, chattel paper or other evidence of indebtedness or security and the proceeds thereof.

"Seller Addition Date" has the meaning specified in Section 3.02.

"Seller Adjustment Payment" has the meaning specified in Section 2.05.

"Seller Note" has the meaning specified in Section 8.01.

"Seller Repurchase Payment" has the meaning specified in Section 2.06.

"Sellers" means WESCO Canada together with each Subsidiary of WESCO Canada added as a Seller hereunder from time to time.

"Seller Termination Request" has the meaning specified in subsection 9.13(b).

"Seller Termination Request Date" has the meaning specified in subsection 9.13(b).

"WESCO Persons" means each Seller and each of its Affiliates other than the Company.

Section 1.02. Other Definitional Provisions. (a) All terms defined herein or in the Pooling Agreement or any Supplement shall have their defined meanings when used in

any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(b) As used herein and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in Section 1.1 of the Pooling Agreement or any Supplement, and accounting terms partly defined in Section 1.1 of the Pooling Agreement or any Supplement to the extent not defined, shall have the respective meanings given to them under GAAP. To the extent that the definitions of accounting terms herein are inconsistent with the meanings of such terms under GAAP, the definitions contained herein shall control. All terms used in the Ontario PPSA that are used but not specifically defined herein are used herein as defined therein.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, subsection, Annex, Schedule and Exhibit references contained in this agreement are references to Sections, subsections, Annex, Schedules and Exhibits in or to this Agreement unless otherwise specified.

(d) The definitions contained in Section 1.01 of this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine, the feminine and the neuter genders of such terms.

(e) All references herein to any agreement or instrument shall be deemed references to such agreement or instrument as amended, supplemented or otherwise modified from time to time, subject to compliance with any restrictions herein on the amendment, supplementation or modification of such agreement or instrument.

ARTICLE II
PURCHASE AND SALE OF RECEIVABLES

Section 2.01. Purchase and Sale of Receivables. (a) Upon the terms set forth herein, each of the Sellers hereby sells, assigns, transfers and conveys to the Company, without recourse (except to the limited extent provided herein), all its respective present and future right, title and interest in, to and under:

(i) all Receivables now existing and hereafter arising from time to time (until an Early Termination with respect to such Seller occurs);

(ii) all Related Property in respect of such Receivables;

(iii) all Collections;

(iv) all payment, enforcement and other rights (including rescission, replevin or reclamation), but none of the obligations, relating to any Receivable or arising therefrom; and

(v) all monies due or to become due and all amounts received with respect to the items listed in clauses (i), (ii), (iii) and (iv) and all proceeds (including, without limitation, whatever is received upon the sale, exchange, collection or other disposition of the foregoing and all "proceeds" as defined in the Ontario PPSA, including all Recoveries relating thereto and all amounts on deposit in the Lockbox Accounts or Eligible Segregated Accounts which were not Available Funds on the date hereof) (the property described in the foregoing clauses (ii) through (v) are hereinafter collectively referred to as the "Receivables Property").

Subject to the terms and conditions set forth herein, the Company hereby agrees to purchase the Receivables and Receivables Property of each Seller.

(b) On each applicable Effective Date and on the date of creation of each newly created Receivable, all of the applicable Seller's right, title and interest in, to and under (i) in the case of each such Effective Date, all then existing Receivables and all Receivables Property in respect of such Receivables and (ii) in the case of each such date of creation (but only so long as no Early Termination with respect to such Seller has occurred), all such newly created Receivables and all Receivables Property in respect of such Receivables, shall be immediately and automatically sold, assigned, transferred and conveyed to the Company pursuant to paragraph (a) above without any further action by such Seller or any other Person. If any Seller shall not have received payment (including as a result of the failure to satisfy the conditions set forth in Section 3.03 or the application of the final paragraph of Section 6.01) from the Company of the Purchase Price for any newly created Receivable and the related Receivables Property on the Payment Date therefor in accordance with the terms of subsection 2.03(b), such newly created Receivable and the Receivables Property with respect thereto shall, upon receipt of notice by the Company and the Trustee from the applicable Seller of such failure to receive payment, immediately and automatically be sold, assigned, transferred and reconveyed by the Company to such Seller without any further action by the Company or any other Person.

(c) To evidence and effect the sale, assignment, transfer and conveyance of Purchased Receivables and the Receivables Property in respect thereof, each Seller shall execute on the Effective Date with respect to such Seller, a written assignment of the Purchased Receivables and the Receivables Property in respect thereof in substantially the form of Exhibit D hereto (an "Assignment"). The parties to this Agreement intend that the transactions contemplated by subsections 2.01(a) and (b) hereby and each Assignment shall be, and shall be treated as, a purchase and receipt by the Company and a sale by the applicable Seller of the Purchased Receivables and the Receivables Property in respect thereof and not a lending transaction. All transfers of Receivables and Receivables Property by any Seller hereunder shall be without recourse to, or representation or warranty of any kind (express or implied) by, any Seller, except as otherwise specifically provided herein. The foregoing sale, assignment, transfer and conveyance constituted hereby and under each Assignment does not constitute and is not intended to result in a creation or assumption by the Company of any obligation of any Seller or any other Person in connection with the Receivables, the Receivables Property or any agreement or instrument relating thereto, including any obligation to any Obligor. If, and to the extent, this Agreement or any Assignment does not constitute a valid sale, assignment, transfer and conveyance of all right, title and interest of each Seller in, to and under the Purchased Receivables and the

Receivables Property in respect thereof despite the intent of the parties hereto and the express terms hereof, such Seller hereby grants a "security interest" (as defined in the Ontario PPSA) in the Purchased Receivables, the Receivables Property in respect thereof and all proceeds thereof to the Company, and the parties agree that this Agreement shall constitute a security agreement under the Ontario PPSA.

(d) In connection with the foregoing conveyances, each Seller agrees to record, file or register, or cause to be recorded, filed or registered, at its own expense, each Assignment or notice or application with respect thereto, as applicable, or financing statements (or continuation or financing change statements, as applicable) (collectively, "Registrations") with respect to such conveyances meeting the requirements of applicable law, in such manner and in such jurisdictions as are necessary to protect, perfect and maintain the protection and perfection of the Company's purchase of ownership interests in the Receivables and Receivables Property from the Sellers, and shall deliver a file stamped copy of each such Registration or other satisfactory evidence thereof to the Company and the Trustee no later than 10 days after the Effective Date.

(e) In connection with the foregoing conveyances, each Seller agrees at its own expense, as agent of the Company (i) no later than 30 days after the Effective Date, to indicate or cause to be indicated on the computer files (but not on individual invoices or individual collection files) relating to such Receivables (by means of a general legend, substantially in the form described on Schedule 8 hereto, that will automatically appear each time a Person enters the Seller's Receivables program) that, unless otherwise specifically identified as a receivable not so sold, transferred, assigned and conveyed, all Receivables (and any such other receivables) included therein and all other Receivables Property (and any other similar related property (but for greater certainty, not any Excluded Receivables)) have been sold, transferred, assigned and conveyed to the Company in accordance with this Agreement and (ii) on or prior to the Effective Date to deliver, to the Company computer files, microfiche lists or typed or printed lists (the "Receivables Lists") containing true and complete lists of all such Receivables, identified by Obligor and setting forth the Receivables balance for each Receivable as of the Cut-Off Date.

(f) As further confirmation of the sale of the Receivables but subject to subsection 6.02(b), it is understood and agreed that the Company shall have the following rights:

(A) the Company (and its assignees) shall have the right at any time to (I) notify, or require that such Seller at its own expense notify, the respective Obligors of the Company's ownership of the Purchased Receivables and Receivables Property, (II) direct that payment of all amounts due or to become due under the Purchased Receivables be made directly to the Company or its designee, (III) sue for collection on any Purchased Receivable or (IV) sell any Purchased Receivables to any Person for a price that is acceptable to the Company (or its assignee);

(B) such Seller shall, upon written request of the Company, and at such Seller's expense (I) deliver to the Company or a party designated by the

Company all documents, instruments and other records (including credit files) that evidence or record the Receivables sold by such Seller and all licenses, rights, computer programs, related material, computer tapes, disks, cassettes and data necessary to the immediate collection of the Purchased Receivables by the Company, with or without the participation of such Seller and (II) make such arrangements with respect to the collection of the Purchased Receivables as may be reasonably required by the Company. In recognition of such Seller's need to have access to any Documents which may be transferred to the Company hereunder, whether as a result of its continuing business relationship with any Obligor for Receivables purchased hereunder or as a result of its responsibilities as a Sub-Servicer, the Company hereby grants to such Seller an irrevocable license to access the Documents transferred by such Seller to the Company and to access any such transferred computer software in connection with any activity arising in the ordinary course of such Seller's business or in performance of such Seller's duties as a Servicing Party, provided, however, that such Seller shall not disrupt or otherwise interfere with the Company's use of and access to the Documents and its computer software during such license period; and

(C) such Seller hereby grants to the Company an irrevocable power of attorney with full power of substitution (including the power to delegate to any Servicer or Sub-Servicer from time to time) (coupled with an interest) to take any and all steps in such Seller's name necessary or desirable, in the reasonable opinion of the Company, to collect all amounts due under the Purchased Receivables, including, without limitation, enforcing the Purchased Receivables, exercising all rights and remedies in respect thereof and, without regard to the limitation set forth in subsection 6.02(b), endorsing such Seller's name on checks and other instruments representing Collections.

Section 2.02. Purchase Price. The amount payable by the Company to a Seller (the "Purchase Price") for Receivables and Receivables Property on any Payment Date under this Agreement shall be equal to the product of (a) the aggregate outstanding Principal Amount of such Receivables as set forth in the applicable Daily Report times (b) the Discounted Percentage with respect to such Seller plus, on the Effective Date, the aggregate of all amounts on deposit in Lockbox Accounts or Eligible Segregated Accounts which were not Available Funds on such date. All interest rates and fees hereunder shall be computed on the basis of the actual number of days elapsed divided 365. Any such applicable interest rate, expressed as an annual rate of interest for the purpose of the Interest Act (Canada) shall be equivalent to such applicable interest rate multiplied by the actual number of days in the calendar year in which the same is to be determined and divided by 365.

Section 2.03. Payment of Purchase Price. (a) Upon the fulfillment of the conditions set forth in Article III, the Purchase Price for Receivables and the Receivables Property shall be paid or provided for by the Company in the manner provided below on each day for which a Daily Report is delivered to the Company (each such day, a "Payment Date") in respect of a Reported Day (which Daily Report shall specify, by Seller, the Principal

Amount of Receivables being sold on such Payment Date, the aggregate Purchase Price for such Receivables and the components of payment as provided in paragraph (b) below).

(b) The Purchase Price for Receivables and Receivables Property shall be paid by the Company on each Payment Date (including the initial Payment Date) as follows:

(i) by netting the amount of any Seller Adjustment Payments or Seller Repurchase Payments pursuant to Section 2.05 or 2.06 against such Purchase Price;

(ii) to the extent available for such purpose, in cash from Collections released to the Company pursuant to the Pooling Agreement;

(iii) to the extent available for such purpose, in cash from the net proceeds of a transfer of interests in Purchased Receivables by the Company to other Persons;

(iv) to the extent available for such purpose, in cash from the proceeds of capital contributed by WESCO to the Company, if any, in respect of its equity interest in the Company; and

(v) at the option of the Company (subject to the provisions of Section 8.01), by means of an addition to the principal amount of the Seller Note in an aggregate amount up to the remaining portion of the Purchase Price. Any such addition to the principal amount of the Seller Note shall be allocated among the Sellers (pro rata according to the Principal Amount of Receivables sold by each Seller) by the Servicer in accordance with the provisions of this subsection 2.03(b)(v) and Section 8.01. The Servicer may evidence such additional principal amounts by recording the date and amount thereof on the grid attached to such Seller Note; provided, however, that the failure to make any such recordation or any error in such grid shall not adversely affect any Seller's rights.

(c) The Servicer shall be responsible, in its sole discretion but in accordance with subsection 2.03(a), for allocating among the Sellers the payment of the Purchase Price for Receivables and any amounts netted therefrom pursuant to subsection 2.03(b)(i), either in the form of cash received from the Company or as an addition to the principal amount of a Seller's interest in the Seller Note. The Company shall be entitled to pay all amounts in respect of the Purchase Price of Receivables and Receivables Property to an account of the Servicer for allocation by the Servicer to the Sellers, and each of the Sellers hereby appoint the Servicer as their agent for purposes of receiving such payments and making such allocations and hereby authorizes the Company to make all payments due to such Seller directly to, or as directed by, the Servicer. The Servicer hereby accepts and agrees to such appointment. All payments under this Agreement shall be made not later than 3:00 p.m (Toronto time) on the date specified therefor in Canadian Dollars (or U.S. Dollars calculated using the Canadian Exchange Percentage) in same day funds or by check, as the Servicer shall elect and to the bank account designated in writing by the Servicer to the Company.

(d) Whenever any payment to be made under this Agreement shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day. Amounts not paid when due in accordance with the terms of this Agreement shall bear interest at a rate equal at all times to the Reference Rate, payable on demand.

Section 2.04. No Repurchase. Except to the extent expressly set forth herein, no Seller shall have any right or obligation under this Agreement, by implication or otherwise, to repurchase from the Company any Purchased Receivables or Receivables Property or to rescind or otherwise retroactively affect any purchase of any Purchased Receivables or Receivables Property after the Payment Date relating thereto.

Section 2.05. Rebates, Adjustments, Returns and Reductions; Modifications. From time to time, a Seller may make Dilution Adjustments to Receivables in accordance with this subsection 2.05 and subsection 5.03(c). The Sellers (other than those Sellers from which the Company has no Receivables outstanding at such time), jointly and severally, agree to pay to the Company the amount of any such Dilution Adjustment (a "Seller Adjustment Payment"); provided, however, that such payment shall be made no later than the Settlement Report Date of the month following the grant of the Dilution Adjustment (regardless of which Seller shall have granted such Dilution Adjustment); provided, further, that, prior to the occurrence of any Early Termination with respect to all Sellers, any such Seller Adjustment Payment known to be owing to the Company on any Payment Date shall, on such Payment Date, be netted against the Purchase Price of newly created Receivables in accordance with subsection 2.03(b)(i) to the extent of such Principal Amount and the remaining amount of such Seller Adjustment Payment known to be owing to the Company after such netting, if any, (or following an Early Termination with respect to all Sellers, the full amount) shall be paid to the Company on such date in cash. The amount of any Dilution Adjustment posted on any Reported Day shall be set forth on the Daily Report prepared with respect to such Reported Day.

Section 2.06. Limited Repurchase Obligation. In the event that (i) any representation or warranty contained in Section 4.02 in respect of any Receivable transferred to the Company is not true and correct in any material respect on the applicable Payment Date, or (ii) there is a breach of any covenant contained in subsection 5.01(c), (f) or (n) or Section 5.03 with respect to any Receivable in any material respect or (iii) the Company's interest in any Receivable is not a first priority perfected ownership or security interest at any time as a result of any action taken by, or any failure to take action by, any Seller, then the Sellers (other than those Sellers from which the Company has no Receivables outstanding at such time), jointly and severally, agree to pay to the Company an amount equal to the Principal Amount (determined as of the Payment Date for such Receivable) of such Receivable (whether the Company paid such Purchase Price in cash or otherwise) less Collections received by the Company in respect of such Receivable, regardless of which Seller shall have been responsible for such incorrectness or breach, such payment to occur no later than the Payment Date occurring on the 30th day (or, if such 30th day is not a Payment Date, on the Payment Date immediately succeeding such 30th day) after the day such breach or incorrectness becomes known (or should have become known with due diligence) to any Seller (unless such breach or incorrectness shall have been cured on or before such day);

provided, however, that, prior to any Early Termination with respect to all Sellers, any such payment due and owing to the Company on such Payment Date shall be netted against the Purchase Price of newly created Receivables in accordance with subsection 2.03(b)(i) to the extent of such Principal Amount and the remaining amount of such payment due to the Company after such netting, if any, (or following an Early Termination with respect to all Sellers, the full amount) shall be paid to the Company in cash to the extent still unpaid on such Payment Date. Any payment by any Seller pursuant to this Section 2.06 is referred to as a "Seller Repurchase Payment". The obligation to reacquire any Receivable shall, upon satisfaction thereof, constitute the sole remedy respecting the event giving rise to such obligation available to the Company. Simultaneously with any Seller Repurchase Payment with respect to any Receivable, such Receivable and the Receivables Property with respect thereto shall immediately and automatically be sold, assigned, transferred and conveyed by the Company to the applicable Seller without any further action by the Company or any other Person.

Section 2.07. Obligations Unaffected. The obligations of the Sellers to the Company under this Agreement shall not be affected by reason of any invalidity or illegality of any Receivable or any sale of a Receivable.

Section 2.08. Certain Charges. Each Seller and the Company agree that late charge revenue, reversals of discounts, other fees and charges and other similar items (not constituting Excluded Receivables), whenever created, accrued in respect of Purchased Receivables shall be the property of the Company notwithstanding the occurrence of an Early Termination and all Collections with respect thereto shall continue to be allocated and treated as Collections in respect of Purchased Receivables.

Section 2.09. Certain Allocations. Each Seller hereby agrees that, following the occurrence of an Early Termination with respect to such Seller, all Collections and other proceeds received in respect of Receivables generated by such Seller shall be applied, first, to pay the outstanding Principal Amount of Purchased Receivables (as of the date of such Early Termination) of the Obligor to whom such Collections are attributable until such Purchased Receivables are paid in full and, second, to the related Seller to pay Receivables of such Obligor not sold to the Company; provided, however, that notwithstanding the foregoing, if such Seller can attribute a Collection to a specific Obligor and a specific Receivable, then such Collection shall be applied to pay such Receivable of such Obligor. The Company and the Servicer shall take such action as the Seller may reasonably request, at the expense of such Seller, to assure that any Receivable not sold to the Company, the Related Property and Collections with respect thereto and any Excluded Receivables do not remain commingled with other Collections hereunder and are immediately paid to the Seller.

Section 2.10. Further Assurances. From time to time at the request of a Seller, the Company shall deliver to such Seller such documents, assignments, releases and instruments of termination as such Seller may reasonably request to evidence the reconveyance by the Company to such Seller of a Receivable pursuant to the terms of Section 2.01(b), 2.06 or 2.11(b), provided, however, that the Company shall have been paid all amounts due thereunder; and the Company and the Servicer shall take such action as such Seller may reasonably request, at the expense of such Seller, to assure that any such

Receivable, the Related Property and Collections with respect thereto do not remain commingled with other Collections hereunder.

Section 2.11. Purchase of Sellers' Interest in Receivables and Receivables Property. (a) In the event of any breach of any of the representations and warranties set forth in subsection 4.01(a), (b), (c), (e), (f) or (g), as of the date made, which breach has a material adverse effect on the interests of the Company in the Receivables or the Receivables Property, then the Company, by notice then given in writing to the Sellers, may direct the Sellers to purchase all Receivables and Receivables Property and the Sellers (other than those Sellers from which the Company has no Receivables outstanding at such time), jointly and severally, shall be obligated to make such purchase 30 days after receipt of such notice on the terms and conditions set forth in subsection 2.11(b) below; provided, however, that no such purchase shall be required to made if, by such date, the representations and warranties contained in subsections 4.01(a), (b), (c), (e), (f) or (g) shall be satisfied in all material respects, and any material adverse effect on the Company caused thereby has been cured.

(b) The Sellers (other than those Sellers from which the Company has no Receivables outstanding at such time), shall jointly and severally, shall, as the purchase price for the Receivables and Receivables Property to be purchased pursuant to subsection 2.11(a) above, pay to the Company, on the Business Day preceding such Distribution Date, an amount equal to the Principal Amount of the Purchased Receivables (determined as of the Payment Date or contribution date for such Purchased Receivables), less Collections received by the Company in respect of such Purchased Receivables, as of such Distribution Date. Upon payment of such amount, in immediately available funds, to the Company, the Company's rights with respect to the Purchased Receivables shall terminate and such interest therein shall immediately and automatically be sold, assigned, transferred and conveyed by the Company to the Sellers which originated such Receivable without any further action by the Company or any other Person and the Company shall have no further rights with respect thereto. If the Company gives notice directing the Sellers to purchase the Purchased Receivables as provided above, the obligation of the Sellers to purchase the Purchased Receivables pursuant to this Section 2.11 shall, upon satisfaction thereof, constitute the sole remedy respecting an event of the type specified in the first sentence of this Section 2.11 available to the Company.

ARTICLE III
CONDITIONS TO PURCHASES

Section 3.01. Conditions Precedent to Company's Initial Purchase. The obligation of the Company to purchase Receivables and Receivables Property hereunder on the initial Effective Date from WESCO Canada is subject to the conditions precedent that the Company shall have received on or before the date of such purchase the following, each (unless otherwise indicated) dated the day of such sale and in form and substance satisfactory to the Company:

(a) Secretary's Certificate. A certificate of the Secretary or an Assistant Secretary of WESCO Canada, dated the Closing Date, and certifying (i) that attached

thereto is a true and complete copy of the articles and certificates of incorporation (including all amendments thereto) (the "Articles") and by-laws of such Seller, as in effect on the Effective Date and at all times since a date prior to the date of the resolutions described in clause (ii) below, (ii) that attached thereto is a true and complete copy of the resolutions, in form and substance reasonably satisfactory to the Company, of the Board of Directors of such Seller or committees thereof authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the transactions contemplated hereby and thereby, and that such resolutions have not been amended, modified, revoked or rescinded and are in full force and effect, (iii) that the Articles of such Person have not been amended since the date of the last amendment thereto shown on the certificate of good standing (or its equivalent) furnished pursuant to clause (i) above and (iv) as to the incumbency and specimen signature of each officer executing this Agreement and any other Transaction Documents or any other document delivered in connection herewith or therewith on behalf of such Seller (on which certificates the Company may conclusively rely until such time as the Company shall receive from such Seller a revised certificate with respect to such Seller meeting the requirements of this subsection (a));

(b) Good Standing Certificates. Certificates of compliance, of status or of good standing, dated as of a recent date, issued by its jurisdiction of incorporation and by each other jurisdiction where the ownership, lease or operation of property or the conduct of business requires it to qualify as a foreign or extra-provincial corporation, except where the failure to so qualify would not have a Material Adverse Effect;

(c) Consents, Licenses, Approvals, Etc. A certificate dated the Closing Date of a Responsible Officer of each Seller either (i) attaching copies of all consents (including, without limitation, consents under loan agreements and indentures to which any Seller or its Affiliates are parties), licenses and approvals required in connection with the execution, delivery and performance by such Seller of this Agreement and the validity and enforceability of this Agreement against such Seller, and such consents, licenses and approvals shall be in full force and effect or (ii) stating that no such consents, licenses or approvals are so required;

(d) No Litigation. Confirmation that there is no pending or, to its knowledge after due inquiry, threatened action or proceeding affecting such Seller or any of its Subsidiaries before any Governmental Authority that could reasonably be expected to have a Material Adverse Effect;

(e) PPSA Certificate; Registrations. (i) A PPSA Certificate, substantially in the form of Exhibit C hereto, duly executed by a Responsible Officer of the applicable Seller and dated such date of purchase and (ii) executed copies of all Registrations contemplated by Section 2.1(d), filed, recorded or registered at such Seller's expense prior to the Closing Date, naming the applicable Seller as the seller and the Company as the purchaser of the Receivables and the Receivables Property, in proper form for filing in each jurisdiction in which the Company (or any of its assignees) deems it necessary or desirable to perfect or protect the Company's ownership interest in all

Receivables and Receivables Property under the PPSA or any comparable law of such jurisdiction;

(f) Searches. Written search reports, listing all effective financing statements or other registrations or filings that name the applicable Seller as debtor or assignor and that are filed, recorded or registered in the jurisdictions in which filings, recordings or registrations were made pursuant to subsection (e) above or Section 2.01(d) and in any other jurisdictions that the Company determines are necessary or appropriate, together with copies of such financing statements or other registrations or filings (none of which, except for those described in subsection (f) above, shall cover any Receivables or Receivables Property), and, where available, tax and judgment lien searches showing no such liens that are not permitted by the Transaction Documents;

(g) Other Transaction Documents. Original copies, executed by each of the parties thereto, of each of the other Transaction Documents to be executed and delivered in connection herewith;

(h) Back-up Servicing Arrangements. Evidence that each Seller maintains disaster recovery systems and back-up computer and other information management systems that, in the Company's reasonable judgment as of the date hereof, are sufficient to protect such Seller's business against material interruption or loss or destruction of its primary computer and information management systems;

(i) Legal Opinions. (i) One or more legal opinions from counsel to the Sellers and counsel to the Company substantially to the effect set out in Schedule 9 hereto.

(ii) To the extent not dealt with in the opinions referred to in clause (i) above, one or more legal opinions from counsel to the Sellers and counsel to the Company:

(A) to the effect that each Seller and the Company, as applicable, has all approvals, judicial, regulatory, legal or otherwise, needed to execute, deliver and perform each Transaction Document to which it is a party and that no conflict or default will occur as a result of the execution, delivery and performance thereof;

(B) to the effect that the Company has a perfected security interest in the Receivables; and

(C) addressing other customary matters.

(iii) Each such legal opinion shall also be addressed to the Rating Agencies, the Initial Purchaser, and the Trustee;

(j) Policies. A copy of the Policies, which shall be satisfactory in form and substance to the Company;

(k) List of Obligors. The Receivables List of each Seller showing, as of the Cut-Off Date, the Obligors whose Receivables exist on the Cut-Off Date and the balance of the Receivables with respect to each such Obligor as of such prior date; and

(l) Systems. Evidence, reasonably satisfactory to the Company, the Trustee and the Agents that such Seller's systems, procedures and record keeping relating to the Purchased Receivables is in all material respects sufficient and satisfactory in order to permit the purchase and administration of the Purchased Receivables in accordance with the terms and intent of this Agreement.

Section 3.02. Conditions Precedent to the Addition of a Seller. The obligation of the Company to purchase Receivables and Receivables Property hereunder from a Subsidiary of WESCO Canada requested to be an additional Seller pursuant to Section 9.12 is subject to the conditions precedent that the Company shall have received on or before the date designated for the addition of such Seller (the "Seller Addition Date") and in form and substance satisfactory to the Company:

(a) Additional Seller Supplement. An Additional Seller Supplement (with a copy for the Trustee and each Agent) duly executed and delivered by such Seller.

(b) Secretary's Certificate. A certificate of the Secretary or an Assistant Secretary of such Seller, dated the Effective Date, and certifying (i) that attached thereto is a true and complete copy of the Articles and by-laws of such Seller, as in effect on the Seller Addition Date and at all times since a date prior to the date of the resolutions described in clause (ii) below, (ii) that attached thereto is a true and complete copy of the resolutions, in form and substance reasonably satisfactory to the Company, of the Board of Directors of such Seller or committees thereof authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the transactions contemplated hereby and thereby, and that such resolutions have not been amended, modified, revoked or rescinded and are in full force and effect, (iii) that the Articles of such Seller have not been amended since the date of the last amendment thereto shown on the certificate of good standing (or its equivalent) furnished pursuant to clause (i) above and (iv) as to the incumbency and specimen signature of each officer executing the Additional Seller Supplement and any other Transaction Documents or any other document delivered in connection therewith on behalf of such Seller (on which certificates the Company may conclusively rely until such time as the Company shall receive from such Seller a revised certificate with respect to such Seller meeting the requirements of this subsection (b));

(c) Officer's Certificate. A certificate of a Responsible Officer of WESCO Canada, dated the Effective Date, and certifying such Seller is in the same line of business as the existing Sellers as of the related Seller Addition Date;

(d) Good Standing Certificates. Certificates of compliance, of status or of good standing, dated as of a recent date with respect to such Seller issued by its

jurisdiction of incorporation and by each other jurisdiction where the ownership, lease or operation of property or the conduct of business requires it to qualify as a foreign or extra-provincial corporation, except where the failure to so qualify would not have a Material Adverse Effect;

(e) Consents, Licenses, Approvals, Etc. A certificate dated the related Seller Addition Date of a Responsible Officer of such Seller either (i) attaching copies of all consents (including, without limitation, consents under loan agreements and indentures to which any Seller or its Affiliates are parties), licenses and approvals required in connection with the execution, delivery and performance by such Seller of the Additional Seller Supplement and the validity and enforceability of the Additional Seller Supplement against such Seller, and such consents, licenses and approvals shall be in full force and effect or (ii) stating that no such consents, licenses or approvals are so required;

(f) No Litigation. Confirmation that there is no pending or, to its knowledge after due inquiry, threatened action or proceeding affecting such Seller or any of its Subsidiaries before any Governmental Authority that could reasonably be expected to have a Material Adverse Effect;

(g) Lockboxes; Eligible Segregated Accounts. A Lockbox Account or an Eligible Segregated Account with respect to Receivables to be sold by such Seller shall have been established in the name of the Company, each invoice issued to an Obligor on and after the Effective Date shall indicate that payments in respect of its Receivable shall be made by such Obligor to a Lockbox Account or Eligible Segregated Account or by wire transfer or other electronic payment to a Lockbox Account, an Eligible Segregated Account or the Collection Account or otherwise as provided in Section 2.03 of the Servicing Agreement and the Servicer shall have delivered (i) with respect to each such Lockbox Account a Lockbox Agreement signed by it, the Company, the Trustee and applicable Lockbox Processor and (ii) with respect to each such Eligible Segregated Account, an Eligible Segregated Account Bank Acknowledgement, as the case may be, or a commitment to transfer the same within 30 days of the applicable Seller Addition Date.

(h) PPSA Certificate; Registrations. (i) A PPSA Certificate duly executed by a Responsible Officer of such Seller and dated the related Seller Addition Date and (ii) executed copies of all Registrations contemplated by Section 2.01(d) filed, recorded or registered at such Seller's expense prior to the related Seller Addition Date, naming such Seller as the seller and the Company as the purchaser of the Receivables and the Receivables Property, in proper form for filing in each jurisdiction in which the Company (or any of its assignees) deems it necessary or desirable to perfect or protect the Company's ownership interest in all Receivables and Receivables Property under the PPSA or any comparable law of such jurisdiction;

(i) Searches. Written search reports, listing all effective financing statements or other registrations or filings that name such Seller as debtor or assignor and that are filed, recorded or registered in the jurisdictions in which filings,

recordings or registrations were made pursuant to subsection (h) above or Section 2.1(d) and in any other jurisdictions that the Company determines are necessary or appropriate, together with copies of such financing statements or other registrations or filings (none of which, except for those described in subsection (h) above, shall cover any Receivables or Receivables Property), and, where available, tax and judgment lien searches showing no such liens that are not permitted by the Transaction Documents;

(j) List of Obligors. A microfiche, typed or printed list or other tangible evidence reasonably acceptable to the Company showing as of a date acceptable to the Company prior to the related Seller Addition Date the Obligors whose Receivables are to be transferred to the Company and the balance of the Receivables with respect to each such Obligor as of such date;

(k) Opinions. Legal opinions with respect to such Seller conforming to the requirements of Section 3.01(i).

(l) Back-up Servicing Arrangements. Evidence that such Seller maintains disaster recovery systems and back-up computer and other information management systems that, in the Company's reasonable judgment, are sufficient to protect such Seller's business against material interruption or loss or destruction of its primary computer and information management systems.

(m) Party to Servicing Agreement. Evidence that such additional Seller shall have become a party to the Servicing Agreement in its capacity as a Sub-Servicer thereunder.

(n) Systems. Evidence, reasonably satisfactory to the Company, the Trustee and the Agents, that such additional Seller's systems, procedures and record keeping relating to the Purchased Receivables remain in all material respects sufficient and satisfactory in order to permit the purchase and administration of the Purchased Receivables in accordance with the terms and intent of this Agreement.

Section 3.03. Conditions Precedent to All the Company's Purchases of Receivables. The obligation of the Company to pay for any Receivable and the Receivables Property with respect thereto on each Payment Date (including the Effective Date) shall be subject to the further conditions precedent that, on and as of such Payment Date:

(a) the following statements shall be true (and the acceptance by the relevant Seller of the Purchase Price for such Receivable on such Payment Date shall constitute a representation and warranty by such Seller that on such Payment Date such statements are true):

(i) the representation and warranties of such Seller contained in Sections 4.01 and 4.02 shall be true and correct in all material respects on and as of such Payment Date as though made on and as of such date except to the extent any such representation or warranty is expressly made only as of another

date (in which case it shall be true and correct in all material respects on and as of such other date);

(ii) after giving effect to such purchase, no (A) Early Termination with respect to such Seller or (B) Potential Purchase Termination Event with respect to a Purchase Termination Event set forth in clause (f)(ii) of Section 6.01 shall have occurred and be continuing; and

(iii) there has been no material adverse change since the date of this Agreement in the collectibility of the Receivables taken as a whole (other than due to a change in the creditworthiness of the Obligors);

(b) the Company shall have received (after giving effect to subsection 2.03(b)(i)) payment in full of all amounts for which payment is due from such Seller pursuant to Sections 2.05, 2.06, 2.11 or 7.01;

(c) the Company shall have received such other approvals, opinions or documents as the Company may reasonably request; and

(d) such Seller shall have complied with all of its covenants in all material respects and satisfied all of its obligations in all material respects under this Agreement required to be complied with or satisfied as of such date;

provided, however, that the failure of such Seller to satisfy any of the foregoing conditions shall not prevent such Seller from subsequently selling Receivables upon satisfaction of all such conditions or exercising its rights under subsection 2.01(b).

Section 3.04. Condition Precedent to Each Seller's Obligations. The obligation of a Seller to sell any Receivable generated by it on any date (including on the Effective Date) shall be subject to the condition precedent that, on the related Payment Date, the following statement shall be true (and the payment by the Company of the Purchase Price for such Receivable on such date shall constitute a representation and warranty by the Company that on such Payment Date the statements in clause (ii) are true): (i) no Purchase Termination Event set forth in paragraph (f) (other than clause (v) thereof) of Section 6.01 shall have occurred and be continuing and (ii) no Early Amortization Event or Potential Early Amortization Event in each case of a type set forth in paragraph (a) (other than clause (v) thereof) of Section 7.1 of the Pooling Agreement (as in effect on the date hereof) shall have occurred and be continuing.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations and Warranties of the Sellers. WESCO Canada hereby represents and warrants, as to itself only, for the benefit of the Company and its assigns (including the Trustee) on the applicable Effective Date and on each Payment Date as follows:

(a) Corporate Existence. Such Seller (i) is a corporation duly incorporated and validly existing under the laws of the jurisdiction of its organization, (ii) has all requisite corporate power and authority, and all legal right, to own and operate its properties, to lease the properties it operates as lessee and to conduct its business as now conducted and (iii) is duly qualified as a foreign or extra-provincial corporation to do business (or is exempt from such requirements) under the laws of each jurisdiction in which the ownership or lease of property or the conduct of its business requires such qualification, except, in the case of clauses (ii) and (iii), to the extent that a failure to have such power, authority or right or to qualify, as the case may be, would not be reasonably likely to have a Material Adverse Effect.

(b) Corporate Power; Authorization; Consents. Such Seller has the corporate power and authority, and the legal right, to execute, deliver and perform this Agreement and the other Transaction Documents to which it is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement and the other Transaction Documents to which it is a party by or against such Seller other than (i) those consents which have duly been obtained or made and are in full force and effect on the Effective Date or the relevant Payment Date, as the case may be, (ii) the filing of the Registrations referred to in Article III, all of which, at the time required in Article III, shall have been duly made and shall be in full force and effect and (iii) any such consent, authorization, filing, notice or other act, the absence of which would not be reasonably likely to have a Material Adverse Effect. This Agreement and each other Transaction Document to which it is a party have been duly executed and delivered on behalf of such Seller.

(c) No Default. (i) Such Seller is not in default under or with respect to any of its Contractual Obligations in any respect which would be reasonably likely to have a Material Adverse Effect. (ii) No (A) Early Termination or (B) Potential Purchase Termination Event with respect to a Purchase Termination Event set forth in clause (f)(ii) of Section 6.01, in each case with respect to such Seller, has occurred and is continuing.

(d) Valid Sale; Binding Obligations. This Agreement constitutes, and each other Transaction Document to be signed by a Responsible Officer of such Seller when duly executed and delivered will constitute, an enforceable obligation of such Seller in accordance with its terms, except (A) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general, and (B) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(e) No Violation. The execution, delivery and performance of, and the consummation of the transactions contemplated by, this Agreement and the other

Transaction Documents and the fulfillment of the terms hereof and thereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (A) the certificate or articles of incorporation or by-laws of such Seller or (B) any indenture, loan agreement, mortgage, deed of trust, or other material contract, agreement or instrument to which such Seller is a party or by which such Seller or any of its properties is bound, (ii) result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such contract, indenture, loan agreement, mortgage, deed of trust, lease or other agreement or instrument, other than this Agreement and the other Transaction Documents or (iii) violate any other Requirement of Law, except, in the case of clauses (i)(B), (ii) and (iii) to the extent that such conflict, breach, default, Lien or violation, as the case may be, would not be reasonably likely to have a Material Adverse Effect.

(f) No Proceedings. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of such Seller, threatened against or affecting such Seller (i) asserting the invalidity or unenforceability of this Agreement or any other Transaction Document, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document, or (iii) seeking any determination or ruling that could reasonably be expected to result in a Material Adverse Effect (other than the Disclosed Matters).

(g) Bulk Sales Act. No transaction contemplated by this Agreement or any other Transaction Document with respect to such Seller requires compliance with, or will be subject to avoidance under, any bulk sales act or similar law, other than those consents or filings which have been complied with or obtained.

(h) Location of Records; Chief Executive Office. The registered office, chief place of business and chief executive office of such Seller is as indicated on Schedule 2 hereto and is the place where such Seller is "located" for the purposes of the PPSA in each of the provinces and territories of Canada. The jurisdiction where the chief executive office of such Seller is "located" for the purposes of each such PPSA has not changed in the past four months. The offices where such Seller keeps its records concerning the Receivables and related Contracts and all other agreements related to the Receivables are as indicated for such Seller on Schedule 2 hereto (or at such other) locations, notified to the Company and the Trustee in accordance with Section 5.1(h), in jurisdictions where all action required by Section 9.2 has been taken and completed).

(i) Proceeds Banks; Payment Instructions. The names and addresses of all the Lockbox Banks, the Lockbox Processors, and Eligible Segregated Account Banks, together with the account numbers of the Lockbox Accounts and the Eligible Segregated Accounts into which Collections are deposited at such institutions, are specified in Schedule 3. The Sellers will have transferred all of their right, title and interest in each Lockbox Account and Eligible Segregated Account to the Company. Each Lockbox Bank or Lockbox Processor has executed and delivered to the Company

and the Trustee a Lockbox Agreement. Each Eligible Segregated Account Bank has executed and delivered to the Company and the Trustee an Eligible Segregated Account Bank Agreement. With respect to any payments in respect of Receivables and Related Property that are made directly to any Seller (including, without limitation, any Collectors, other employees thereof or independent contractors employed thereby), such Seller agrees to deposit payments in the form received within one Business Day of receipt directly to one of the Lockbox Accounts, or Eligible Segregated Accounts. Each invoice issued to an Obligor on and after the Effective Date shall indicate that payments in respect of its Receivable shall be made by such Obligor to a Lockbox Account or Eligible Segregated Account or by wire transfer or other electronic payment to a Lockbox Account, an Eligible Segregated Account or the Collection Account or otherwise as provided in Section 2.03 of the Servicing Agreement.

(j) No Fraudulent Transfers. The transfers of Receivables and Receivables Property by such Seller to the Company pursuant to this Agreement, and all other transactions between such Seller and the Company, have been and will be made in good faith and without intent to hinder, delay or defraud creditors of such Seller, and such Seller acknowledges that it has received and will receive fair consideration and reasonably equivalent value for the purchases by the Company of Receivables and Receivables Property hereunder. The purchase of Receivables and Receivables Property by the Company from such Seller constitutes a true sale of such Receivables and Receivables Property under applicable state law.

(k) Trade Names. Such Seller uses no trade name in the furnishing of its products or services which generate Receivables other than its actual corporate name and the trade names set forth for such Seller in Schedule 5. During the five years preceding the date hereof, except as set forth in Schedule 5, (i) such Seller has not been known by any legal name or trade name (including any name in the French language) other than its corporate name, (ii) nor has such Seller been the subject of any merger, amalgamation or other corporate reorganization within the last five years.

(l) Compliance with Applicable Laws. Such Seller is in compliance with the requirements of all applicable laws, rules, regulations, and orders of all governmental authorities (federal, provincial, local or foreign, and including, without limitation, environmental laws), relating to the Receivables a breach of any of which, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect.

(m) Taxes. Such Seller has filed all tax returns (federal, provincial and local) required by law to be filed and has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges due from such Seller or is contesting any such tax, assessment or other governmental charge in good faith through appropriate proceedings. No tax Lien has been filed with respect to taxes which could reasonably be expected to result in a Material Adverse Effect and, to the best knowledge of such Seller, no claim is presently being asserted with respect to taxes which could reasonably be expected to result in a Material Adverse Effect.

For purposes of this paragraph, "taxes" shall mean any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any Governmental Authority. Such Seller knows of no basis for any material additional tax assessment for any fiscal year for which adequate reserves have not been established.

(n) Solvency. Both prior to and after giving effect to the transactions occurring on the Effective Date, (i) the fair value of the assets of such Seller at a fair valuation will exceed the debts and liabilities, subordinated, contingent or otherwise, of such Seller; (ii) the present fair salable value of the property of such Seller will be greater than the amount that will be required to pay the probable liability of such Seller on its debts and other liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; (iii) such Seller will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) such Seller will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted. For all purposes of clauses (i) through (iv) above, the amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability. Such Seller does not intend to, nor does it believe that it will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it and the timing of and amounts of cash to be payable in respect of its debt.

(o) Investment Company Act. Neither such Seller nor any of such Seller's Subsidiaries is (i) an "investment company" registered or required to be registered under the 1940 Act, or (ii) a "holding company", or a "subsidiary company" or an "affiliate" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

(p) Ownership. All of the issued and outstanding capital stock of such Seller (other than WESCO Canada) is owned, directly or indirectly, by WESCO Canada and all of the issued and outstanding capital stock of WESCO Canada is owed, directly or indirectly, by WESCO.

(q) Indebtedness to Company. Such Seller had no outstanding Indebtedness to the Company other than amounts permitted by this Agreement or amounts outstanding under the Seller Note.

(r) Receivables Documents. Upon the delivery, if any, by such Seller to the Company of licenses, rights, computer programs, related materials, computer tapes, disks, cassettes and data relating to the administration of the Purchased Receivables pursuant to subsection 5.01(o), the Company shall have been furnished with all materials and data necessary to permit orderly collection of the Purchased Receivables without the participation of such Seller in such collection.

(s) Filings. On or prior to the date that is 10 days after the Effective Date, all Registrations and other acts (including but not limited to all filings and other acts necessary or advisable under the PPSA) shall have been made or performed such that the Company has on such date a first priority perfected ownership or security interest in respect of all Receivables.

Section 4.02. Representations and Warranties of the Sellers Relating to the Receivables. Each Seller hereby represents and warrants, as to itself only, for the benefit of the Company and its assigns (including the Trustee) on each Payment Date as follows:

(i) Receivables Description. As of the Effective Date, the Receivables List delivered pursuant to Section 3.01(m) sets forth in all material respects an accurate and complete listing of all its Receivables as of the Effective Date and the information contained therein with respect to the identity of such Receivables is true and correct in all material respects as of such date. As of the Effective Date, the aggregate amount of Receivables owned by such Seller is accurately set forth on the Receivables List.

(ii) Quality of Title. Each Receivable existing on the Effective Date or, in the case of Receivables sold to the Company after the Effective Date, on the date that each such Receivable shall have been sold to the Company, has been conveyed to the Company and the Company has acquired a valid and perfected first priority ownership interest in each such Receivable, in each case, free and clear of any Liens, except for Permitted Liens specified in clauses (i) or (iv) of the definition thereof.

(iii) Eligible Receivable. Each Receivable of such Seller is or will be an account receivable arising out of such Seller's performance in accordance with the terms of the Contract, if any, giving rise to such Receivable. On the Effective Date, each Receivable other than Receivables designated as Ineligible Receivables on a Daily Report, sold to the Company on such date is an Eligible Receivable on the Effective Date and, in the case of Receivables sold to the Company after the Effective Date, each such Receivable, other than Receivables designated as Ineligible Receivables on a Daily Report, sold to the Company on such later date is an Eligible Receivable on such later date.

The representations and warranties set forth in this Section 4.02 shall survive the transfer and assignment of the respective Receivables to the Company pursuant to this Agreement. Upon discovery by any Seller or the Company of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the other.

Section 4.03. Representations and Warranties of the Company. The Company represents and warrants as to itself for the benefit of the Sellers as follows:

(a) Corporate Existence. It (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect,

(ii) has all requisite corporate power and authority and the legal right to own, pledge, mortgage and operate its properties, and to conduct its business as now or currently proposed to be conducted and (iii) is in compliance with all Requirements of Law.

(b) Corporate Power; Authorization; Consents. It has the corporate power and authority, and the legal right, to execute, deliver and perform this Agreement and the other Transaction Documents to which it is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party.

(c) No Violation. The execution, delivery and performance by it of this Agreement and the other Transaction Documents to which it is a party and all instruments and documents to be delivered hereunder by it, and the transactions contemplated hereby and thereby, (i) do not (A) violate its certificate or articles of incorporation and by-laws or other organizational or governing documents or, in any material respect, any other Requirement of Law, (B) conflict with or result in the breach of, or constitute a default under, any indenture, mortgage or deed of trust or any material lease, agreement or other instrument binding on or affecting it or any of its respective subsidiaries or any of its properties in any material respect or (C) result in or require the creation or imposition of any Lien except as created or imposed hereunder or under the Pooling Agreement, and no transaction contemplated hereby requires compliance on its part with any bulk sales act or similar law, and (ii) do not require the consent of, authorization by or approval of or notice to or filing or registration with, any governmental body, agency, authority, regulatory body or any other Person other than those which have been obtained or made except for the filing of the Financing Statements referred to in Article III hereof, which filings the Sellers hereby represent shall have been duly made prior to or substantially contemporaneously with any purchases of Receivables and other Receivables Property and shall at all times be in full force and effect (except as they may be terminated by the Company).

(d) Binding Obligations. This Agreement has been duly executed and delivered by the Company and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms except (A) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general, and (B) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(e) Accounting Treatment. The Company will not prepare any financial statements that shall account for the transactions contemplated hereby, nor will it in any other respect (other than for tax purposes) account for the transactions contemplated hereby, in a manner that is inconsistent with the Company's ownership interest in the Receivables.

ARTICLE V
GENERAL COVENANTS

Section 5.01. Affirmative Covenants of the Sellers. Each Seller covenants that, until the Purchase Termination Date shall have occurred with respect to such Seller and there are no amounts outstanding with respect to the Purchased Receivables previously sold by such Seller to the Company (other than Charged-off Receivables):

(a) Preservation of Corporate Existence and Name. Such Seller will preserve and maintain in all material respects its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified as a foreign or extraprovincial corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification could have a Material Adverse Effect.

(b) Maintenance of Property. Such Seller will keep all property and assets useful and necessary to permit the origination, monitoring and collection of Receivables.

(c) Compliance with Laws, Etc. Such Seller shall comply in all material respects with all applicable laws, rules, regulations and orders applicable to the Receivables and the Receivables Property, including, without limitation, rules and regulations relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy, where failure to so comply could reasonably be expected to have a materially adverse impact on the amount of Collections thereunder.

(d) Visitation Rights. At any reasonable time during normal business hours and from time to time upon reasonable notice, according to such Seller's normal security and confidentiality provisions with respect to customer lists, such Seller shall permit (i) the Company, the Trustee or any of its agents or representatives, (A) to examine and make copies of and abstracts from the records, books of account and documents (including, without limitation, computer tapes and disks) of such Seller relating to Receivables and Related Property owned or to be purchased by the Company hereunder, including, without limitation, the related Contracts and purchase orders and other agreements and (B) following the termination of the appointment of WESCO as Servicer or of such Seller as a Servicing Party with respect to the Receivables, to be present at the offices and properties of such Seller to administer and control the collection of amounts owing on the Purchased Receivables and (ii) the Company, the Trustee or any of its agents or representatives, or the Trustee (upon the giving of appropriate notice to the Company) to visit the properties of such Seller for the purpose of examining such records, books of account and documents, and to discuss the affairs, finances and accounts of such Seller relating to the Receivables or such Seller's performance hereunder with any of its officers or directors and with its independent chartered accountants; provided, however, that the Company, the Trustee or such agents or representatives, as the case may be, shall notify such Seller prior to

any contact with such accountants and permit representatives of such Seller to participate in such discussions.

(e) Keeping of Records and Books of Account. Such Seller will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables and the Receivables Property in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information which, in each case, in the reasonable discretion of the Company, are necessary or advisable for the collection of all Receivables and the Receivables Property (including, without limitation, records adequate to permit the identification of each new Receivable and all Collections of and adjustments to each existing Receivable). Upon the request of the Company, such Seller will deliver copies of all books and records maintained pursuant to this Section 5.01(e) to the Trustee.

(f) Performance and Compliance with Policies, Receivables and Contracts. Such Seller will (i) perform its obligations in accordance with and comply in all material respects with the Policies, as amended from time to time in accordance with the Transaction Documents and (ii) at its expense, timely and fully perform and comply with all material provisions, covenants and other promises required to be observed by it under the Receivables and the Contracts related to the Receivables and Related Property and all purchase orders and other agreements related to such Receivables and Related Property.

(g) Obligations. Such Seller shall pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its other obligations of whatever nature, except where (i) the amount of validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on its books, or (ii) the failure to so pay, discharge or satisfy all such obligations would not, in the aggregate, be reasonably likely to have a Material Adverse Effect and would not subject any of its properties to any Lien prohibited by subsection 5.03(b).

(h) Location of Records. Such Seller will keep its principal and chief place of business, registered office and chief executive office, and the offices where it keeps its records concerning the Receivables, all Receivables Property, all Contracts and purchase orders and other agreements related to such Receivables (and all original documents relating thereto), at the address(es) of such Seller referred to in Schedule 2 or, upon 30 days' prior written notice to the Company and the Agents, at such other locations in jurisdictions where all action required by Section 5.01(m) shall have been taken and completed.

(i) Obligation to Record and Report. Such Seller shall to the fullest extent permitted by GAAP and by applicable law, record each purchase of the Purchased Receivables as a sale on its books and records and reflect each purchase of Purchased Receivables in its financial statements as a sale.

(j) Collections. Such Seller shall cause each invoice issued to an Obligor on and after the Effective Date shall indicate that payments in respect of its Receivable shall be made by such Obligor to a Lockbox Account or Eligible Segregated Account or by wire transfer or other electronic payment to a Lockbox Account, an Eligible Segregated Account or the Collection Account or otherwise as provided in Section 2.03 of the Servicing Agreement and comply in all material respects with procedures with respect to Collections reasonably specified from time to time by the Company; including, without limitation, the procedures specified in the Servicing Agreement. In the event that any payments in respect of any such Receivables are made directly to such Seller (including, without limitation, any Collector, any other employees thereof or independent contractors employed thereby), such Seller shall, within one Business Day (except as provided in the Servicing Agreement) of receipt thereof, forward such amounts to a Lockbox, a Lockbox Account, an Eligible Segregated Account or the Collection Account and, prior to forwarding such amounts, the Seller shall hold such payments in trust as custodian for the Company and the Trustee.

(k) Taxes. Such Seller will file all tax returns and reports required by law to be filed by it and will pay all taxes and governmental charges thereby shown to be owing, except any such taxes or charges which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP have been set aside on its books.

(l) Separate Corporate Existence of the Company. Such Seller hereby acknowledges that the Trustee and the Investor Certificateholders are entering into the transactions contemplated by the Transaction Documents in reliance upon the Company's identity as a legal entity separate from the Sellers and all other WESCO Persons. Therefore, from and after the date hereof, such Seller will take (or refrain from taking, as the case may be) such actions and will cause each other WESCO Person to take (or refrain from taking, as the case may be) such actions, as shall be required in order that:

(i) Each WESCO Person maintain its deposit account or accounts separate from those of the Company and ensure that its funds will not be diverted to the Company, nor will such funds be commingled with the funds of the Company;

(ii) To the extent that any WESCO Person shares any officers or other employees with the Company, the salaries of and the expenses related to providing benefits to such officers and other employees shall be fairly allocated among such WESCO Person and the Company, and such WESCO Person and the Company shall bear their fair shares of the salary and benefit costs associated with all such common officers and employees;

(iii) To the extent that any WESCO Person jointly contracts with the Company to do business with vendors or service providers or to share overhead expenses, the costs incurred in so doing shall be allocated fairly between such

WESCO Person and the Company, and such WESCO Person and the Company shall bear their fair shares of such costs. To the extent that any WESCO Person contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of the Company, the costs incurred in so doing shall be fairly allocated between such WESCO Person and the Company in proportion to the benefit of the goods or services each is provided, and such WESCO Person and the Company shall bear their fair shares of such costs. All material transactions between any WESCO Person and the Company, whether currently existing or hereafter entered into, shall be only on an arm's length basis, it being understood and agreed that the transactions contemplated in the Transaction Documents meet the requirements of this clause (iii);

(iv) Each WESCO Person will maintain office space separate from the office space of the Company (but which may be located at the same address as the Company). To the extent that it and the Company have offices in the same location, there shall be a fair and appropriate allocation of overhead costs between them, and each shall bear its fair share of such expenses;

(v) No WESCO Person will assume or guarantee any of the liabilities of the Company;

(vi) Each WESCO Person will maintain corporate records and books of account separate from those of the Company and telephone numbers, mailing addresses, stationery and other business forms that are separate and distinct from those of the Company.

(vii) Any financial statements of any WESCO Person which are consolidated to include the Company will contain a detailed note substantially in the form, and to the effect, of the note set forth on Schedule 7.

(viii) No WESCO Person will hold itself out, or permit itself to be held out, as having agreed to pay or be liable for the debts of the Company.

(ix) Each WESCO Person will take, or refrain from taking, as the case may be, all other actions that are necessary to be taken or not to be taken in order (x) to ensure that the assumptions and factual recitations set forth in the Specified Bankruptcy Opinion Provisions remain true and correct with respect to such WESCO Person (and, to the extent within its control, to ensure that the assumptions and factual recitations set forth in the Specified Bankruptcy Opinion Provisions remain true and correct with respect to the Company) and (y) to comply with those procedures described in such provisions that are applicable to such WESCO Person.

(m) Further Action Evidencing Purchases.

(i) Such Seller agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable or that the Company may reasonably request, to protect or more fully evidence the Company's ownership, right, title and interest in the Receivables and Receivables Property sold by such Seller and its rights under the Contracts with respect thereto, or to enable the Company to exercise or enforce any of its rights hereunder or under any other Transaction Document. Without limiting the generality of the foregoing, such Seller will upon the request of the Company (A) execute and file such Registrations, as may be necessary or, in the reasonable opinion of the Company or the Agents, desirable, (B) indicate on its books and records (including, without limitation, master data processing records) that the Receivables and Receivables Property have been sold and assigned to the Company and, in turn, the Company has sold and assigned its interest therein to the Trustee, and provide to the Company, upon request, copies of any such records, (C) after the occurrence of a Purchase Termination Event, contact customers to confirm and verify Receivables and (D) obtain the agreement of any Person having a Lien on any Receivables owned by such Seller (other than any Lien created or imposed hereunder or under the Pooling Agreement or any Permitted Lien) to release such Lien upon the purchase of any such Receivables by the Company.

(ii) Such Seller hereby irrevocably authorizes the Company and the Trustee to register, file or record one or more Registrations substantially in the form of the originally agreed upon Registrations, relative to all or any part of the Receivables and Receivables Property sold or to be sold by such Seller, without the signature of such Seller where permitted by law.

(iii) If such Seller fails to perform any of its agreements or obligations under this Agreement, the Company or its assignees may (but shall not be required to) perform, or cause performance of, such agreements or obligations, and the expenses of the Company incurred in connection therewith shall be payable by such Seller as provided in Section 7.01.

(n) Legend Requirement For Chattel Paper. Such Seller agrees (i) at all times to comply with the terms and provisions set forth in Schedule 3 to the Pooling Agreement and (ii) that any Receivable that constitutes or is evidenced by "chattel paper" as defined in the Ontario PPSA shall bear a legend stating that such Receivable has been conveyed to the Trust.

(o) Computer Files. At its own cost and expense, each Seller shall retain the ledger used by such Seller as a master record of the Obligors and retain copies of all documents relating to each Obligor as custodian and agent for the Company and other Persons with interests in the Purchased Receivables, and each Seller shall assure continued compliance with Section 2.01(e).

Section 5.02. Reporting Requirements. Each Seller shall furnish to the Company and its assigns (including the Trustee) from the date hereof until the Purchase Termination Date shall have occurred with respect to such Seller and until there are no amounts outstanding with respect to Purchased Receivables previously sold by such Seller to the Company:

(a) Compliance Certificate. Not later than 120 days after the end of each fiscal year and not later than 60 days after the end of each of the first three fiscal quarters of each fiscal year, a certificate of a Responsible Officer of such Seller stating that, to the best of such Responsible Officer's knowledge, such Seller during such period, has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in the Transaction Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Purchase Termination Event or Potential Purchase Termination Event except as specified in such certificate;

(b) Termination Events: Other Material Events. (i) Upon the Company's request, a certificate of a Responsible Officer of such Seller certifying, as of the date thereof, that no Purchase Termination Event has occurred and is continuing and setting forth the computations used by the chief financial officer of such Seller in making such determination; (ii) as soon as possible and in any event within two Business Days after a Responsible Officer of such Seller obtains knowledge of the occurrence of any Purchase Termination Event, Potential Purchase Termination Event, Servicer Default or Potential Servicer Default, a written statement of a Responsible Officer of such Seller setting forth details of such event and the action that such Seller proposes to take or has taken with respect thereto; (iii) promptly after obtaining knowledge of any threatened action or proceeding affecting such Seller or its Subsidiaries before any court, governmental agency or arbitrator that may reasonably be expected to materially and adversely affect the enforceability of this Agreement and the other Transaction Documents, notice of such action or proceeding; and (iv) by June 15, 1999, a certificate of a Responsible Officer of such Seller (with a copy to each Rating Agency) certifying, as of the date thereof, that such Seller's computer systems shall be "year 2000 compliant" by June 30, 1999;

(c) Ineligible Receivables. Promptly upon determining that any Purchased Receivable originated by it designated as an Eligible Receivable on the applicable Daily Report was not an Eligible Receivable as of the date provided therefor, written notice of such determination; and

(d) Other. Promptly, from time to time, such other information, documents, records or reports respecting the Receivables of such Seller as the Company or the Agents may from time to time reasonably request in order to protect the interests of the Company and the Agents under or as contemplated by the Transaction Documents.

Section 5.03. Negative Covenants. Each Seller covenants that, until the Purchase Termination Date shall have occurred with respect to such Seller and there are no

amounts outstanding with respect to Purchased Receivables previously sold by such Seller to the Company.

(a) Receivables to be Accounts, General Intangibles or Chattel Paper. Such Seller will take no action to cause any Receivable to be evidenced by any "instrument" other than in compliance with Section 2.2(g) of the Servicing Agreement or, provided that the procedures set forth in Schedule 3 to the Pooling Agreement are fully implemented with respect thereto, an instrument which together with a security agreement constitutes "chattel paper" (each as defined in the Ontario PPSA). Such Seller will take no action to cause any Receivable to be anything other than an "account", "general intangible" or "chattel paper" (each as defined in the Ontario PPSA).

(b) Security Interests; Sale of Receivables. Except for the conveyances hereunder and as provided below, such Seller will not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any other Lien on any Receivable or Receivables Property, whether now existing or hereafter created, or any interest therein; such Seller will immediately notify the Company of the existence of any other Lien on any Receivable or Receivables Property; and such Seller shall defend the right, title and interest of the Company in, to and under the Receivables or Receivables Property, whether now existing or hereafter created, against all claims of third parties claiming through or under such Seller; provided, however, that nothing in this subsection 5.03(b) shall prevent or be deemed to prohibit such Seller from suffering to exist upon any of the Receivables any Permitted Lien.

(c) Extension or Amendment of Receivables. Such Seller will not extend, rescind, cancel, make any Dilution Adjustment to, amend or otherwise modify, or attempt or purport to extend, rescind, cancel, make any Dilution Adjustment to, amend or otherwise modify, the terms of any Purchased Receivables, except in any such case (i) in accordance with the terms of the Policies, (ii) as required by any Requirement of Law or (iii) in the case of Dilution Adjustments (whether or not permitted by any other clause of this sentence), upon making a Seller Adjustment Payment pursuant to Section 2.05.

(d) Change in Business. Such Seller will not make or permit to be made any change in the character of its business in any material respect if such change could reasonably be expected to have a Material Adverse Effect.

(e) Change in Policies. Such Seller shall not make or permit to be made any change in the Policies in any material respect, except (i) if such changes or modifications are required under any Requirement of Law, (ii) if such changes or modifications would not reasonably be expected to have a Material Adverse Effect or (iii) if the Rating Agency Condition is satisfied with respect thereto.

(f) Change in Name. Such Seller will not change its name, identity or corporate structure in any manner including by way of any merger, consolidation, amalgamation, liquidation, a winding up or dissolution which would or might make

any Registration relating to this Agreement incorrect or require any amendment or additional Registration with respect thereto, or otherwise impair the perfection or protection of the Company's interest in any Receivable under any other similar law, without having (i) delivered 30 days' prior written notice to the Company, the Servicer and the Trustee and (ii) taken all action required by subsection 5.01(a).

(g) Change in Payment Instructions to Obligors. Such Seller shall not instruct any Obligor of any Purchased Receivables to make any payments with respect to any Receivables other than to a Lockbox, a Lockbox Account, an Eligible Segregated Account or the Collection Account or otherwise in accordance with the Servicing Agreement.

(h) Accounting Changes. Such Seller shall not prepare any financial statements (other than consolidated financial statements) which shall account for the transactions contemplated hereby in any manner other than as a sale of the Purchased Receivables by such Seller to the Company nor, except as required by law, in any other respect (other than for tax purposes) account for or treat the transactions contemplated hereby (including for financial accounting purposes) in any manner other than as sales of the Purchased Receivables originated by such Seller to the Company.

(i) Ineligible Receivables. Such Seller shall not take any action to cause an Eligible Receivable to cease to be an Eligible Receivable, except in any such case upon making a Seller Repurchase Payment pursuant to Section 2.06; provided, however, that in no event shall an Eligible Receivable becoming an Aged Receivable constitute a breach of this paragraph (i).

ARTICLE VI
PURCHASE TERMINATION EVENTS

Section 6.01. Purchase Termination Events. If, with respect to any Seller, any of the following events (each, a "Purchase Termination Event" with respect to such Seller) shall have occurred and be continuing:

(a) Such Seller shall fail to make any payment or deposit to be made by it hereunder when due and such failure shall remain unremedied for five Business Days; or

(b) There shall have occurred (i) an Early Amortization Event set forth in Section 7.01 of the Pooling Agreement or (ii) the Amortization Period with respect to all Outstanding Series shall have occurred and be continuing; or

(c) Any representation or warranty made or deemed to be made by such Seller or any of its officers under or in connection with any Transaction Document, Daily Report, Monthly Settlement Statement or other information, statement, record, certificate, document or report delivered pursuant to a Transaction Document shall prove to have been false or incorrect in any material respect when made or deemed

made (including in each case by omission of material information necessary to make such representation, warranty, certificate or statement not misleading); provided, however, that no such event shall constitute a Purchase Termination Event unless such event shall continue unremedied for a period of 30 days from the earlier of (A) the date any Responsible Officer of such Seller obtains knowledge thereof and (B) the date such Seller receives notice of the incorrectness of such representation or warranty from the Company or the Trustee; provided, further,that a Purchase Termination Event shall not be deemed to have occurred under this paragraph (c) based upon a breach of any representation or warranty set forth in Section 4.02 with respect to any Receivable if the Sellers shall have complied with the provisions of Sections 2.06 or 2.11, as the case may be; or

(d) Such Seller shall fail to perform or observe any other term, covenant or agreement contained herein; provided, however, that no failure to perform or observe any other term, covenant or agreement contained herein shall constitute a Purchase Termination Event unless such event shall continue unremedied for a period of 30 days from the earlier of (A) the date any Responsible Officer of such Seller obtains knowledge of such failure and (B) the date such Seller receives notice of such failure from the Company or the Trustee; provided, further, that a Purchase Termination Event shall not be deemed to have occurred under this paragraph (d) based upon a breach of any covenant set forth in subsection 5.01(c), (f) or (g) or Section 5.03 with respect to any Receivable if the Sellers shall have complied with the provisions of Sections 2.06 or 2.11, as the case may be; or

(e) Any Transaction Document to which such Seller is a party shall cease, for any reason, to be in full force and effect, or WESCO Canada or such Seller shall so assert in writing, or the Company shall fail to have a valid and perfected first priority ownership interest in substantially all of the Receivables and the Receivables Property; or

(f) (i) such Seller shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors (including, without limitation, the Companies Creditor's Arrangement Act (Canada)), seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, receiver manager, administrator, inspector, liquidator or other similar official for it or for all or any substantial part of its assets or any such person shall be privately appointed in respect of such Seller or all or any substantial part of its assets and such appointment is not set aside or stayed within 30 days after the date that such appointment was made, provided that such 30 day period shall only apply if such appointment was not consented to or acquiesced and is being actively and diligently contested in good faith by appropriate proceedings, or such Seller shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against such Seller any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for

relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against such Seller or any of its Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof, or all or any substantial part of the property of such Seller shall be seized or repossessed by any creditor pursuant to applicable law, and such seizure or repossession shall not be set aside or otherwise reversed within 60 days; or (iv) such Seller or any of its respective Subsidiaries shall take any action in furtherance of any of the acts set forth in clause (i), (ii), or (iii) above; or (v) such Seller shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) WESCO has been terminated as Servicer following a Servicer Default with respect to WESCO under the Servicing Agreement; or

(h) there shall be filed against such Seller a notice of any other Lien, the existence of which could reasonably be expected to have a Material Adverse Effect unless there has been delivered to the Trustee proof of release of, or payment of amounts secured by, such Lien;

then, (x) in the case of any Purchase Termination Event described in paragraph (b)(i) or (f) (other than clause (v) thereof), the obligation of the Company to purchase Receivables shall thereupon automatically terminate without further notice of any kind, which is hereby waived by such Seller, (y) in the case of any Purchase Termination Event described in paragraph (b)(ii) above, the obligation of the Company to purchase Receivables shall thereupon terminate without notice of any kind, which is hereby waived by such Seller, unless both the Company and such Seller agree in writing that such event shall not trigger an Early Termination hereunder and (z) in the case of any other Purchase Termination Event, so long as such Purchase Termination Event shall be continuing, the Company may terminate its obligation to purchase Receivables from such Seller by written notice to such Seller (any termination with respect to any Seller pursuant to clause (x), (y) or (z) of this Article VI is herein called an "Early Termination" with respect to such Seller); provided, however, that in the event of (A) the filing of any notice of Lien described in paragraph (h) above or (B) an involuntary petition or proceeding as described in paragraphs (f)(ii) and (f)(iii) above, the Company shall not purchase Receivables from such Seller until such time, if any, as such Lien is released or paid (and evidence of such release is received and verified by S&P) as described above or such involuntary petition or proceeding has been dismissed; provided, further, that in the case of clause (B) such dismissal shall have occurred within 60 days of the filing of such petition or the commencement of such proceeding; provided, further, that upon the occurrence of an Early Termination of a Seller, such Seller shall have no further obligation to sell any additional Receivables to the Company. Notwithstanding anything to the contrary in this Section 6.01, a delay in or failure of performance referred to under clause (a) above for a period of 10 Business Days after the applicable grace period shall not constitute a Purchase

Termination Event, if such delay or failure could not have been prevented by the exercise of reasonable diligence by such Seller and such delay or failure was caused by a Force Majeure Delay.

Section 6.02. Additional Remedies. (a) Upon the occurrence of any Purchase Termination Event, the Company shall have, in addition to all other rights and remedies under this Agreement or otherwise all other rights and remedies provided under the PPSA of each applicable jurisdiction and other applicable laws, which rights shall be cumulative. Without limiting the foregoing, the occurrence of a Purchase Termination Event shall not deny to the Company any remedy (in addition to termination of the Company's obligation to purchase Receivables from any relevant Seller or Sellers) to which the Company may be otherwise appropriately entitled, whether by statute or other applicable law, at law or in equity.

(b) In the absence of a Purchase Termination Event under Section 6.01(b)(i) or (f), it is understood and agreed that the Company will not exercise the rights granted to it pursuant to Section 2.01(f).

ARTICLE VII
INDEMNIFICATION; EXPENSES; COSTS

Section 7.01. Indemnities by the Sellers. WESCO Canada and the other Sellers (other than those Sellers from which the Company has no Receivables outstanding at such time) agree (i) to pay or reimburse the Company for all its costs and expenses incurred in connection with the enforcement or preservation of any rights against any Seller under this Agreement, including, without limitation, the reasonable fees and disbursements of counsel to the Company on a solicitor-client basis, (ii) to pay, indemnify and hold the Company harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay caused by the Seller in paying, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement and any such other documents, and (iii) without limiting any other rights that the Company may have hereunder or under applicable law, to indemnify the Company from and against any and all claims, losses and liabilities (including reasonable attorneys' fees) (all the foregoing being collectively referred to as "Indemnified Amounts") arising out of or resulting from any of the following, excluding, however, Indemnified Amounts (a) to the extent resulting from the gross negligence or willful misconduct of the Company, (b) arising solely from a delay in payment, or default by, an Obligor with respect to any Receivable (other than any delay of default arising out of any discharge, claim, offset or defense (other than discharge in bankruptcy of the Obligor or otherwise in respect of a Charged-Off Receivable) of the Obligor to the payment of any Transferred Receivable arising from the actions of such Seller (including, without limitation, a defense based on such Transferred Receivable's not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms) or (c) attributable to any income or franchise taxes imposed on (or measured by) the Company's net income:

(a) the transfer by such Seller of any interest in any Receivable or Receivables Property or proceeds thereof to a Person other than the Company;

(b) reliance on any representation or warranty or statement made or deemed made by such Seller (or any of its officers) under or in connection with this Agreement or in any certificate or report delivered pursuant hereto that, in either case, shall have been false or incorrect in any material respect when made or deemed made;

(c) the failure by such Seller to comply with any applicable law, rule or regulation of any governmental authority with respect to any Receivable or Receivables Property, or the nonconformity of any Receivable or Receivables Property with any such applicable law, rule or regulation;

(d) the failure to vest and maintain vested in the Company an ownership interest in any Receivable or Receivables Property, free and clear of any Lien, other than a Lien arising under the Transaction Documents, whether existing at the time of the purchase of such Receivable or Receivables Property or at any time thereafter;

(e) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the PPSA of any applicable jurisdiction or other applicable laws with respect to any Receivables or Receivables Property of such Seller;

(f) any dispute, claim, offset or defense of the Obligor to the payment of any Receivable (including, without limitation, a defense based on such Receivable or the related Contract not being fully enforceable against the Obligor in accordance with its terms), or any other claim resulting from the sale of the merchandise or services related to any such Receivable or the furnishing or failure to furnish such merchandise or services;

(g) any failure of such Seller to perform its duties or obligations under this Agreement;

(h) any products liability claim arising out of or in connection with merchandise, insurance or services that are the subject of any Receivable or Receivables Property;

(i) the commingling of Collections at any time with other funds of such Seller;

(j) any claim involving environmental liability that relates to any property that has been, is now or hereafter will be owned, leased, operated or otherwise used by such Seller;

(k) any tax or governmental fee or charge (but not including franchise taxes and taxes upon or measured by net income of the Company), all interest and penalties thereon or with respect thereto, and all out-of-pocket costs and expenses, including the reasonable fees and expenses of counsel in defending against the same, which may arise by reason of the purchase or ownership of any Receivable or Receivables Property, or any interest therein or in

any merchandise which secure any such Receivables, any Receivables Property or any other rights or assets transferred hereunder; or

(l) any investigation, litigation or proceeding related to this Agreement or in respect of any Receivable or Receivables Property of such Seller.

The Sellers shall pay on demand to the Company any and all amounts necessary to indemnify the Company from and against any and all Indemnified Amounts. Notwithstanding the foregoing, such Sellers shall not under any circumstances be required to indemnify the Company for any Indemnified Amounts that result from any delay in the collection of any Receivables or any default by an Obligor with respect to any Receivables.

Section 7.02. Indemnities by the Company. Without limiting any other rights that the Sellers may have hereunder or under applicable law, the Company hereby agrees to indemnify each Seller from and against any and all claims, losses and liabilities (including reasonable legal fees and disbursements on a solicitor-client basis) arising out of or resulting from such Seller's reliance on any representation or warranty made by the Company in this Agreement or in any certificate delivered pursuant hereto that, in either case, shall have been false or incorrect in any material respect when made or deemed made; provided, however, that any payments made by the Company in respect of any of the foregoing items shall be made solely from funds available to the Company which are not otherwise required to be applied to the payment of any amounts pursuant to any Pooling and Servicing Agreements (other than to the Company), shall be non-recourse other than with respect to such funds and shall not constitute a claim against the Company to the extent that insufficient funds exist to make such payment.

ARTICLE VIII
SELLER NOTE

Section 8.01. Seller Note. (a) On the initial Effective Date, the Company shall issue to each Seller, or to such other personal affiliated with the Seller as the Seller may direct in writing, a note substantially in the form of Exhibit A (as amended, supplemented or otherwise modified from time to time, the "Seller Note"). The aggregate principal amount of the Seller Note at any time shall be equal to the difference between (a) the aggregate principal amount on the issuance thereof and each addition to the principal amount of such Seller Note with respect to each Seller pursuant to the terms of Section 2.03 as of such time, minus (b) the aggregate amount of all payments made in respect of the principal of such Seller Note as of such time. All payments made in respect of the Seller Note shall be allocated among the Sellers by the Servicer. Each Seller's interest in the Seller Note (or, if a Seller has directed issuance of the note to another person, such person's interest in the Seller Note) shall equal the sum of each addition thereto allocated to such Seller pursuant to subsection 2.03(c) less the sum of each repayment thereof allocated to such Seller. All payments made in respect of the Seller Note shall be allocated, first, to pay accrued and unpaid interest thereon, and second, to pay the outstanding principal amount thereof. Interest on the outstanding principal amount of the Seller Note shall accrue on the last day of each

Settlement Period at a rate per annum equal to the Reference Rate in effect from time to time plus 2% from and including the initial Effective Date to but excluding the last day of each Settlement Period and shall be paid (x) on each Distribution Date with respect to the principal amount of the Seller Note outstanding from time to time during the Settlement Period immediately preceding such Distribution Date and/or (y) on the maturity date thereof; provided, however, that, to the maximum extent permitted by law, accrued interest on the Seller Note which is not so paid shall be added, at the request of such Seller, to the principal amount of the Seller Note. Principal hereunder not paid or prepaid pursuant to the terms hereof shall be payable on the maturity date of the Seller Note. Default in the payment of principal or interest under the Seller Note shall not constitute a Purchase Termination Event under this Agreement, a Servicer Default under any Servicing Agreement or an Early Amortization Event under the Pooling Agreement or any Supplement thereto.

Section 8.02. Restrictions on Transfer of Seller Note. Neither the Seller Note, nor any right of any Seller or other person to receive payments thereunder, shall be assigned, transferred, exchanged, pledged, hypothecated, participated or otherwise conveyed to Wesco Deistribution, Inc. and except as provided in the Credit Agreement and the security documents related thereto.

Section 8.03. Aggregate Amount. Anything herein to the contrary notwithstanding, the Company may not make any payment of any Purchase Price in the form of Indebtedness of the Company under the Seller Note unless (i) at the time of such payment and after giving effect thereto, the fair market value of the Company's assets, including beneficial interests in, or indebtedness of, a trust and all Receivables and Receivables Property the Company owns, is greater than the amount of its liabilities, including its liabilities on the Seller Note and all interest and other fees due and payable under any Pooling and Servicing Agreements and the other Transaction Documents plus $45,000,000 and (ii) the aggregate principal amount of Indebtedness evidenced by the Seller Note, incurred on or before such Payment Date and outstanding on such Payment Date (after giving effect to all repayments thereof on or before such Payment Date) would not exceed 25% of the outstanding balance of the Receivables on such Payment Date.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Amendment. Neither this Agreement nor any of the terms hereof may be amended, supplemented or modified except in a writing signed by the Company and the Sellers. Any amendment, supplement or modification shall not be effective until the Rating Agency Condition, if applicable, has been satisfied.

Section 9.02. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile communication) and shall be personally delivered or sent by certified or registered mail, postage-prepaid, by facsimile or by overnight courier, to the intended party at the address or facsimile number of such party set forth under its name on the signature pages hereof or at such other address or facsimile number as shall be designated by such party in a written

notice to the other parties hereto given in accordance with this Section 9.02; provided, however, that no notices or other communications may be sent by mail during any actual or apprehended disruption of postal services in the jurisdiction of the intended recipient of such notice or other communication. Copies of all notices and other communications provided for hereunder shall be delivered, if to the Trustee, at its address at 450 West 33rd Street, New York, New York 10001, Attention: Structured Finance Services, and if to the Servicer, at its address set forth on Schedule 4. All notices and communications provided for hereunder shall be effective, (a) if personally delivered by express mail or courier, when received, (b) if sent by certified or registered mail, five Business Days after having been deposited in the mail, postage prepaid and (c) if transmitted by facsimile, when sent, receipt confirmed by telephone or electronic means.

Section 9.03. No Waiver; Remedies. No failure on the part of the Company, the Sellers or the Agents to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 9.04. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Sellers and the Company and their respective successors (whether by merger, consolidation or otherwise) and assigns. Each Seller agrees that it will not assign or transfer all or any portion of its rights or obligations hereunder other than as permitted in section 8.01 and section 8.02 hereof, without the prior written consent of the Company and the Trustee. Each Seller hereby acknowledges and consents to the assignment by the Company of the Receivables and Receivables Property and the rights and remedies of the Company under this Agreement to the Trustee for the benefit of the Certificateholders pursuant to the Pooling and Servicing Agreements. Each Seller hereby acknowledges and consents that the Company will grant a security interest in the Lockbox Accounts, the Collection Account and the Eligible Segregated Accounts to the Trust and the Trustee for the benefit of the Certificateholders. Each Seller agrees to take any action that the Company or the Trust may reasonably request in connection with such assignment or security interest. Each Seller agrees that the Trustee shall be entitled to enforce the terms of this Agreement and the rights (including, without limitation, the right to grant or withhold any consent or waiver or give any notice) of the Company directly against such Seller, whether or not a Purchase Termination Event or a Termination Event has occurred and that so long as any Investor Certificates are outstanding no consent, waiver or notice given hereunder by the Company shall be effective unless the Trustee has given its written consent thereto. Each Seller further agrees that, in respect of its obligations hereunder, it will act at the direction of, and in accordance with, all requests and instructions from the Trustee until all amounts due to the Investor Certificateholders are paid in full. The Parties acknowledge that the Company holds all rights of the Trustee and the Investor Certificateholders hereunder, in trust for the benefit thereof and accordingly, each of the Trustee and the Investor Certificateholders shall have the rights of third-party beneficiaries under this Agreement.

Section 9.05. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE

PROVINCE OF ONTARIO, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS, EXCEPT AS REQUIRED BY MANDATORY PROVISIONS OF LAW.

Section 9.06. Jurisdiction; Consent to Service of Process. (a) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Transaction Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Company may otherwise have to bring any action or proceeding relating to this Agreement or the other Transaction Documents against any Seller or its properties in the courts of any jurisdiction.

(b) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent they may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Transaction Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.02. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.07. Integration. This Agreement and the other Transaction Documents contain a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and thereof and shall together constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof, superseding all prior oral or written understandings.

Section 9.08. Captions and Cross References. The various captions (including, without limitation, the table of contents) in this Agreement are provided solely for convenience of reference and shall not affect the meaning or interpretation of any provision of this Agreement.

Section 9.09. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

Section 9.10. No Petition in Bankruptcy. Each Seller covenants and agrees that prior to the date which is one year and one day after the date of termination of this Agreement pursuant to Section 9.13, it will not institute against or join any other Person in instituting against the Company any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any State of the United States.

Section 9.11. Addition of Sellers. Subject to the terms and conditions hereof, from time to time one or more wholly-owned Subsidiaries of WESCO Canada may become additional Sellers parties hereto. If any such Subsidiary wishes to become an additional Seller, WESCO Canada shall submit a request to such effect in writing to the Company. Such wholly-owned Subsidiary shall become an additional Seller party hereto on the related Seller Addition Date upon satisfaction of the conditions set forth in Section 3.02 and the conditions, if any, set forth in the Pooling and Servicing Agreements.

Section 9.12. Treatment of Sellers other than WESCO Canada; Termination Thereof. (a) WESCO Canada hereby covenants and agrees with the Company that WESCO Canada shall not permit any Seller (other than WESCO Canada) at any time to cease to be a wholly-owned Subsidiary of WESCO, except as provided in the following paragraph (b).

(b) If WESCO Canada wishes to permit any Seller to cease to be a wholly-owned Subsidiary of WESCO Canada, then WESCO Canada shall submit a request (a "Seller Termination Request") to such effect in writing to the Company, which request shall be accompanied by a certificate prepared by a Responsible Officer of the Servicer indicating the Purchased Receivables Percentage applicable to such Seller as of the date of submission of such request (the "Seller Termination Request Date"). Subject to the terms and provisions hereof and of the Pooling and Servicing Agreements, the relevant Seller shall be terminated as a Seller hereunder immediately upon the consummation of the transaction in connection with which such Seller ceases to be a wholly-owned Subsidiary of WESCO Canada. From and after the date any such Seller is terminated as a Seller pursuant to this subsection, the Seller shall cease selling, and the Company shall cease buying, Receivables and Receivables Property from such Seller and in the case of the termination of a Seller, an "Early Termination" shall deemed to have occurred with respect to such Seller.

(c) A terminated Seller shall have no further obligation under any Transaction Document, other than pursuant to Sections 2.05, 2.06 and 2.11, with respect to Receivables previously sold by it to the Company.

Section 9.13. Termination. This Agreement will terminate at such time as (a) an Early Termination shall have occurred with respect to all Sellers herewith and (b) all Receivables purchased hereunder have been collected, and the proceeds thereof turned over to the Company and all other amounts owing to the Company hereunder shall have been paid in full or, if Receivables sold hereunder have not been collected, such Receivables have become Charged-Off Receivables and the Company shall have completed its collection efforts with respect thereto; provided, however, that the indemnities of the Sellers to the Company set forth in Article 7 of this Agreement shall survive such termination and provided, further, that the Company shall remain entitled to receive any Collections on Receivables sold hereunder which have become Charged-Off Receivables.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE SELLERS:

WESCO Distribution-Canada, Inc.

By:/s/ [ILLEGIBLE]

Name:
Title:

Address:
Commerce Court
4 Station Square, Suite 700
Pittsburgh, PA 15219
Telephone: (412) 454-2254
Facsimile: (412) 454-2555

THE COMPANY:

WESCO RECEIVABLES CORP.

By:/s/ [ILLEGIBLE]

Name:
Title:

Address:
Commerce Court
4 Station Square
Pittsburgh, PA 15219
Telephone: (412) 454-2270
Facsimile: (412) 454-2555

THE SERVICER:

WESCO Distribution, Inc.

By:/s/ [ILLEGIBLE]

Name:
Title:

Address:
Commerce Court
4 Station Square, Suite 700
Pittsburgh, PA 15219
Telephone: (412) 454-2283
Facsimile: (412) 454-2555

Exhibit 10.17

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WESCO RECEIVABLES CORP.,
as Company,

WESCO DISTRIBUTION, INC.,
as Servicer,

and

THE CHASE MANHATTAN BANK,
as Trustee

on behalf of the Holders

WESCO RECEIVABLES MASTER TRUST

POOLING AGREEMENT

Dated as of June 5, 1998

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POOLING AGREEMENT, dated as of June 5, 1998, among WESCO Receivables Corp., a Delaware corporation (the "Company"); WESCO Distribution, Inc., a Delaware corporation ("WESCO"), in its capacity as servicer (the "Servicer"); and The Chase Manhattan Bank, a New York banking corporation, not in its individual capacity, but solely as trustee (in such capacity, the "Trustee").

W I T N E S S E T H :

WHEREAS, as of the date hereof, (i) the Company, the Servicer and the Sellers (as hereinafter defined) are entering into a U.S. Receivables Sale Agreement (as amended, supplemented or otherwise modified from time to time, the "U.S. Receivables Sale Agreement") and a Canadian Receivables Sale Agreement (as amended, supplemented or otherwise modified from time to time, the "Canadian Receivables Sales Agreement", collectively with the U.S. Receivables Sale Agreement, the "Receivables Sale Agreements") and (ii) the Company, the Servicer, the Sellers, in their capacities as servicers of the Receivables (in such capacities, the "Sub-Servicers"), and the Trustee are entering into a Servicing Agreement (as amended, supplemented or otherwise modified from time to time, the "Servicing Agreement"); and

WHEREAS, the parties hereto wish to enter into this Agreement in order to create a master trust to which the Company will transfer all of its right, title and interest in, to and under the Receivables and other Trust Assets now or hereafter owned by the Company, or in which the Company has an interest, and such master trust shall, from time to time at the direction of the Company, issue one or more Series of Investor Certificates which shall represent interests in the Receivables and such other Trust Assets as specified herein and in the Supplement related to such Series.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Whenever used in this Agreement, the following words and phrases shall have the following meanings:

"Accounts" shall have the meaning specified in subsection 2.1(a)(v) of this Agreement.

"Adjusted Invested Amount" shall have, with respect to any Outstanding Series, the meaning assigned to such term in the related Supplement for such Series.

"Affiliate" shall mean, with respect to any specified Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person; provided that a Person shall not be deemed an Affiliate of another Person solely by reason of an individual serving as an officer or director of

such other Person. For purposes of this definition, "control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Aged Receivable" shall mean, as of any date of determination, any Receivable (a) which is unpaid in whole or in part, (i) in the case of a Receivable other than a Construction Receivable or a BEAR Receivable, for more than 121 days after its original invoice date, (ii) in the case of a Construction Receivable, for more than 151 days after its original invoice date or (iii) in the case of a BEAR Receivable, for more than 91 days after its original invoice date or (b) which is, as of such date of determination, a Charged-Off Receivable.

"Agent" shall mean, with respect to any Series, the Person or Persons, if any, so designated in the related Supplement.

"Aggregate Adjusted Invested Amount" shall mean, with respect to any date of determination, the sum of the Adjusted Invested Amounts with respect to all Outstanding Series on such date of determination.

"Aggregate Allocated Receivables Amount" shall mean, with respect to any date of determination, the sum of the Allocated Receivables Amounts with respect to all Outstanding Series on such date of determination.

"Aggregate Daily Collections" shall mean, with respect to any Business Day, the aggregate amount of all Collections deposited into the Collection Accounts which first became Available Funds after 1:00 p.m., New York City time, on the prior Business Day and prior to 1:00 p.m., New York City time, on such Business Day; provided, that during the first three Business Days following the Issuance Date for Series 1998-1 Certificates, Aggregate Daily Collections will not include Collections which have become Available Funds from deposits made prior to such Issuance Date.

"Aggregate Invested Amount" shall mean, at any date of determination, the sum of the Invested Amounts with respect to all Outstanding Series on such date of determination.

"Aggregate Overconcentration Amount" shall mean, with respect to any date of determination, the sum of the Overconcentration Amounts of all Eligible Obligors at the end of the preceding Business Day.

"Aggregate Receivables Amount" shall mean, with respect to any date of determination, (i) the aggregate Principal Amount of all Eligible Receivables in the Trust at the end of the Business Day immediately preceding such date minus (ii) the Aggregate Overconcentration Amount for such date plus (iii) the Aggregate Uncleared Funds Amount; provided that for purposes of calculating the amounts in (i), (ii) and (iii) above, Canadian Dollar amounts will be converted into U.S. Dollars using the Valuation Price in lieu of the Canadian Exchange Percentage.

"Aggregate Target Receivables Amount" shall mean, with respect to any date of determination, the sum of the Target Receivables Amounts with respect to all Outstanding Series on such date of determination.

"Aggregate Uncleared Funds Amount" shall mean on any date, any amounts on deposit in any Eligible Segregated Account or Lockbox Account which were not Available Funds as of the last time that funds were transferred from such accounts to the Collection Accounts.

"Agreement" shall mean this Pooling Agreement and all amendments and modifications hereof and supplements hereto, and including, unless expressly stated otherwise, each Supplement.

"Allocable Charged-Off Amount" shall have, with respect to any Series, the meaning specified in subsection 3.1(e).

"Allocable Recoveries Amount" shall have, with respect to any Series, the meaning specified in subsection 3.1(e).

"Allocated Receivables Amount" shall mean, with respect to any Outstanding Series, the meaning assigned to such term in the related Supplement for such Series.

"Amortization Period" shall mean, with respect to any Outstanding Series, the meaning assigned to such term in the related Supplement for such Series.

"Authorized Foreign Exchange Dealer" shall mean any foreign exchange dealer authorized by applicable law to deal and engage in foreign exchange transactions relating to Canadian Dollars selected by the Servicer and reasonably acceptable to the Trustee.

"Available Funds" shall mean any funds which are immediately available funds on the applicable date of determination.

"BEAR Receivables" shall mean the Receivables described on Schedule 1B, the composition of which may change over time as provided in such Schedule.

"Book-Entry Certificates" shall mean the Certificates issued to a Clearing Agency to facilitate the use of book entries by such Clearing Agency to evidence ownership of beneficial interests in the Certificates, transfers of which beneficial interests shall be made through book entries by such Clearing Agency, all as described in Section 5.11; provided, however, that after the occurrence of a condition whereupon book-entry registration and transfer are no longer permitted and Definitive Certificates are issued to the Certificate Book-Entry Holders, such Certificates shall no longer be "Book-Entry Certificates".

"Business Day" shall mean any day other than (i) a Saturday or a Sunday or (ii) another day on which commercial banking institutions or trust companies in the State of New York or in the city where the Corporate Trust Office is located, are authorized or

obligated by law, executive order or governmental decree to be closed; provided that, when used in connection with the calculation of Certificate Rates which are determined by reference to the Eurodollar Rate, "Business Day" shall mean any Business Day on which dealings in Dollars between banks may be carried on in both London, England and New York, New York. The term "Business Day", as applied in Canada, shall not include any day on which commercial banking institutions or trust companies in Canada are authorized or obligated by law, executive order or governmental decree to be closed.

"Business Day Received" shall have the meaning specified in subsection 2.3(e) of the Servicing Agreement.

"Canada/Canadian Dollar Collection Account" shall have the meaning specified in subsection 3.1(b)(i).

"Canada/Canadian Dollar Collection Concentration Account" shall have the meaning specified in subsection 3.1(b)(i).

"Canada/U.S. Dollar Collection Account" shall have the meaning specified in subsection 3.1(b)(i).

"Canada/U.S. Dollar Collection Concentration Account" shall have the meaning specified in subsection 3.1(b)(i).

"Canadian Dollars" shall mean dollars in lawful currency of Canada.

"Canadian Dollar Receivables" shall mean Receivables payable in Canadian Dollars sold to the Company pursuant to the Canadian Receivables Sale Agreement and then transferred to the Trustee pursuant to this Agreement.

"Canadian Exchange Percentage" shall mean, at any date of determination, the rate at which Canadian Dollars may be exchanged into U.S. Dollars (expressed as the percentage of Canadian Dollars per U.S. Dollars), as reported in The Wall Street Journal on the immediately preceding Business Day. In the event that such rate does not appear in The Wall Street Journal on such immediately preceding Business Day, the Canadian Exchange Percentage shall be determined by reference to the relevant Bloomberg currency page (or, if such rate does not appear on any Bloomberg currency page, on the relevant page of the Reuters Monitor Money Rates Service) as of the close of business of the immediately preceding Business Day. In the event that such rate does not appear on any Bloomberg page or the relevant page of the Reuters Monitor Money Rates Service, the Canadian Exchange Percentage shall be determined by reference to such other publicly available service for displaying exchange rates with respect to Canadian Dollars as may be selected by the Trustee.

"Canadian Governmental Obligor" shall mean the government of Canada or the government of any province or other political subdivision thereof, and any agency,

authority, bureau, commission or instrumentality of, or any Person owned or controlled by, any thereof.

"Cash Dilution Payment" shall have the meaning specified in subsection 4.6(a) of the Servicing Agreement.

"Certificate" shall mean any Series of Investor Certificates.

"CBRS" shall mean CBRS Inc. or its successor.

"Certificate Book-Entry Holder" shall mean, with respect to a Book-Entry Certificate, the Person who is listed on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency, as the beneficial owner of such Book-Entry Certificate (directly or as an indirect participant, in accordance with the rules of such Clearing Agency).

"Certificate Rate" shall mean, with respect to any Series and Class of Certificates, the percentage interest rate (or formula on the basis of which such interest rate shall be determined) stated in the applicable Supplement.

"Certificate Register" shall mean the register maintained pursuant to Section 5.3, providing for the registration of the Certificates and transfers and exchanges thereof.

"Certificateholders' Interest" shall have the meaning specified in subsection 3.1(b).

"Charged-Off Receivables" shall mean all Receivables (or portions thereof) which, in accordance with the Policies of the applicable Seller, have or should have been written off as uncollectible, including without limitation the Receivables of any Obligor which becomes the subject of any voluntary or involuntary bankruptcy proceeding.

"Class" shall mean, with respect to any Series, any one of the classes of Certificates of that Series as specified in the related Supplement.

"Clean-Up Call Percentage" shall have, with respect to any Series, the meaning specified in the related Supplement for such Series.

"Clean-Up Call Repurchase Price" shall have the meaning specified in Section 9.2.

"Clearing Agency" shall mean each organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended.

"Clearing Agency Participant" shall mean a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency

effects book-entry transfers and pledges of securities deposited with such Clearing Agency.

"Collection Accounts" shall mean the collective reference to the U.S. Dollar Collection Account, the Canada/U.S. Dollar Collection Account and the Canada/Canadian Dollar Collection Account and shall include, without limitation, all subaccounts thereof.

"Collection Concentration Accounts" shall have the meaning specified in subsection 3.1(b)(i).

"Collections" shall mean all collections, including the Aggregate Uncleared Funds Amount, and all amounts received in respect of the Receivables, including Recoveries, Seller Repurchase Payments, Seller Adjustment Payments, Servicer Indemnification Amounts paid by the Servicer and any other payments received in respect of Dilution Adjustments, together with all collections received in respect of the Related Property in the form of cash, checks, wire transfers or any other form of cash payment, and all proceeds of Receivables and collections thereof (including, without limitation, collections constituting an account or general intangible or evidenced by a note, instrument, letter of credit, security, contract, security agreement, chattel paper or other evidence of indebtedness or security, whatever is received upon the sale, exchange, collection or other disposition of, or any indemnity, warranty or guaranty payable in respect of, the foregoing and all "proceeds", as defined in Section 9-306 of the UCC as in effect in the State of New York, of the foregoing or, if applicable, as defined under the PPSA as in effect in the Province of Ontario).

"Collector" shall mean any branch or employee of the Servicer or any Sub-Servicer authorized to collect payments in respect of Receivables in accordance with the Policies of the Seller which generated such Receivables.

"Company" shall mean WESCO Receivables Corp., a Delaware corporation.

"Company Collection Subaccount" shall have the meaning specified in subsection 3.1(a).

"Company Exchange" shall have the meaning specified in subsection 5.10(a).

"Company Interest" shall have the meaning specified in subsection 3.1(b).

"Construction Receivables" shall mean the Receivables described on Schedule 1A.

"Contractual Obligation" shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Corporate Trust Office" shall mean the principal office of the Trustee at which at any particular time its corporate trust business shall be administered, which office at

the date of the execution of this Agreement is located at 450 West 33rd St., New York, New York 10001 (Attention: Structured Finance Services).

"Counterparty" shall mean a Person who is a party to a Required Currency Hedge with the Company.

"Credit Enhancer" shall mean, with respect to any Outstanding Series, that Person, if any, designated as such in the applicable Supplement.

"Cut-Off Date" shall mean the close of business on [May 28] [June 1], 1998.

"Daily Report" shall have the meaning specified in subsection 4.1 of the Servicing Agreement.

"DBRS" shall mean Dominion Bond Rating Service Limited, or its successor.

"Definitive Certificates" shall have the meaning specified in Section 5.11.

"Deposit Date" shall have the meaning specified in subsection 3.1(d).

"Depository" shall mean, with respect to any Series, the Clearing Agency designated as the "Depository" in the related Supplement.

"Depository Agreement" shall mean, with respect to any Series, an agreement among the Company, the Trustee and a Clearing Agency, or a letter of undertaking to a Clearing Agency by the Company and the Trustee, in each case in a form reasonably satisfactory to the Trustee and the Company.

"Dilution Adjustments" shall mean any rebates, administrative fees, discounts, credit memos, refunds, non-cash payments or other adjustments (including, without limitation, as a result of the application of any special or other discounts or any reconciliations) in respect of any Receivable, the amount owing for any returns (including, without limitation, as a result of the return of any defective goods) or cancellations and the amount of any other reduction in the amount owing under any Receivable (including, without limitation, any elimination of service charges), in each case granted, permitted or made by the applicable Seller or the Servicer to the related Obligor, provided that a "Dilution Adjustment" does not include any Charged-Off Receivable.

"Distribution Date" shall mean, except as otherwise set forth in the applicable Supplement, the 20th day of each calendar month, beginning on July 20th, 1998, or if such 20th day is not a Business Day, the next succeeding Business Day.

"Dollars," "U.S. Dollars", "U.S. $" and "$" shall mean dollars in lawful currency of the United States of America.

"Early Amortization Event" shall have, with respect to any Series, the meaning specified in Section 7.1 of this Agreement (without taking into account any Supplements) and in any Supplement for such Series.

"Early Amortization Period" shall have, with respect to any Series, the definition assigned to such term in Section 7.1 of this Agreement (without taking into account any Supplements) and in any Supplement for such Series.

"Early Termination" shall have the meaning assigned to such term in the Receivables Sale Agreement.

"Eligible Counterparty" shall mean a Counterparty with commercial paper or short-term deposit ratings of A-1 or P-1, or such other rating as shall be required in the Supplement setting forth the terms of the applicable Series of Investor Certificates. The initial Eligible Counterparty shall be The Chase Manhattan Bank.

"Eligible Institution" shall mean (a) with respect to accounts in the United States a depository institution or trust company (which may include the Trustee and its affiliates) organized under the laws of the United States of America or any one of the states thereof or the District of Columbia; provided, however, that at all times (i) such depository institution or trust company is a member of the Federal Deposit Insurance Corporation, (ii) the certificates of deposit or unsecured and uncollateralized debt obligations of such depository institution or trust company are rated in one of the two highest long-term rating categories or in the highest short-term rating category by each Rating Agency and (iii) such depository institution or trust company has a combined capital and surplus of at least $50,000,000, and (b) with respect to accounts in Canada a bank within the meaning of the Bank Act (Canada) or a trust company licensed under the laws of Canada or any province thereof; provided, however, that at all times (i) the certificates of deposit or unsecured and uncollateralized debt obligations of such depository institution or trust company are rated in one of the two highest long-term rating categories or in the highest short-term rating category by each Rating Agency and (ii) such depository institution or trust company has a combined capital and surplus of at least $50,000,000.

"Eligible Investments" shall mean any deposit accounts, book-entry securities, negotiable instruments or securities represented by instruments in bearer or registered form which evidence:

(a) direct obligations of, and obligations fully guaranteed as to timely payment by, the United States of America;

(b) federal funds, demand deposits, time deposits or certificates of deposit of an Eligible Institution;

(c) commercial paper rated, at the time of the investment or contractual commitment to invest therein, in the highest rating category by each Rating Agency rating such commercial paper;

(d) investments in money market funds (including funds for which the Trustee or any of its Affiliates is investment manager or adviser) rated in one of the two highest rating category by each Rating Agency rating such money market fund (provided, that if such Rating Agency is S&P, such rating shall be AAAm-G);

(e) bankers' acceptances issued by any depository institution or trust company referred to in clause (b) above;

(f) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America or any agency or instrumentality thereof the obligations of which are backed by the full faith and credit of the United States of America, in either case entered into with a depository institution or trust company (acting as principal) described in clause (b) above; or

(g) any other investment upon satisfaction of the Rating Agency Condition with respect thereto.

"Eligible Obligor" shall mean, as of any date of determination, each Obligor in respect of a Receivable that satisfies the following eligibility criteria:

(a) (i) it is a resident of the United States, its territories or possessions, or of Canada; provided, however, that if an Obligor is located in the Canadian Provinces of Newfoundland or the Northwest Territories, it shall not be deemed to be an Eligible Obligor until, as evidenced by an Opinion of Counsel, all actions are taken that are required to perfect the Company's and the Trust's ownership/security interest in the Receivables of such Obligor;

(b) if it is a Federal Government Obligor or a State/Local Government Obligor, then such Obligor shall be subject to the first proviso contained in the definition of "Overconcentration Amount";

(c) it is not a Seller or an Affiliate of a Seller;

(d) it is not a Canadian Governmental Obligor; and

(e) it is not the subject of any voluntary or involuntary bankruptcy proceeding;

provided, however, that (i) if 40% or more of the Principal Amount of Receivables, other than Construction Receivables or BEAR Receivables, of an Obligor (measured by the Principal Amount of Receivables of such Obligor in the Trust) is reported as being aged 151 days or more after the respective original invoice dates of such Receivables as at the end of the Settlement Period immediately preceding the most recent Settlement Report Date (commencing with the Settlement Report Date occurring on June 15, 1998), such Obligor shall not be deemed an Eligible Obligor until such time as the Servicer furnishes the Trustee with a report (which may be part of a Daily Report or a Monthly Settlement Statement) demonstrating that less than 40% of the Principal Amount of Receivables of such Obligor then in the Trust are aged 151 days or more after the respective original invoice dates of such Receivables, (ii) if 40% or more of

the Principal Amount of Receivables that are BEAR Receivables of an Obligor (measured by the Principal Amount of Receivables of such Obligor in the Trust) is reported as being aged 121 days or more after the respective original invoice dates of such Receivables as at the end of the Settlement Period immediately preceding the most recent Settlement Report Date (commencing with the Settlement Report Date occurring on June 15, 1998), such Obligor shall not be deemed an Eligible Obligor until such time as the Servicer furnishes the Trustee with a report (which may be part of a Daily Report or a Monthly Settlement Statement) demonstrating that less than 40% of the Principal Amount of Receivables of such Obligor then in the Trust are aged 121 days or more after the respective original invoice dates of such Receivables and (iii) if 40% or more of the Principal Amount of Receivables that are Construction Receivables of an Obligor (measured by the Principal Amount of Receivables of such Obligor in the Trust) is reported as being aged 181 days or more after the respective original invoice dates of such Receivables as at the end of the Settlement Period immediately preceding the most recent Settlement Report Date (commencing with the Settlement Report Date occurring on June 15, 1998), such Obligor shall not be deemed an Eligible Obligor until such time as the Servicer furnishes the Trustee with a report (which may be part of a Daily Report or a Monthly Settlement Statement) demonstrating that less than 40% of the Principal Amount of Receivables of such Obligor then in the Trust are aged 181 days or more after the respective original invoice dates of such Receivables.

"Eligible Receivable" shall mean, as of any date of determination, each Receivable owing by an Eligible Obligor that as of such date satisfies the following eligibility criteria:

(a) it constitutes either (i) an account within the meaning of Section 9-106 of the UCC of the State the law of which governs the perfection of the interest granted in it, (ii) chattel paper within the meaning of Section 9-105 of such UCC, subject, in the case of chattel paper, to compliance with the procedures set forth in Schedule 3 hereto; or (iii) a general intangible (to the extent that such Receivable includes interest, finance charges, returned check or late charges or sales or similar taxes) within the meaning of Section 9-106 of such UCC or, if applicable, one of either (i), (ii) or (iii), each under the PPSA of the pertinent province of Canada;

(b) it is not evidenced by an "instrument" (other than an instrument which constitutes or together with a security agreement constitutes "chattel paper" (each as defined in the UCC as in effect in any state, or as defined in similar Canadian provincial legislation, in which the Company's or the applicable Seller's chief executive office or books and records relating to such Receivable are located)) or any title in bearer form;

(c) it is not an Aged Receivable;

(d) the goods related to it shall have been shipped or the services related to it shall have been performed and such Receivable shall have been billed to the related Obligor;

(e) it is denominated and payable in U.S. Dollars or Canadian Dollars in the United States or Canada; provided that if (i) on any Distribution Date, the Required

Currency Hedge is not in place for the full Required Hedge Period or (ii) a Counterparty ceases to be an Eligible Counterparty and is not replaced with an Eligible Counterparty within 30 days, then Canadian Dollar Receivables will not be included for purposes of this subsection (e); and provided further that if on any Distribution Date, the Required Currency Hedge is for a notional amount less than the Required Hedge Notional Amount, then the Principal Amount of Canadian Dollar Receivables included for purposes of this subsection (e) will be limited to the actual notional amount of the Required Currency Hedge calculated using the Valuation Price.

(f) it arose in the ordinary course of business from the sale of goods, products or services of the relevant Seller and in accordance with the Policies of such Seller and, at such date of determination, no Early Termination has occurred with respect to such Seller;

(g) (i) it does not contravene any applicable law, rule or regulation and the applicable Seller is not in violation of any law, rule or regulation in connection with it, in each case which in any way renders such Receivable unenforceable or would otherwise impair in any material respect the collectibility of such Receivable and (ii) it is not subject to any investigation or proceeding known by such Seller that would reasonably be expected to adversely affect the payment or enforceability thereof;

(h) it is an account receivable representing all or part of the sales price of merchandise, insurance or services within the meaning of Section 3(c)(5) of the 1940 Act;

(i) (i) it is not a Receivable of a Seller Division which has not become a New Division or (ii) it is not a Receivable purchased by a Seller from any Person other than a Receivable purchased in connection with the acquisition by a Seller of the business unit or operating assets of another Person, so long as the Seller Division consisting of such business unit or operating assets has become a New Division and the conditions set forth on Schedule 7 hereto have been satisfied;

(j) it is not a Receivable for which the applicable Seller has established an offsetting specific reserve; provided that a Receivable subject only in part to the foregoing shall be an Eligible Receivable to the extent not so subject;

(k) it is not a Receivable, other than a Construction Receivable, with original payment terms in excess of 60 days from its original invoice date or a Construction Receivable with original payment terms in excess of 90 days, or in respect of which the applicable Seller has (i) altered the basis of the aging from the initial due date for payment such that the final due date extends to a date more than 60 days, in the case of a Receivable other than a Construction Receivable, or to a date more than 90 days, in the case of a Construction Receivable, from its original invoice date or (ii) otherwise made any modification except in the ordinary course of business and consistent with the Policies of such Seller;

(l) all required consents, approvals or authorizations necessary for the creation and enforceability of such Receivable and the effective assignment and sale thereof by

the applicable Seller to the Company and by the Company to the Trust shall have been obtained with respect to such Receivable;

(m) the applicable Seller is not in default in any material respect under the terms of the contract, if any, from which such Receivable arose; provided that if a series of Receivables arise under a single contract Receivables not subject to such default shall be an Eligible Receivable to the extent not so subject;

(n) all right, title and interest in it has been validly sold to the Company by the applicable Seller pursuant to the Receivables Sales Agreements;

(o) the Company or the Trust will have legal and beneficial ownership therein free and clear of all Liens other than such Liens described in clause (i) of the definition of Permitted Liens and such Receivable has been the subject of either a valid transfer from the Company to the Trust or, alternatively, the grant of a first priority perfected security interest therein to the Trust free and clear of all Liens other than such Liens described in clause (i) of the definition of Permitted Liens;

(p) it is not subject to any dispute in whole or in part or to any offset, counterclaim, defense, rescission, recoupment or subordination; provided that a Receivable subject only in part to any of the foregoing shall be an Eligible Receivable to the extent not so subject;

(q) it is at all times the legal, valid and binding obligation of the Obligor thereon, enforceable against such Obligor to pay the full Principal Amount thereof in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or law);

(r) each of the representations and warranties with respect thereto made in the Receivables Sale Agreements by the applicable Seller with respect to such Receivable is true and correct in all material respects; and

(s) at the time such Receivable was sold by the applicable Seller to the Company (i) under the U.S. Receivables Sale Agreement, no event described in subsection 6.01(f) (other than clause (v) thereof) of the U.S. Receivables Sale Agreement (without giving effect to any requirement as to the passage of time) had occurred with respect to such Seller or (ii) under the Canadian Receivables Sale Agreement, no event described in subsection 6.1(f) (other than clause (v) thereof) of the Canadian Receivables Sale Agreement (without giving effect to any requirement as to passage of time) had occurred with respect to such Seller.

"Eligible Segregated Account" shall mean (a) a segregated account or accounts maintained with a depository institution or trust company whose long-term unsecured debt obligations are rated in one of the three highest long-term or short-term rating categories by each Rating Agency rating such depository institution or trust company at the time of any deposit therein, provided, however, that if such obligations are only

rated by one of S&P or Moody's, such rating shall suffice, or (b) a segregated account or accounts maintained with a federal of state chartered depository institution subject to regulations regarding fiduciary funds on deposit substantially similar to 12 C.F.R. Section 9.10(b).

"Eligible Segregated Account Bank" shall mean any bank or depository institution with which an Eligible Segregated Account has been established.

"Eligible Segregated Account Bank Acknowledgment" shall have the meaning specified in subsection 2.3(b)(ii) of the Servicing Agreement.

"Eligible Successor Servicer" shall mean a Person which, at the time of its appointment as Servicer, (i) is legally qualified and has the corporate power and authority to service the Receivables transferred to the Trust, (ii) has demonstrated the ability to service a portfolio of similar receivables in accordance with the standards set forth in subsection 6.2(c) of the Servicing Agreement and (iii) has a combined capital and surplus of at least $5,000,000.

"Enhancement" shall mean, with respect to any Series, (i) the funds on deposit in or credited to any bank account (or subaccount thereof) of the Trust for the benefit of any Holders of such Series, (ii) any surety arrangement, any letter of credit, guaranteed rate agreement, maturity guaranty facility, tax protection agreement, interest rate swap, currency swap or other contract, agreement or arrangement, in each case for the benefit of any Holders of such Series, as designated in the applicable Supplement and (iii) the subordination of one Class of Certificates in a Series to another class in such Series or the subordination of any Certificate held or interest owned by the Company to the Investor Certificates of such Series.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Exchangeable Company Interest" shall have the meaning specified in subsection 3.1(a) and shall be exchangeable as provided in Section 5.10.

"Exchange Date" shall have the meaning, with respect to any Series issued pursuant to a Company Exchange, specified in Section 5.10.

"Exchange Notice" shall have the meaning, with respect to any Series issued pursuant to a Company Exchange, specified in Section 5.10.

"Federal Government Obligor" shall mean the United States federal government or any subdivision thereof or any agency, department or instrumentality thereof.

"Filing Trust Assets" shall have the meaning specified in subsection 2.1(e).

"Force Majeure Delay" shall mean, with respect to any Servicing Party, any cause or event which is beyond the control and not due to the negligence of such

Servicing Party which delays, prevents or prohibits the Servicer's delivery of Daily Reports and/or Monthly Settlement Statements, including, without limitation, acts of God or the elements and fire, but excluding strikes by any Servicing Party's employees; provided that no such cause or event shall be deemed to be a Force Majeure Delay unless the Servicer shall have given the Company and the Trustee written notice promptly after the beginning of such delay.

"Fractional Undivided Interest" shall mean the fractional undivided interest in the Certificateholders' Interest evidenced by an Investor Certificate.

"GAAP" shall mean generally accepted accounting principles in the United States of America and, where pertinent, in Canada as in effect from time to time.

"General Opinion" shall mean, with respect to any action, an Opinion of Counsel to the effect that (A) such action has been duly authorized by all necessary corporate action on the part of the Servicer, the applicable Seller or Sellers or the Company, as the case may be, (B) any agreement executed in connection with such action constitutes a legal, valid and binding obligation of the Servicer, the applicable Seller or Sellers or the Company, as the case may be, enforceable in accordance with the terms thereof, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereinafter in effect, affecting the enforcement of creditors' rights and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity), (C) such action does not violate any Requirement of Law or require any consent or filing thereunder, (D) such action does not result in a breach of, or default under any contractual obligation, or creation of any Lien, pursuant thereto and (E) any condition precedent to any such action specified in the applicable agreement, if any, has been complied with, which opinion in the case of clauses (D) or (E) may, to the extent that such opinion concerns questions of fact, rely on an Officer's Certificate with respect to such questions of fact.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Holders" shall mean the collective reference to (i) the Investor Certificateholders, (ii) the owner of the Exchangeable Company Interest and (iii) if applicable, the owner of each Series Subordinated Interest.

"Indebtedness" shall mean, with respect to any Person at any date, (a) all indebtedness of such Person for borrowed money, (b) any obligation owed for the deferred purchase price of property or services which purchase price is evidenced by a note or similar written instrument, (c) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money, (d) that portion of obligations of such Person under capital leases which is properly classified as a liability on a balance sheet in conformity with GAAP and (e) all Indebtedness referred to in clauses (a) through (d) above of another Person secured by

any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof.

"Independent Public Accountants" means any independent certified public accountants of nationally recognized standing which constitute one of the accounting firms commonly referred to as the "big six" accounting firms (or any successor thereto); provided that such firm is independent with respect to the Servicer within the meaning of Rule 2-01(b) of Regulation S-X under the Securities Act.

"Ineligible Receivable" shall have the meaning specified in Section 2.5.

"Initial Closing Date" shall mean June 5, 1998.

"Initial Invested Amount" shall mean, with respect to any Outstanding Series, the meaning assigned to such term in the related Supplement for such Series.

"Insolvency Event" shall mean the occurrence of any one or more of the Early Amortization Events specified in paragraph (a) of Section 7.1.

"Internal Operating Procedures Memorandum" shall mean the internal operating procedures memorandum prepared by the Trustee as set forth in Exhibit D hereto.

"Internal Revenue Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Invested Amount" shall mean, with respect to any Outstanding Series, the meaning assigned to such term in the related Supplement for such Series.

"Invested Percentage" shall mean, with respect to any Outstanding Series, the meaning assigned to such term in the related Supplement for such Series.

"Investment Earnings" shall have the meaning specified in subsection 3.1(c).

"Investor Certificateholder" shall mean the registered holder of, or the bearer of, an Investor Certificate.

"Investor Certificates" shall mean the Certificates executed by the Company and authenticated by or on behalf of the Trustee, substantially in the form attached to the applicable Supplement, but shall not include any Certificate held by the Company.

"Issuance Date" shall mean, with respect to any Series, the date of issuance of such Series, or the date of any issuance of additional certificates representing any increase to the Invested Amount of such Series, as specified in the related Supplement.

"Lien" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, deemed trust, hypothecation, encumbrance, charge or security interest in or on such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement relating to such asset and (c) in the

case of securities, any purchase option, call or other similar right of a third party with respect to such securities; provided, however, that if a lien is imposed under Section 412(n) of the Internal Revenue Code or Section 302(f) of ERISA for a failure to make a required installment or other payment to a plan to which Section 412(n) of the Internal Revenue Code or Section 302(f) of ERISA applies, then such lien shall not be treated as a "Lien" from and after the time any Person who is obligated to make such payment pays to such plan the amount of such lien determined under Section 412(n)(3) of the Internal Revenue Code or Section 302(f)(3) of ERISA, as the case may be, and provides to the Trustee, any Agent and each Rating Agency written evidence reasonably satisfactory to the Rating Agencies of the release of such lien, or such lien expires pursuant to Section 412(n)(4)(B) of the Internal Revenue Code or Section 302(f)(4)(B) of ERISA.

"Lockbox" shall mean the post office boxes listed on the applicable schedule to the Receivables Sale Agreements to which the Obligors are instructed to remit payments on the Receivables and/or such other post office boxes as may be established pursuant to Section 2.3 of the Servicing Agreement.

"Lockbox Account" shall mean each intervening bank account of the Company used by a Lockbox Processor for deposit of funds received in a Lockbox prior to their transfer to the Collection Accounts, which account may also be used by Collectors and other employees of the Servicing Parties for deposit of Collections received by such persons or direct payment by Obligors.

"Lockbox Agreement" shall mean, with respect to each Lockbox Processor, a lockbox agreement in substantially the form set forth as Exhibit A hereto, or such other form of lockbox agreement with a Lockbox Processor acceptable to each Agent, or if there are no Agents, which upon execution thereof the Rating Agency Condition is satisfied.

"Lockbox Bank" shall mean the depository institution that holds a Lockbox Account.

"Lockbox Processor" shall mean the depository institution or processing company (which may be the Trustee) which processes payments on the Receivables sent by the Obligors thereon forwarded to a Lockbox.

"Material Adverse Effect" shall mean (a) a material impairment of the ability of a Seller, a Servicing Party or the Company, as the case may be, to perform its obligations under the Transaction Documents, (b) a materially adverse effect on the business, operations, property or condition (financial or otherwise) of the Company, (c) a material impairment of the validity or enforceability of any of the Transaction Documents against a Seller, a Servicing Party or the Company, (d) a material impairment of the collectibility of the Receivables taken as a whole or (e) a material impairment of the interests, rights or remedies of the Trustee or the Investor Certificateholders under or with respect to the Transaction Documents or the Receivables taken as a whole.

"Monthly Servicing Fee" shall have the meaning specified in subsection 2.5(a) of the Servicing Agreement.

"Monthly Settlement Statement" shall have the meaning specified in Section 4.2 of the Servicing Agreement.

"New Division" shall mean any Seller Division which has satisfied the criteria for the addition of a Seller Division specified in any Pooling and Servicing Agreement.

"1940 Act" shall mean the Investment Company Act of 1940, as amended.

"Obligor" shall mean, with respect to any Receivable, the party obligated to make payments with respect to such Receivable, including any guarantor thereof.

"Officer's Certificate" shall mean, unless otherwise specified in this Agreement, a certificate signed by the President, Chief Financial Officer, Treasurer, Controller, or any Vice President of the Servicer or the Company, as the case may be, or, in the case of a Successor Servicer, a certificate signed by a Vice President and the financial controller (or an officer holding an office with equivalent or more senior responsibilities) of such Successor Servicer.

"Opinion of Counsel" shall mean a written opinion or opinions of one or more counsel (who, unless otherwise specified in this Agreement, may be internal counsel) to the Company or the Servicer, designated by the Company or the Servicer, as the case may be, which is reasonably acceptable to the Trustee.

"Optional Termination Notice" shall have, with respect to any Series, the meaning specified in the related Supplement for such Series.

"Outstanding Series" shall mean, at any time, a Series issued pursuant to an effective Supplement for which the Series Termination Date for such Series has not occurred.

"Overconcentration Amount" shall mean, at any date with respect to an Eligible Obligor, the Principal Amount of Eligible Receivables due from such Obligor at such date which, expressed as a percentage of the Principal Amount of all Eligible Receivables in the Trust at such date, exceeds the percentage set forth below for the applicable category of that Obligor at such date (or such higher percentage after giving effect to which the Rating Agency Condition is satisfied).

Minimum Rating		
S&P	Moody's	Percentage
A-1+ or AA	P-1 or Aa2	15%
A-1 or A+	P-1 or A1	10%
A-2 or BBB+	P-2 or Baa1	7.5%
A-3 or BBB-	P-3 or Baa3	2.5%
Not rated/other	Not rated/other /Not rated	2%

; provided, however, (i) that all Eligible Obligors that are Affiliates of each other shall be deemed to be a single Eligible Obligor to the extent the Servicer knows or has reason to know of the affiliation and in that case, the applicable debt rating for such group of Obligors shall be the debt rating of the ultimate parent of the group, (ii) that with respect to all Eligible Obligors that are Federal Government Obligors or State/Local Government Obligors, such Obligors shall, notwithstanding the foregoing, be deemed to be a single Eligible Obligor for which the applicable percentage set forth under the column headed "Percentage" above shall be 2%.

The percentage applicable to any Obligor (or the ultimate parent of the affiliated group of which such Obligor is a member, as the case may be) will be the percentage associated with the lowest of such Obligor's (or such ultimate parent's, as the case may be) short-term and long-term senior debt rating issued by S&P and Moody's; provided that, if S&P or Moody's issues no rating with respect to the debt of such Obligor (or such ultimate parent, as the case may be), then the percentage applicable to such Obligor (or such ultimate parent, as the case may be) shall be the percentage associated with the category "Not rated/other." The ratings specified in the table are minimums for each percentage category, so that a rating not shown in the table falls in the category associated with the highest rating shown in the table that is lower than that rating.

"Paying Agent" shall mean any paying agent and co-paying agent appointed pursuant to Section 5.6 and, unless otherwise specified in the related Supplement of any Outstanding Series and with respect to such Series, shall initially be the Trustee.

"Permitted Liens" shall mean, at any time, for any Person:

(i) Liens created pursuant to this Agreement or the Receivables Sale Agreements;

(ii) Liens for taxes, assessments or other governmental charges or levies not yet due and payable or if such Person shall currently be contesting the validity thereof in good faith by appropriate proceedings and with respect to

which reserves in conformity with GAAP have been provided on the books of such Person; and

(iii) Liens on a Receivable arising as a result of offsetting specific reserves and rights of set-off, counterclaim or other defenses with respect to such Receivable.

"Person" shall mean any individual, partnership, limited liability company, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Policies" shall mean, with respect to each Seller, the credit and collection policies and the returned goods policies of such Seller, copies of which have been delivered to the Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

"Pooling and Servicing Agreements" shall mean, collectively, this Agreement, the Servicing Agreement and each Supplement for an Outstanding Series.

"Potential Early Amortization Event" shall mean an event which, with the giving of notice and/or the lapse of time, would constitute an Early Amortization Event hereunder or under any Supplement for an Outstanding Series.

"Potential Servicer Default" shall mean an event which, with the giving of notice and/or the lapse of time, would constitute a Servicer Default.

"PPSA" shall have the meaning specified in the Canadian Receivables Sale Agreement.

"Prepayment Request" shall have, with respect to any Series, the meaning specified in the related Supplement.

"Principal Amount" shall mean, with respect to any Receivable payable in U.S. Dollars, the amount due thereunder and in the case of any Receivables payable in Canadian Dollars the amount of Canadian Dollars multiplied by the applicable Canadian Exchange Percentage.

"Principal Terms" shall have, with respect to any Series issued pursuant to a Company Exchange, the meaning specified in subsection 5.10(c).

"Rating Agency" shall mean, with respect to each Outstanding Series, any rating agency or agencies designated as such in the related Supplement; provided that in the event that no Outstanding Series has been rated, then for purposes of the definitions of "Eligible Institution", "Eligible Investments" and Section 2.3(b) of the Servicing Agreement, "Rating Agency" shall mean S&P and references to "each Rating Agency" shall refer solely to S&P.

"Rating Agency Condition" shall mean, subject to the applicable Supplement, with respect to any action, that each Rating Agency shall have notified the Company, the Servicer, any Agent and the Trustee in writing that such action will not result in a reduction or withdrawal of the rating of any Outstanding Series or any Class of any such Outstanding Series with respect to which it is a Rating Agency.

"Receivable" shall mean the indebtedness and payment obligations of any Person to a Seller or acquired by a Seller (including, without limitation, obligations constituting an account or general intangible or evidenced by a note, instrument, contract, security agreement, chattel paper or other evidence of indebtedness or security) arising from a sale of merchandise or the provision of services by such Seller or the Person from whom such indebtedness and payment obligation was acquired by a Seller, including, without limitation, any right to payment for goods sold or for services rendered, and including the right to payment of any interest, sales taxes, finance or service charges, returned check or late charges and other obligations of such Person with respect thereto.

"Receivables Purchase Date" shall mean, with respect to any Receivable, the Business Day on which the Company purchases such Receivable from the applicable Seller and transfers such Receivable to the Trust.

"Receivables Sale Agreements" shall have the meaning specified in the recitals hereto.

"Record Date" shall mean, with respect to any Series, the dates specified as such in the applicable Supplement.

"Recoveries" shall mean all amounts collected (net of out-of-pocket costs of collection) in respect of Charged-Off Receivables.

"Related Property" shall mean, with respect to each Receivable:

(a) all of the applicable Seller's interest in the goods (other than returned goods), if any, sold and delivered to an Obligor relating to the sale which gave rise to such Receivable;

(b) all other security interests or Liens, and the applicable Seller's interest in the property subject thereto, from time to time purporting to secure payment of such Receivable, together with all financing statements signed by an Obligor describing any collateral securing such Receivable; and

(c) all guarantees, insurance, letters of credit and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable;

in the case of clauses (b) and (c), without limitation, whether pursuant to the contract related to such Receivable or otherwise or pursuant to any obligations evidenced by a

note, instrument, contract, security agreement, chattel paper or other evidence of indebtedness or security and the proceeds thereof.

"Reported Day" shall have the meaning specified in Section 4.1 of the Servicing Agreement.

"Repurchase Obligation Date" shall have the meaning specified in subsection 2.5(a).

"Required Currency Hedge" shall mean one or more currency options, exercisable at any time, with an Eligible Counterparty providing for the delivery by such Eligible Counterparty of U.S. Dollars in exchange for the receipt of Canadian Dollars.

"Required Hedge Period" shall mean six months from the Initial Closing Date or from the Distribution Date on which such period is being determined.

"Required Hedge Notional Amount" shall mean an amount denominated in U.S. Dollars, which represents the portion of the Target Receivables Amount allocable to the Canadian Dollar Receivables, as calculated in the most recent Monthly Settlement Statement.

"Requirement of Law" for any Person shall mean the certificate or articles of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" shall mean (i) when used with respect to the Trustee, any officer within the Corporate Trust Office of the Trustee including any Vice President, any Assistant Vice President, Trust Officer or Assistant Trust Officer or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and having direct responsibility for the administration of this Agreement and (ii) when used with respect to any other Person, the Chairman or Vice Chairman of the Board, President, Chief Financial Officer, any Vice President, Treasurer, Controller, Assistant Treasurer or Secretary of such Person.

"Revolving Period" shall mean, with respect to any Outstanding Series, the meaning assigned to such term in the related Supplement for such Series.

"S&P" shall mean Standard & Poor's Ratings Services, or any successor thereto.

"Securities Act" shall mean the United States Securities Act of 1933, as amended.

"Seller Adjustment Payments" shall have the meaning specified in Section 2.05 of the Receivables Sale Agreements.

"Seller Division" shall mean any business unit or operating assets acquired by a Seller which is made part of an existing division of a Seller or made a new division (but not a subsidiary) of a Seller.

"Seller Notes" shall mean the notes, collectively as specified in Section 8.01 of the U.S. Receivables Sale Agreement and in Section 8.01 of the Canadian Receivables Sale Agreement.

"Seller Repurchase Payments" shall have the meaning specified in Section 2.06 of the Receivables Sale Agreements.

"Sellers" shall mean the collective reference to (i) WESCO, in its capacity as a Seller under the U.S. Receivables Sale Agreement, (ii) WESCO Equity Corporation, a Delaware corporation, in its capacity as a Seller under the U.S. Receivables Sale Agreement, (iii) WESCO Distribution-Canada, Inc., an Ontario corporation, in its capacity as a Seller under the Canadian Receivables Sale Agreement, and (iv) any wholly owned Subsidiaries of WESCO which have been added as Sellers in accordance with the provisions of the Receivables Sale Agreements and the other Transaction Documents (but, in each case, excluding any such Subsidiaries which have been terminated as Sellers in accordance with the provisions thereof and of the other Transaction Documents), all of the foregoing in their capacities as Sellers under the Receivables Sale Agreements; each, individually, a "Seller".

"Series" shall mean any series of Investor Certificates, the terms of which are set forth in a Supplement.

"Series Account" shall mean any deposit, trust, escrow, reserve or similar account maintained by the Trustee for the benefit of the Investor Certificateholders of any Series or Class, as specified in any Supplement.

"Series Canada/Canadian Dollar Collection Subaccount" shall have the meaning specified in subsection 3.1(b)(i).

"Series Canada/U.S. Dollar Collection Subaccount" shall have the meaning specified in subsection 3.1(b)(i).

"Series Collection Subaccount" shall have the meaning specified in subsection 3.1(b)(i).

"Series Collection Sub-subaccounts" shall have the meaning specified in subsection 3.1(b)(i).

"Series Non-Principal Collection Sub-subaccount" shall have the meaning specified in subsection 3.1(b)(i).

"Series Principal Collection Sub-subaccount" shall have the meaning specified in subsection 3.1(b)(i).

"Series Subordinated Interest" shall mean, with respect to any Series, the interest of the Company in the Trust Assets, if any, which is subordinated to the Certificateholders' Interest of such Series, as set forth in the Supplement for such Series.

"Series Termination Date" shall mean, with respect to any Outstanding Series, the meaning assigned to such term in the related Supplement for such Series.

"Service Transfer" shall have the meaning specified in Section 6.1 of the Servicing Agreement.

"Servicer" shall initially mean WESCO in its capacity as Servicer under the Transaction Documents and, after any Service Transfer, the Successor Servicer.

"Servicer Default" shall have, with respect to any Series, the meaning specified in Section 6.1 of the Servicing Agreement and, if applicable, as supplemented by the related Supplement for such Series.

"Servicer Indemnification Amounts" shall have the meaning specified in Section 5.2(c) of the Servicing Agreement.

"Servicer Site Review" shall mean a review performed by the Trustee of the servicing operations of the Servicer at its offices.

"Servicing Agreement" shall have the meaning specified in the recitals hereto.

"Servicing Fee" shall have the meaning specified in subsection 2.5(a) of the Servicing Agreement.

"Servicing Fee Percentage" shall mean 1% per annum.

"Servicing Party" shall mean the collective reference to the Servicer and each Sub-Servicer.

"Settlement Period" shall mean (i) initially, the period commencing May 1, 1998 and ending on the last day of the May 1998 fiscal month of the Servicer, and (ii) thereafter, each fiscal month of the Servicer.

"Settlement Report Date" shall mean, except as otherwise set forth in the applicable Supplement, the 15th day of each calendar month (or if such 15th day is not a Business Day, the next succeeding Business Day),

"Special Allocation Settlement Report Date" shall have the meaning specified in subsection 3.1(e).

"Specified Bankruptcy Opinion Provisions" shall mean the factual assumptions and the actions to be taken by any Seller or the Company, in each case as specified in

the legal opinion of Simpson Thacher & Bartlett relating to non-substantive consolidation and delivered on the Initial Closing Date.

"Standby Liquidation System" shall mean a system satisfactory to the Trustee by which the Trustee will receive and store electronic information regarding Receivables from the Servicer and each Sub-Servicer which may be utilized in the event of a liquidation of the Receivables to be carried out by the Trustee.

"State/Local Government Obligor" shall mean any state or local government in the United States or any subdivision thereof or any agency, department or instrumentality thereof.

"Sub-Servicer" shall have the meaning specified in the recitals hereto.

"Subsidiary" shall mean, as to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

"Successor Servicer" shall have the meaning specified in Section 6.2 of the Servicing Agreement.

"Supplement" shall mean, with respect to any Series, a supplement to this Agreement complying with the terms of Section 5.10(c), executed in conjunction with the issuance of any Series.

"Target Receivables Amount" shall mean, with respect to any Outstanding Series, the meaning assigned to such term in the related Supplement for such Series.

"Tax Opinion" shall mean, with respect to any action, an Opinion of Counsel of one or more outside law firms (a) to the effect that, for federal income tax purposes, (i) such action will not adversely affect the characterization as debt or as an interest in a partnership (other than a partnership taxable as a corporation), as the case may be, of any Investor Certificates of any Outstanding Series or Class not retained by the Company, (ii) following such action, the Trust will not be classified as an association or a publicly traded partnership taxable as a corporation, (iii) such action will not cause or constitute a taxable event in which gain or loss would be recognized by any Investor Certificateholder or the Trust and (iv) in the case of Section 5.9, the Investor Certificates of the new Series which are not retained by the Company will be characterized as debt or as an interest in a partnership (other than a partnership taxable as a corporation) and (b) with respect to state taxation issues, in substantially the form delivered on the Initial Closing Date.

"Termination Notice" shall have the meaning specified in Section 6.1 of the Servicing Agreement.

"Transaction Documents" shall mean the collective reference to this Agreement, the Servicing Agreement, each Supplement with respect to any Outstanding Series, the Receivables Sale Agreements, the Lockbox Agreements, the Eligible Segregated Account Bank Acknowledgments, the Certificates and any other documents delivered pursuant to or in connection therewith.

"Transfer Agent and Registrar" shall have the meaning specified in Section 5.3 and shall initially be the Trustee.

"Transfer Deposit Amount" shall have the meaning specified in subsection 2.5(b).

"Transferred Agreements" shall have the meaning specified in subsection 2.1(b).

"Trust" shall mean the WESCO Receivables Master Trust created by this Agreement.

"Trust Account" shall have the meaning, with respect to any Series, specified in the applicable Supplement for such Series.

"Trust Assets" shall have the meaning specified in Section 2.1.

"Trust Termination Date" shall have the meaning specified in subsection 9.1(a).

"Trustee" shall mean the institution executing this Agreement as trustee, or its successor in interest, or any successor trustee appointed as herein provided.

"UCC" shall mean the Uniform Commercial Code, as amended from time to time, as in effect in any specified jurisdiction or if no jurisdiction is specified, as in effect in the State of New York and, with respect to the Receivables sold pursuant to the Canadian Receivables Sale Agreement, the PPSA, as amended from time to time, as in effect in any specified jurisdiction of Canada or if no jurisdiction is specified, as in effect in the Province of Ontario.

"U.S. Dollar Collection Account" shall have the meaning specified in subsection 3.1(b)(i).

"U.S. Dollar Collection Concentration Account" shall have the meaning specified in subsection 3.1(b)(i).

"Valuation Price" shall mean, as of any date of determination, the strike price of any outstanding Required Currency Hedge that would require the highest amount of Canadian Dollars to purchase one (1) U.S. Dollar.

"WESCO" shall mean WESCO Distribution, Inc., a Delaware corporation.

Section 1.2. Other Definitional and Calculation Provisions. (a) All terms defined in this Agreement, the Servicing Agreement or in any Supplement shall have such defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(b) As used herein and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in Section 1.1, and accounting terms partly defined in Section 1.1 to the extent not defined, shall have the respective meanings given to them under GAAP. To the extent that the definitions of accounting terms herein are inconsistent with the meanings of such terms under GAAP, the definitions contained herein shall control.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; and Section, subsection, Schedule and Exhibit references contained in this Agreement are references to Sections, subsections, Schedules and Exhibits in or to this Agreement unless otherwise specified.

(d) All references herein to any agreement or instrument shall be deemed references to such agreement or instrument as amended, supplemented or otherwise modified from time to time in which case such reference shall be to the agreement or instrument.

(e) The definitions contained in Section 1.1 are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

(f) Where a definition contained in Section 1.1 specifies that such term shall have the meaning set forth in the related Supplement, the definition of such term set forth in the related Supplement may be preceded by a prefix indicating (or include in its definition) the specific Series or Class to which such definition shall apply.

(g) Where reference is made in this Agreement or any related Supplement to the amount of Receivables, such reference shall, unless explicitly stated otherwise, be deemed a reference to the Principal Amount (as such term is defined in Section 1.1) of such Receivables.

(h) Any reference herein or in any other Transaction Document to a provision of the Internal Revenue Code or ERISA shall be deemed a reference to any successor provision thereto.

(i) To the extent that any provision of this Agreement or any other Transaction Document requires that a calculation be performed with respect to a date occurring prior to the effective date of such Transaction Document, such calculation shall be performed as provided therein as though such Transaction Document had been effective on and as of such prior date.

(j) In calculating the Principal Amount of Receivables on any day, the Principal Amount of Receivables shall be reduced by the amount of collections received on such day (whether or not such Collections have resulted in Available Funds); provided, that to the

extent that a Collection is subsequently dishonored by the bank on which such Collection is drawn, the Principal Amount of Receivables shall be reinstated by the amount of such dishonored Collection. In addition, for purposes of making the allocations required by Article III of this Agreement, as supplemented by the Supplements, on any day, the Servicer shall only direct, and the Trustee shall only be required to transfer, Available Funds.

ARTICLE II

CONVEYANCE OF RECEIVABLES; ISSUANCE OF CERTIFICATES

Section 2.1. Conveyance of Receivables.

(a) By execution and delivery of this Agreement, the Company does hereby transfer, assign, set over and otherwise convey to the Trustee for the benefit of the Holders, without recourse (except as specifically provided herein), all of its present and future right, title and interest in, to and under:

(i) all Receivables, including those existing at the close of business on the Initial Closing Date and all Receivables thereafter arising from time to time until but not including the Trust Termination Date;

(ii) the Related Property;

(iii) all Collections;

(iv) the Required Currency Hedge;

(v) all payment, enforcement and other rights (including rescission, replevin or reclamation), but none of the obligations, relating to any Receivable or arising therefrom;

(vi) the Collection Accounts, the Collection Concentration Accounts, each Eligible Segregated Account, each Lockbox and each Lockbox Account (collectively, the "Accounts"), including (A) all funds and other evidences of payment held therein and all certificates and instruments, if any, from time to time representing or evidencing any of such Accounts or any funds and other evidences of payment held therein, (B) all investments of such funds held in such Accounts and all certificates and instruments from time to time representing or evidencing such investments, (C) all notes, certificates of deposit and other instruments from time to time hereafter delivered or transferred to, or otherwise possessed by, the Trustee for and on behalf of the Company in substitution for any of the then existing Accounts and (D) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any and all of the then existing Accounts;

(vii) all monies due or to become due and all amounts received with respect to the items listed in clauses (i) through (vi) and all proceeds (including, without

limitation, whatever is received upon the sale, exchange, collection or other disposition of the foregoing and all "proceeds" as defined in Section 9-306 of the UCC as in effect in the State of New York or, if applicable, as defined under the PPSA as in effect in the Province of Ontario) thereof, including all Recoveries relating thereto;

(b) The Company, to secure its obligations hereunder, hereby transfers, assigns, sets over and otherwise conveys to the Trustee for the benefit of the Holders, and grants to the Trustee, for the benefit of the Holders, a first priority perfected security interest in, all its right, title and interest in, to and under the following: each of the Receivables Sale Agreements and the Servicing Agreement, including in respect of each agreement, (A) all property assigned thereunder and all rights of the Company to receive monies due and to become due under or pursuant to such agreement, whether payable as fees, expenses, costs or otherwise, (B) all rights of the Company to receive proceeds of any credit or similar types of insurance, indemnity, warranty or guaranty with respect to such agreement, (C) claims of the Company for damages arising out of or for breach of or default under such agreement, (D) the right of the Company to amend, waive or terminate such agreement, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder, (E) all other rights, remedies, powers, privileges and claims of the Company under or in connection with such agreement (whether arising pursuant to such agreement or otherwise available to the Company at law or in equity), including the rights of the Company to enforce such agreement and to give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under or in connection therewith and (F) all monies due or to become due and all amounts received with respect to the items listed in clauses (A) through (F) and all proceeds (including, without limitation, whatever is received upon the sale, exchange, collection or other disposition of the foregoing and all "proceeds" as defined in Section 9-306 of the UCC as in effect in the State of New York or, if applicable, as defined under the PPSA as in effect in the Province of Ontario) thereof, including all Recoveries relating thereto (all of the foregoing set forth in subclauses (A)-(F), inclusive, the "Transferred Agreements");

Such property described in the foregoing paragraphs (a) and (b), together with all investments and all monies on deposit in any other bank account or accounts maintained for the benefit of any Holders and all monies available under any Enhancement to be provided by any Enhancement Provider for any Series for payment to Holders shall constitute the assets of the Trust (the "Trust Assets").

Subject to Section 5.9, although it is the intent of the parties to this Agreement that the conveyance of the Company's right, title and interest in, to and under the Receivables and the other Trust Assets described in paragraph (a) pursuant to this Agreement shall constitute a purchase and sale and not a loan, in the event that such conveyance is deemed to create a loan, the Company hereby grants to the Trustee, for the benefit of the Investor Certificateholders, a perfected first priority security interest in all of the Company's present and future right, title and interest in, to and under the Receivables and such other Trust Assets to secure the payment of the applicable Invested Amounts, interest thereon and the other fees and expenses payable to the Investor Certificateholders, and that this Agreement shall constitute a security agreement under applicable law in favor of the Trustee, for the benefit of the Investor Certificateholders.

(c) The assignment, set over and conveyance to the Trust pursuant to Section 2.1(a) shall be made to the Trustee, on behalf of the Trust, and each reference in this Agreement to such assignment, set over and conveyance shall be construed accordingly. In connection with the foregoing assignment, except as expressly provided otherwise in the Transaction Documents, the Company, the Servicer and each Sub-Servicer agree to deliver to the Trustee each Trust Asset (including any original documents or instruments included in the Trust Assets as are necessary to effect such assignment) in which the transfer of an interest is perfected under the UCC or otherwise solely by possession and not by filing a financing statement or similar document.

Notwithstanding the assignment of the Transferred Agreements set forth in Section 2.1(b), the Company does not hereby assign or delegate any of its duties or obligations under the Transferred Agreements to the Trust or the Trustee and neither the Trust nor the Trustee accepts such duties or obligations, and the Company shall continue to have the right and the obligation to purchase Receivables from the Sellers thereunder from time to time. The foregoing assignment, set-over and conveyance does not constitute and is not intended to result in a creation or an assumption by the Trust, the Trustee, any Investor Certificateholder or the Company, in its capacity as a Holder, of any obligation of the Servicer, the Company, any Seller or any other Person in connection with the Receivables or under any agreement or instrument relating thereto, including, without limitation, any obligation to any Obligor.

In connection with such assignment, the Company agrees to record, file and register, or cause to be recorded, filed or registered, at its own expense, any assignment, notice, application thereof, financing statements (and continuation statements with respect to such financing statements when applicable) or registrations in the appropriate records, each where applicable, (i) with respect to the Receivables now existing and hereafter created and (ii) with respect to any other Trust Assets a security interest in which may be perfected, obtained or protected under the relevant UCC, PPSA, legislation or similar statute by such filing or registration, as the case may be, in each case meeting the requirements of applicable law in such manner and in such jurisdictions as are necessary to perfect and protect and maintain perfection and protection of the assignment of the Receivables and such other Trust Assets to the Trust, and to deliver a file-stamped copy or certified statement of such financing statement or registration or other evidence of such filing or registration to the Trustee on or prior to the date of issuance of any Certificates (the items described in clauses (i) and (ii), the "Filing Trust Assets"). The Trustee shall be under no obligation whatsoever to file such financing statement, or a continuation statement to such financing statement, or to make any other filing or other registration under the UCC, other relevant legislation or similar statute in connection with such transfer. The Trustee shall be entitled to conclusively rely on the filings or registrations made by or on behalf of the Company without any independent investigation and the Company's obligation to make such filings as evidence that such filings have been made.

In connection with such assignment, the Company further agrees, at its own expense, on or prior to the Initial Closing Date (a) to indicate, or to cause to be indicated, in its computer files (but not on individual invoices or individual collection files) relating to such Receivables (by means of a general legend, substantially in the form described on Schedule 6 hereto, that will automatically appear each time a Person enters the Sellers' Receivables program that unless otherwise specifically identified as a receivable not so sold, transferred,

assigned and conveyed, all Receivables (and any such other receivables) included therein and all other Receivables Property (and any other similar related property) have been sold, transferred, assigned and conveyed pursuant to the Receivables Sale Agreements or this Agreement, respectively, to the Company or the Trust for the benefit of the Holders, as the case may be, and (b) to deliver, or cause to be delivered, to the Trustee computer files, microfiche lists or typed or printed lists (the "Receivables Lists") containing true and complete lists of all such Receivables transferred to the Trust, identified by Obligor and setting forth the Receivables balance for each such Receivable, as of the Cut-Off Date. Such tapes or disks shall be marked as Schedule 1 to this Agreement and are hereby incorporated into and made a part of this Agreement.

Section 2.2. Acceptance by Trustee. (a) The Trustee hereby acknowledges its acceptance on behalf of the Trust of all right, title and interest to the property, now existing and hereafter created, assigned to the Trust pursuant to Section 2.1 and declares that it shall maintain such right, title and interest, upon the trust herein set forth, for the benefit of all Holders. The Trustee further acknowledges that prior to, or simultaneously with, the execution and delivery of this Agreement, the Company delivered or caused to be delivered to the Trustee the computer file printout or microfiche list described in the last paragraph of Section 2.1.

(b) The Trustee shall have no power to create, assume or incur indebtedness or other liabilities in the name of the Trust other than as contemplated in this Agreement.

Section 2.3. Representations and Warranties of the Company Relating to the Company. The Company hereby represents and warrants to the Trustee and the Trust, for the benefit of the holders of Certificates of each Outstanding Series, as of the Issuance Date of such Series, that:

(a) Corporate Existence; Compliance with Law. The Company (i) is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite corporate power and authority and all legal right to own and operate its properties, to lease the properties it operates as lessee and to conduct its business as now conducted, (iii) is duly qualified as a foreign corporation to do business and is in good standing under the laws of each jurisdiction where such qualification is necessary and (iv) is in compliance with its certificate or articles of incorporation and by-laws or other organizational or governing documents and, in all material respects, any other Requirements of Law. The Company does not engage in activities prohibited by the Transaction Documents or its certificate or articles of incorporation.

(b) Corporate Power; Authorization; Consents. The Company has the corporate power and authority, and the legal right, to execute, deliver and perform this Agreement and the other Transaction Documents to which it is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement and the

other Transaction Documents to which it is a party by or against the Company other than (i) those which have duly been obtained or made and are in full force and effect on the Initial Closing Date, (ii) any filings of UCC-1 financing statements or similar documents necessary to perfect the Company's or the Trust's interest in the Trust Assets and (iii) those that may be required under the state securities or "blue sky" laws in connection with the offering or sale of certificates. This Agreement and each other Transaction Document to which the Company is a party have been duly executed and delivered on behalf of the Company.

(c) Enforceability. This Agreement and each of the other Transaction Documents to which the Company is a party (i) constitute the legal, valid and binding obligations of the Company enforceable against it in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights generally and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity) and (ii) are effective to, and all action has been taken to, cause compliance with paragraph (n) of the definition of Eligible Receivables.

(d) No Legal Bar. The execution, delivery and performance of this Agreement and the other Transaction Documents to which the Company is a party will not violate its certificate or articles of incorporation and by-laws or other organizational or governing documents and, any other Requirement of Law in any material respect, and will not result in, or require, the creation or imposition of any Lien (other than Liens contemplated or permitted hereby) on any of its properties or revenues pursuant to any such Requirement of Law or Contractual Obligation.

(e) No Conflict. The execution and delivery of this Agreement and the other Transaction Documents to which the Company is a party, the performance of the transactions contemplated hereby and thereby and the fulfillment of the terms hereof and thereof will not conflict with, result in any breach of any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which the Company is a party or by which it or any of its property is bound.

(f) No Material Litigation. There are no actions, suits, investigations or proceedings at law or in equity (including, without limitation, injunctions, writs or restraining orders) by or before any arbitrator, court or Governmental Authority now pending or, to the knowledge of the Company, threatened against or affecting the Company or any properties, revenues or rights of the Company which (i) involve this Agreement or any of the other Transaction Documents or any of the transactions contemplated hereby or thereby, (ii) which could reasonably be expected to affect adversely the income tax or franchise tax attributes of the Trust under the United States federal or any state or franchise tax systems or (iii) would be reasonably likely to have a Material Adverse Effect. The transactions contemplated hereunder and the use of the proceeds thereof will not violate any Requirement of Law.

(g) No Default. The Company is not in default, in any material respect, under or with respect to any of its Contractual Obligations. No Early Amortization Event or Potential Early Amortization Event has occurred and is continuing.

(h) Compliance with Law. The Company has complied with all applicable provisions of its certificate or articles of incorporation and by-laws or other organizational or governing documents and has complied in all material respects with any other Requirements of Law with respect to the Company, its business and properties and the Trust Assets.

(i) Tax Returns. The Company has filed or caused to be filed all tax returns which are required to have been filed by it and has paid or caused to be paid all taxes shown thereon to be due and payable, and any assessments made against it or any of its property. No tax Lien has been filed, and, to the best knowledge of the Company, no claim is being asserted, with respect to any taxes. For purposes of this paragraph, "taxes" shall mean any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any Governmental Authority.

(j) Location of Records; Chief Executive Office. The offices at which the Company keeps its records concerning the Receivables either (x) are located at the addresses set forth for the Sellers on the relevant schedule of the Receivables Sale Agreements or (y) have been reported to the Trustee in accordance with the provisions of subsection 2.8(l) of this Agreement. The chief executive office of the Company is located at the address set forth on Schedule 4 (as such location may be changed from time to time in accordance with Section 2.8(1) of the Agreement) and is the place where the Company is "located" for the purposes of Section 9-103(3)(d) of the UCC as in effect in the State of New York, or, if applicable, for purposes of the relevant provincial laws of Canada. The state and county where the chief executive office of the Company is "located" for the purposes of Section 9-103(3)(d) of the UCC as in effect in the State of New York has not changed in the past four months.

(k) Solvency. Both prior to and after giving effect to the transactions occurring on each Issuance Date, (i) the fair value of the assets of the Company at a fair valuation will exceed the debts and liabilities, subordinated, contingent or otherwise, of the Company; (ii) the present fair salable value of the property of the Company will be greater than the amount that will be required to pay the probable liability of the Company on its debts and other liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; (iii) the Company will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) the Company will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted. For all purposes of clauses (i) through (iv) above, the amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability. Both prior to and after giving effect to the transactions occurring on each Issuance Date, the Company does not intend to, nor does it believe that it will,

incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it and the timing of and amounts of cash to be payable in respect of its debt.

(l) Investment Company. Neither the Company nor the Trust (before and after giving effect to the issuance of Certificates on such Issuance Date) is an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or is exempt from all provisions of such act.

(m) Ownership; Subsidiaries. All of the issued and outstanding capital stock of the Company is owned, legally and beneficially, by WESCO. The Company has no Subsidiaries.

(n) Names. The legal name of the Company is as set forth in this Agreement. The Company has not had, nor has, any trade names, fictitious names, assumed names or "doing business as" names.

(o) Liabilities. Other than, (i) the liabilities, commitments or obligations (whether absolute, accrued, contingent or otherwise) arising under or in respect of the Transaction Documents and (ii) immaterial amounts due and payable in the ordinary course of business of a special-purpose company, the Company does not have any liabilities, commitments or obligations (whether absolute, accrued, contingent or otherwise), whether due or to become due.

(p) Use of Proceeds; Federal Reserve Board Regulation. No proceeds of the issuance of any Investor Certificates will be used by the Company to purchase or carry any margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time). The Company is in compliance with all applicable regulations of the Board of Governors of the Federal Reserve System (including, without limitation, Regulations U and G with respect to "margin stock").

(q) Collection Procedures. The Company and each Seller have in place procedures pursuant to the Policies which are either necessary or advisable to ensure the timely collection of Receivables in accordance with the Transaction Documents.

(r) Lockbox Accounts; Eligible Segregated Accounts. The Lockbox Banks and Eligible Segregated Account Banks are the only institutions holding any Lockbox Accounts or Eligible Segregated Accounts for the receipt of payments from Obligors in respect of Receivables and no Persons other than Obligors have been instructed to make payments to Lockbox Accounts or Eligible Segregated Accounts. (i) Each Lockbox Agreement to which the Company is party is in full force and effect, (ii) each Lockbox Account is free and clear of any Lien (other than any right of set-off expressly provided for in the applicable Lockbox Agreement), (iii) each Eligible Segregated Account Agreement to which the Company is party is in full force and effect and (iv) each Eligible Segregated Account established pursuant to subsection 2.3(b) of the Servicing Agreement is free and clear of any Lien.

(s) Bulk Sales. The execution, delivery and performance of this Agreement do not require compliance with any "bulk sales" law by the Company.

The representations and warranties set forth in this Section 2.3 shall survive after the date made and the transfer and assignment of the Trust Assets to the Trust. Upon discovery by a Responsible Officer of the Company or the Servicer or by a Responsible Officer of the Trustee of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the other parties and to each Agent with respect to all Outstanding Series. The Trustee's obligations in respect of any breach are limited as provided in subsection 8.2(g).

Section 2.4. Representations and Warranties of the Company Relating to the Receivables. The Company hereby represents and warrants to the Trustee and the Trust, for the benefit of the holders of Certificates of each Outstanding Series, (x) as of the Issuance Date of such Series, and (y) with respect to each Receivable transferred to the Trust after such Issuance Date, as of the related Receivables Purchase Date, unless, in either case, otherwise stated in the applicable Supplement or unless such representation or warranty expressly relates only to a prior date, that:

(a) Schedule 1 to this Agreement sets forth an accurate and complete listing as of the Cut-Off Date of all Receivables to be transferred to the Trust as of the Initial Closing Date and the information contained therein with respect to the identity of the Obligor of, and Principal Amount of, each such Receivable is true and correct in all material respects as of the Cut-Off Date. As of the Cut-Off Date, the aggregate amount of Receivables owned by the Company is accurately set forth in all material respects in Schedule 1 hereto.

(b) Each Receivable existing on the Initial Closing Date or, in the case of Receivables transferred to the Trust after the Initial Closing Date, on the date that each such Receivable shall have been transferred to the Trust, has been conveyed to the Trust free and clear of any Lien, except for Permitted Liens specified in clauses (i) and (iv) of the definition thereof.

(c) On the Initial Closing Date, each Receivable transferred to the Trust that is included in the calculation of the initial Aggregate Receivables Amount is an Eligible Receivable and, in the case of Receivables transferred to the Trust after the Initial Closing Date, on the date such Receivable shall have been transferred to the Trust, each such Receivable that is included in the calculation of the Aggregate Receivables Amount on such date is an Eligible Receivable.

The representations and warranties set forth in this Section 2.4 shall survive after the date made and the transfer and assignment of the Trust Assets to the Trust. Upon discovery by a Responsible Officer of the Company or the Servicer or a Responsible Officer of the Trustee of a breach of any of the representations and warranties, the party discovering such breach shall give prompt written notice to the other parties and to each Agent with respect to all Outstanding Series. The Trustee's obligations in respect of any breach are limited as provided in Section 8.2(g).

Section 2.5. Repurchase of Ineligible Receivables and Cash Dilution Payments. (a) Repurchase Obligation. If (i) any representation or warranty under subsections 2.4(a), (b) or (c) is not true and correct in any material respect as of the date specified therein with respect to any Receivable transferred to the Trust, (ii) there is a breach of any covenant under subsection 2.8(c) with respect to any Receivable in any material respect or (iii) the Trust's interest in any Receivable is not a first priority perfected ownership or security interest at any time as a result of any action taken by, or any failure to take action by, the Company (any Receivable as to which the conditions specified in any of clauses (i), (ii) or (iii) of this subsection 2.5(a) exists is referred to herein as an "Ineligible Receivable") then, upon the earlier (the date on which such earlier event occurs, the "Repurchase Obligation Date") of the discovery by the Company of any such event which continues unremedied or receipt by the Company of written notice given by the Trustee or the Servicer of any such event which continues unremedied, the Company shall become obligated to repurchase or cause to be repurchased such Ineligible Receivable on the terms and conditions set forth in subsection 2.5(b).

(b) Repurchase of Receivables. Subject to the last sentence of this subsection 2.5(b), the Company shall repurchase, or cause to be repurchased, each Ineligible Receivable required to be repurchased pursuant to subsection 2.5(a) by depositing in the Collection Accounts in immediately available funds no later than the Business Day following the related Repurchase Obligation Date an amount equal to the lesser of (x) the amount by which the Aggregate Target Receivables Amount exceeds the Aggregate Receivables Amount (after giving effect to the reduction thereof by the Principal Amount of such Ineligible Receivable) and (y) the aggregate outstanding Principal Amount of each such Ineligible Receivable (the "Transfer Deposit Amount"). Upon transfer or deposit of the Transfer Deposit Amount, the Trust shall automatically and without further action be deemed to sell, transfer, assign, set over and otherwise convey to the Company, without recourse, representation or warranty, all the right, title and interest of the Trust in and to such Ineligible Receivable, all monies due or to become due with respect thereto and all proceeds thereof; and such repurchased Ineligible Receivable shall be treated by the Trust as collected in full as of the date on which it was transferred. The Trustee shall execute such documents and instruments of transfer or assignment and take such other actions as shall reasonably be requested by the Company to effect the conveyance of such Receivables pursuant to this subsection. Except as otherwise specified in any Supplement, the obligation of the Company to repurchase any Ineligible Receivable shall constitute the sole remedy respecting the event giving rise to such obligation available to Investor Certificateholders (or the Trustee on behalf of Investor Certificateholders) unless such obligation is not satisfied in full in accordance with the terms of this Agreement.

(c) Dilution Adjustments. If, as a result of a Dilution Adjustment pursuant to Section 4.6 of the Servicing Agreement, the Aggregate Receivables Amount is less than the Aggregate Target Receivables Amount, the Company (in addition to but without duplication of the obligation of the applicable Seller under the Receivables Sale Agreements in respect of such Dilution Adjustment) shall be required to pay into the Series Principal Collection Sub-subaccount with respect to each Outstanding Series in immediately available funds within one Business Day of such determination such Series' pro rata share of the lesser of the amount of such Dilution Adjustment and the amount (the "Cash Dilution Payment") by which the Aggregate Target Receivables Amount exceeds the Aggregate Receivables Amount.

Section 2.6. Purchase of Investor Certificateholders' Interest in Trust Portfolio. (a) In the event of any breach of any of the representations and warranties set forth in Section 2.3, which breach has a material adverse effect on the interests of the holders of an Outstanding Series (without giving effect to any Enhancement) under or with respect to the Transaction Documents, then the Trustee, at the written direction of holders of Certificates evidencing more than 50% of the Invested Amount of such Outstanding Series shall notify the Company to purchase such Outstanding Series and the Company shall be obligated to make such purchase on the next Distribution Date occurring at least five Business Days after receipt of such notice on the terms and conditions set forth in subsection 2.6(b) below; provided, however, that no such purchase shall be required to be made if, by such Distribution Date, the representations and warranties contained in Section 2.3 shall be satisfied in all material respects and any material adverse effect on the holders of such Outstanding Series caused thereby shall have been cured.

(b) As required under subsection 2.6(a) above, the Company shall deposit into the U.S. Dollar Collection Account for credit to the applicable subaccount of the U.S. Dollar Collection Account on the Business Day preceding such Distribution Date an amount equal to the purchase price (as described in the next succeeding sentence) for the Certificateholders' Interest for such Outstanding Series on such day. The purchase price for any such purchase will be equal to (i) the Adjusted Invested Amount of such Outstanding Series on the date on which the purchase is made plus (ii) an amount equal to all interest accrued but unpaid on such Series up to the Distribution Date on which the distribution of such deposit is scheduled to be made pursuant to Section 9.2 plus (iii) any other amount required to be paid in connection therewith pursuant to any Supplement. Notwithstanding anything to the contrary in this Agreement, the entire amount of the purchase price deposited in the U.S. Dollar Collection Account (together with amounts on deposit in the applicable Series Principal Collection Sub-subaccount) shall be distributed to the related Investor Certificateholders on such Distribution Date pursuant to Section 9.2. If the Trustee gives notice directing the Company to purchase the Certificates of an Outstanding Series as provided above, except as otherwise specified in any Supplement, the obligation of the Company to purchase such Certificates pursuant to this Section 2.6 shall constitute the sole remedy respecting an event of the type specified in the first sentence of this Section 2.6 available to the applicable Investor Certificateholders (or the Trustee on behalf of such Investor Certificateholders) unless such obligation is not satisfied in full in accordance with the terms of this Agreement.

Section 2.7. Affirmative Covenants of the Company. The Company hereby covenants that, until the Trust Termination Date occurs, the Company shall:

(a) Financial Statements. (i) Furnish to the Trustee, each Agent and the Rating Agencies, within 120 days after the end of each fiscal year, the balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of the Company as of the close of such fiscal year and the results of its operations during such year, certified by an appropriate Responsible Officer of the Company to the effect that such financial statements fairly present the financial condition and results of operations of the Company in accordance with GAAP consistently applied;

(ii) Furnish to the Trustee, each Agent and the Rating Agencies, within 60 days after the end of each of the first three fiscal quarters of each fiscal year, the Company's balance sheet and related income statement showing the financial condition of the Company as of the close of such fiscal quarter and the results of its operations during such fiscal year (and, beginning with the second fiscal year, showing, on a comparative basis, such information as of and for the corresponding dates and periods of the preceding fiscal year), all certified by a Responsible Officer of such Person as fairly presenting the financial condition and results of operations of the Company in accordance with GAAP consistently applied, subject to normal year-end audit adjustments; and

(iii) Furnish to the Trustee and each Agent, promptly, from time to time, such other information regarding the operations, business affairs and financial condition of the Company, or compliance with the terms of any Transaction Document, in each case as any Agent or the Trustee may reasonably request.

(b) Annual Opinion. Deliver to the Trustee an Opinion of Counsel, substantially in the form of Exhibit C, by January 31 of each year, the first such delivery hereunder to occur in January 1999.

(c) Payment of Obligations; Compliance with Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its obligations of whatever nature (including, without limitation, all taxes, assessments, levies and other governmental charges imposed on it), except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the Company. The Company shall defend the right, title and interest of the Trustee and the Holders in, to and under the Receivables and the other Trust Assets, whether now existing or hereafter created, against all claims of third parties claiming through or under the Company, any Seller, any Sub-Servicer or the Servicer.

(d) Inspection of Property; Books and Records; Discussions. Keep proper books of records and accounts in which full, true and correct entries in conformity in all material respects with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of the Trustee or any Agent for any Outstanding Series upon reasonable advance notice to visit and inspect any of its properties and examine and make abstracts from any of its books and records during normal business hours on any Business Day and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Company with officers and employees of the Company and with its Independent Public Accountants; provided, that the Trustee shall notify the Company prior to any contact with such accountants and, prior to the occurrence of an Early Amortization Event, shall permit representatives of the Company to be present during such discussions.

(e) Compliance with Law and Policies. (i) Comply in all material respects with all Requirements of Law applicable to the Company.

(ii) Cause each Seller to perform its obligations in accordance with, and comply in all material respects with, the Policies, as amended from time to time in accordance with the Transaction Documents, in regard to the Receivables and the Related Property.

(f) Purchase of Receivables. Purchase Receivables solely pursuant to (i) the Receivables Sale Agreements or (ii) this Agreement.

(g) Delivery of Collections. In the event that the Company receives Collections directly from Obligors, deposit such Collections into the applicable Lockbox Account, Eligible Segregated Account or a Collection Account within one Business Day after receipt thereof by the Company.

(h) Notices. (a) Promptly (and, in any event, within five Business Days after a Responsible Officer of the Company becomes aware of such event) give written notice to the Trustee, each Rating Agency and each Agent for any Outstanding Series of:

(i) the occurrence of any Early Amortization Event; and

(ii) any Lien not permitted by subsection 2.8(c) on any Receivable or any other Trust Assets.

(b) Promptly (and, in any event, within five Business Days after a Responsible Officer of the Company becomes aware of such event) give written notice to the Trustee and each Agent for any Outstanding Series of the occurrence of any Potential Early Amortization Event

(i) Lockboxes; Eligible Segregated Accounts. (i) Maintain, and keep in full force and effect, each Lockbox Agreement and Eligible Segregated Account Agreement to which the Company is a party, and not amend or otherwise modify each such agreement, except in each case to the extent otherwise permitted under the terms of this Agreement and the other Transaction Documents; provided, however, that the Company may enter into any amendments or modifications of a Lockbox Agreement or Eligible Segregated Account Agreement that the Company reasonably deems necessary to conform such Lockbox Agreement or Eligible Segregated Account Agreement to the cash management system of the Servicer and that are reasonably acceptable to the Trustee and each Agent, (ii) ensure that each related Lockbox Account and each related Eligible Segregated Account shall be free and clear of, and defend each such Lockbox Account and Eligible Segregated Account against any writ, order, stay, judgment, warrant of attachment or execution or similar process.

(j) Separate Corporate Existence.

(i) Maintain its own deposit account or accounts, separate from those of any Affiliate, with commercial banking institutions and ensure that the funds

of the Company will not be diverted to any other Person or for other than corporate uses of the Company, nor will such funds be commingled with the funds of any Seller or any other Subsidiary or Affiliate of any Seller;

(ii) To the extent that it shares the same officers or other employees as any of its stockholders or Affiliates, the salaries of and the expenses related to providing benefits to such officers and other employees shall be fairly allocated among such entities, and each such entity shall bear its fair share of the salary and benefit costs associated with all such common officers and employees;

(iii) To the extent that it jointly contracts with any of its stockholders or Affiliates to do business with vendors or service providers or to share overhead expenses, the costs incurred in so doing shall be allocated fairly among such entities, and each such entity shall bear its fair share of such costs. To the extent that the Company contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing shall be fairly allocated to or among such entities for whose benefit the goods or services are provided, and each such entity shall bear its fair share of such costs. All material transactions between the Company and any of its Affiliates, whether currently existing or hereafter entered into, shall be only on an arm's-length basis, it being understood and agreed that the transactions contemplated in the Transaction Documents meet the requirements of this clause (iii);

(iv) Maintain an office space separate from offices of WESCO and its Affiliates (but which may be located at the same address as WESCO). To the extent that the Company and any of its stockholders or Affiliates have offices in the same location, there shall be a fair and appropriate allocation of overhead costs among them, and each such entity shall bear its fair share of such expenses;

(v) Issue separate financial statements prepared not less frequently than quarterly and prepared in accordance with GAAP;

(vi) Conduct its affairs in its own name and strictly in accordance with its articles of incorporation and observe all necessary, appropriate and customary corporate formalities, including, but not limited to, holding all regular and special stockholders' and directors' meetings appropriate to authorize all corporate action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts;

(vii) Not assume or guarantee any of the liabilities of any Seller, any Servicing Party or any Affiliate of any thereof; and

(viii) Take, or refrain from taking, as the case may be, all other actions that are necessary to be taken or not to be taken in order to (x) ensure that the assumptions and factual recitations set forth in the Specified Bankruptcy Opinion Provisions remain true and correct in all material respects with respect to the Company and (y) comply in all material respects with those procedures described in such provisions which are applicable to the Company.

(k) Preservation of Corporate Existence. (i) Preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation and (ii) qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification would, if not remedied within 30 days, be reasonably likely to have a Material Adverse Effect.

(l) Net Worth. Maintain at all times a consolidated net worth, as determined in accordance with GAAP, of at least $50,000,000.

(m) Maintenance of Property. Keep all property and assets useful and necessary to permit the monitoring and collection of Receivables.

(n) Further Assurances. File, or cause to be filed, at the applicable Seller's expense and in accordance with the provisions of the UCC or PPSA of the applicable jurisdiction, duly completed and executed continuation statements with respect to all financing statements filed in connection with the transactions contemplated by the Receivables Sale Agreements.

(o) Required Currency Hedges. (i) On the Initial Closing Date and on each Distribution Date thereafter, the Company shall have the Required Currency Hedge in place for the Required Hedge Period and the Required Hedge Notional Amount. The Company agrees that at any time that it enters into any Required Currency Hedge, it shall have funds available to make payment of fees or other amounts due in connection with the purchase of such Required Currency Hedge at the time that such payments are due and payable thereunder.

(ii) The Company agrees that at any time that it enters into any Required Currency Hedge, it shall execute and deliver to the Trustee an assignment of all amounts payable to the Company under such Required Currency Hedge substantially in the form of Exhibit E (each, a "Required Currency Hedge Assignment").

(iii) If any time the commercial paper or short term deposit ratings from any Rating Agency assigned to a Counterparty is such that the Counterparty is no longer an Eligible Counterparty, the Company shall (x) to the extent permitted under the Required Currency Hedge to which such Counterparty is a party, require such Counterparty to secure its obligations under such Required Currency Hedge or take such other actions as shall satisfy the Rating Agency Condition or (y) replace the Counterparty with an Eligible Counterparty within 30 days.

Section 2.8. Negative Covenants of the Company. The Company hereby covenants that, until the Trust Termination Date occurs, it shall not directly or indirectly:

(a) Accounting of Transfers. Prepare any consolidating financial statements which shall account for the transactions contemplated by the Receivables Sale Agreement in any manner other than as a sale of Receivables by the Sellers to the Company or in any other respect account for or treat the transactions under the Receivables Sale Agreements (including for financial accounting purposes, except as required by law) in any manner other than as transfers of Receivables by the Sellers to the Company; provided, however, that this subsection shall not apply for any tax or tax accounting purposes.

(b) Limitation on Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, except: (i) Indebtedness evidenced by the Seller Note; (ii) Indebtedness representing fees, expenses and indemnities payable pursuant to and in accordance with the Transaction Documents; and (iii) Indebtedness for services supplied or furnished to the Company in an amount not to exceed $100,000 at any one time outstanding; provided that any payments made by the Company pursuant to this subsection shall be made solely from funds available to the Company which are not otherwise required to be applied to the payment of any amounts (other than amounts payable to the Company) pursuant to any Pooling and Servicing Agreements, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Company to the extent that insufficient funds exist to make such payment.

(c) Limitation on Liens and Sales. Except for the conveyance hereunder or as otherwise contemplated hereby, the Company will not sell, pledge, assign or transfer to any Person, or create, incur, assume or suffer to exist any Lien upon any Receivables or any of its property, assets or revenues, whether now owned or hereafter acquired, except for Permitted Liens, it being understood that no Permitted Lien under clause (ii) of the definition thereof shall cover any of the Trust Assets.

(d) Limitation on Guarantee Obligations. Become or remain liable, directly or contingently, in connection with any Indebtedness or other liability of any other Person, whether by guarantee, endorsement (other than endorsements of negotiable instruments for deposit or collection in the ordinary course of business), agreement to purchase or repurchase, agreement to supply or advance funds, or otherwise, except in connection with indemnification obligations of the Company to the limited extent provided in the Company's articles of incorporation and by-laws; provided that any payments made by the Company pursuant to this subsection shall be made solely from funds available to the Company which are not otherwise required to be applied to the payment of any amounts (other than amounts payable to the Company) pursuant to any Pooling and Servicing Agreements, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Company to the extent that insufficient funds exist to make such payment.

(e) Limitation on Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or

dissolution), or make any material change in its present method of conducting business (other than as contemplated by the Transaction Documents), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all of its property, business or assets other than the assignments and transfers contemplated hereby.

(f) Limitation on Dividends and Other Payments. Declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any shares of any class of capital stock of the Company, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Company (any of the foregoing, a "restricted payment"), or make, directly or indirectly, payments in any form in respect of the Seller Notes unless (i) at the date such restricted payment or payment in respect of the Seller Notes is made, the Company shall have made all payments in respect of its repurchase obligations pursuant to this Agreement outstanding at such date, (ii) at the date any restricted payment is made, the outstanding principal amount of the Seller Notes shall be zero, and (iii) any such restricted payment is made in accordance with all corporate and legal formalities applicable to the Company; provided, however, that (A) no restricted payment shall be made on any date if (x) a Potential Early Amortization Event of a type referred to in clause (a)(ii) or (iii) of Section 7.1 or (y) an Early Amortization Event has occurred and is continuing (or would occur as a result of such payment) on such date, (B) no payment in respect of the Seller Notes shall be made in contravention of the subordination provisions contained therein and (C) all restricted payments, and payments in respect of the Seller Notes, made on any date shall be payable by the Company solely from funds available to the Company in accordance with the terms of any Pooling and Servicing Agreement.

(g) Business of the Company. Engage at any time in any business or business activity other than the acquisition of Receivables pursuant to the Receivables Sale Agreements, the assignments and transfers hereunder and the other transactions contemplated by the Transaction Documents, and any activity incidental to the foregoing and necessary or convenient to accomplish the foregoing, or enter into or be a party to any agreement or instrument other than in connection with the foregoing, except those agreements or instruments permitted under subsection 2.8(i).

(h) Limitation on Investments, Loans and Advances. Make any advance, loan, extension of credit or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities of or any assets constituting a business unit of, or make any other investment in, any Person, except for any Exchangeable Company Interest, any Series Subordinated Interest, the Receivables and the other Trust Assets or as otherwise permitted by the Transaction Documents.

(i) Agreements. (A) Become a party to, or permit any of its properties to be bound by, any indenture, mortgage, instrument, contract, agreement, lease or other undertaking, except the Transaction Documents, leases of office space, equipment or other facilities for use by the Company in its ordinary course of business, employment agreements, service agreements, agreements relating to shared employees and the other Transaction Documents and agreements necessary to perform its obligations under the

Transaction Documents, (B) issue any power of attorney (except to the Trustee or the Servicer or except for the purpose of permitting any Person to perform any ministerial functions on behalf of the Company that are not prohibited by or inconsistent with the terms of the Transaction Documents), or (C) amend, supplement, modify or waive any of the provisions of the Receivables Sale Agreements or any Lockbox Agreement or Eligible Segregated Account Agreement or request, consent or agree to or suffer to exist or permit any such amendment, supplement, modification or waiver or exercise any consent rights granted to it thereunder unless such amendment, supplement, modification or waiver or such exercise of consent rights would not be reasonably likely to have a Material Adverse Effect and, in the case of the Receivables Sale Agreements, the Rating Agency Condition shall have been satisfied with respect to any such amendments, supplements, modifications or waivers.

(j) Policies; Amendments to Receivables. (i) Make any change or modification (or permit any change or modification to be made) in any material respect to the Policies, except (x) if such changes or modifications are necessary under any Requirement of Law, (y) if such changes or modifications would not reasonably be likely to have a Material Adverse Effect or (z) if the Rating Agency Condition is satisfied with respect thereto; provided, however, that if any change or modification, other than a change or modification permitted pursuant to clause (x) or (y) above, would be reasonably likely to have a material adverse effect on the interests of the Investor Certificateholders of a Series which is not rated by a Rating Agency, the consent of the applicable Agent (or as specified in the related Supplement) shall be required to effect such change or modification.

(ii) Take any action with respect to the Receivables of the type which if taken by the Servicer would violate the provisions of Section 4.6 of the Servicing Agreement.

(k) Receivables Not To Be Evidenced by Promissory Notes. Subject to the delivery requirement set forth in subsection 2.1(c), take any action to cause any Receivable to be evidenced by any "instrument" other than, provided that the procedures set forth in Schedule 3 are fully implemented with respect thereto, an instrument which alone or together with a security agreement constitutes "chattel paper" (each as defined in the UCC as in effect in any state in which the Company's or the applicable Seller's chief executive office or books and records relating to such Receivable are located, or as defined under the relevant provincial laws of Canada), except in connection with its enforcement or collection of an Aged Receivable.

(l) Offices. Move outside or within the state where such office is now located the location of its chief executive office or of any of the offices where it keeps its records with respect to the Receivables without (i) in the case of moves outside such state, giving 30 days' prior written notice to the Trustee and each Rating Agency, (ii) in the case of moves within such state, giving the Trustee prompt notice of a change within the state where such office is now located of the location of its chief executive office or any office where it keeps its records with respect to the Receivables and (iii) taking all actions reasonably requested by the Trustee (including but not limited to all filings and other acts necessary or advisable under the UCC or similar statute of

each relevant jurisdiction) in order to continue the Trust's first priority perfected ownership or security interest in all Receivables now owned or hereafter created; provided, however, that the Company shall not change the location of its chief executive office to outside of the United States, or to a state which is within the Tenth Circuit unless it delivers an Opinion of Counsel reasonably acceptable to the Rating Agencies to the effect that Octagon Gas Systems, Inc. v. Rimmer, 995 F.2d 948 (10th Cir. 1993), is no longer controlling precedent in the Tenth Circuit.

(m) Change in Name. Change its name, identity or corporate structure in any manner which would or might make any financing statement or continuation statement (or other similar instrument) filed in accordance herewith seriously misleading within the meaning of Section 9-402(7) of the UCC as in effect in any applicable jurisdiction in which UCC filings have been made in respect of the Trust Assets without 30 days' prior written notice to the Trustee and each Rating Agency.

(n) Charter. Amend or make any change or modification to its certificate of incorporation or by-laws without first satisfying the Rating Agency Condition (other than an amendment, change or modification made pursuant to changes in law of the state of its incorporation or amendments to change the Company's name (subject to compliance with clause (m) above), resident agent or address of resident agent).

(o) Addition of Sellers. Agree to the addition of any Subsidiary of WESCO as an additional Seller pursuant to Section 9.12 of the Receivables Sale Agreements without (i) such Subsidiary complying with all conditions precedent set forth in the Receivables Sale Agreements, or such Subsidiary's being simultaneously added as a Sub-Servicer (or without another Subsidiary's simultaneously agreeing to act as a Sub-Servicer in respect of such additional Seller) under the Transaction Documents pursuant to Section 2.6 of the Servicing Agreement.

ARTICLE III

RIGHTS OF HOLDERS AND ALLOCATION AND APPLICATION OF COLLECTIONS

THE FOLLOWING PORTION OF THIS ARTICLE III IS APPLICABLE TO ALL SERIES.

Section 3.1. Rights of Holders. (a) Each Series of Investor Certificates shall represent Fractional Undivided Interests in the Trust (including any Enhancement applicable to such Series as specified in the related Supplement) relating to such Series and the right to receive Collections and other amounts at the times and in the amounts specified in this Article III (as supplemented by the Supplement related to such Series) to be deposited in the Collection Accounts and any other accounts maintained for the benefit of the Investor Certificateholders or paid to the Investor Certificateholders (with respect to each outstanding Series, the "Certificateholders' Interest"). The "Exchangeable Company Interest" shall be the interest in the Trust not represented by any Series of Investor Certificates then outstanding or Series Subordinated Interests then in existence, including the right to receive Collections and

other amounts at the times and in the amounts specified in this Article III to be paid to the Company (the "Company Interest"), and each Series Subordinated Interest, if any, shall be the interest specified as such pursuant to the related Supplement; provided, however, that no such Exchangeable Company Interest or Series Subordinated Interest shall include any interest in any Trust Account or any other accounts maintained for the benefit of the Investor Certificateholders or the benefit of any Enhancement Provider, except as specifically provided in this Article III.

(b) Establishment of Collection Accounts and the Collection Concentration Accounts; Authority of the Trustee in Respect of the Collection Accounts and the Collection Concentration Accounts and Holders' Interests Therein. (i) The Trustee, for the benefit of the Investor Certificateholders, shall cause to be established and maintained in the name of the Trust with an Eligible Institution or with the corporate trust department of the Trustee or an affiliate of the Trustee, the following three segregated trust accounts (collectively, the "Collection Accounts"), each bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Investor Certificateholders: (i) an account in the United States to hold all Collections received in the United States (the "U.S. Dollar Collection Account"), (ii) an account in Canada to hold all Collections received in Canada that are paid in U.S. Dollars (the "Canada/U.S. Dollar Collection Account") and (iii) an account in Canada to hold all Collections received in Canada that are paid in Canadian Dollars (the "Canada/Canadian Dollar Collection Account"). Schedule 2, which is hereby incorporated into and made a part of this Agreement, identifies the Collection Accounts by setting forth the account number of each such account, the account designation of such account and the name of the institution with which such account has been established. The U.S. Dollar Collection Account shall be divided into individual subaccounts for each Outstanding Series (each, respectively, a "Series Collection Subaccount" and, collectively, the "Series Collection Subaccounts") and for the Company (the "Company Collection Subaccount"). For administrative purposes only, the Trustee shall establish or cause to be established for each Series, so long as such Series is an Outstanding Series, sub-subaccounts of the Series Collection Subaccounts with respect to such Series (respectively, the "Series Principal Collection Sub-subaccount" and "Series Non-Principal Collection Sub-subaccount" and, collectively, the "Series Collection Sub-subaccounts"). For administrative purposes only, the Trustee shall also establish or cause to be established for each Series, so long as such Series is an Outstanding Series, subaccounts of the Canada/U.S. Dollar Collection Account and subaccounts of the Canada/Canadian Dollar Collection Account (each, respectively, a "Series Canada/U.S. Dollar Collection Subaccount" and a "Series Canada/Canadian Dollar Collection Subaccount"). The Company shall also establish intervening deposit accounts (each as defined below, collectively, the "Collection Concentration Accounts"), in the name of the Company, which accounts shall be used for the receipt of Collections transferred from the Lockbox Accounts and the Eligible Segregated Accounts (to the extent so provided in the Servicing Agreement) prior to the deposit of such Collections, as appropriate, (A) into the U.S. Dollar Collection Account (the "U.S. Dollar Collection Concentration Account"), (B) into the Canada/Canadian Dollar Collection Account (the "Canada/Canadian Dollar Collection Concentration Account") or (C) into the Canada/U.S. Dollar Collection Account (the "Canada/U.S. Dollar Collection Concentration Account").

(ii) The Trustee, on behalf of the Investor Certificateholders, shall possess all right, title and interest in all funds on deposit from time to time in the Collection

Accounts and in all proceeds thereof. The Collection Accounts shall be under the sole dominion and control of the Trustee for the benefit of the Investor Certificateholders and, to the extent set forth in any Supplement, any Enhancement Provider set forth therein. If, at any time, the Servicer has actual notice or knowledge that any institution holding any of the Collection Accounts is other than the corporate trust department of the Trustee or an affiliate of the Trustee, or that any other institution holding any of the Collection Accounts has ceased to be an Eligible Institution, the Servicer shall direct the Trustee in writing to establish within 30 days a substitute account therefor with an Eligible Institution, transfer any cash and/or any Eligible Investments to such new account and from the date any such substitute accounts are established, such account shall be the Collection Account. Neither the Company nor the Servicer, nor any person or entity claiming by, through or under the Company or Servicer, shall have any right, title or interest in, except to the extent expressly provided under the Transaction Documents, or any right to withdraw any amount from, the Collection Accounts. Pursuant to the authority granted to the Servicer in subsection 2.2(a) of the Servicing Agreement, the Servicer shall have the power, revocable by the Trustee, to instruct the Trustee in writing to make withdrawals from and payments to the Collection Accounts for the purposes of carrying out the Servicer's or the Trustee's duties hereunder.

(c) Administration of the Collection Accounts. At the written direction of the Servicer, funds on deposit in the Collection Accounts available for investment shall be invested by the Trustee in Eligible Investments selected by the Servicer. All such Eligible Investments shall be held by the Trustee for the benefit of the Investor Certificateholders. Amounts on deposit in each Series Non-Principal Collection Sub-subaccount shall, if applicable, be invested in Eligible Investments that will mature, or that are payable or redeemable upon demand of the holder thereof, so that such funds will be available on or before the Business Day immediately preceding the next Distribution Date. None of such Eligible Investments shall be disposed of prior to the maturity date with respect thereto unless the Trustee is directed in writing by the Servicer (such direction shall specify the investments to be disposed) and such disposition is reasonably necessary to prevent a loss. All interest and investment earnings (net of losses and investment expenses) (the "Investment Earnings") on funds deposited in a Series Non-Principal Collection Sub-subaccount shall be deposited in such sub-subaccount. Amounts on deposit in the Series Principal Collection Sub-subaccounts and any other sub-subaccounts as specified in the related Supplement shall be invested in Eligible Investments that mature, or that are payable or redeemable upon demand of the holder thereof, so that such funds will be available not later than the date which is specified in any Supplement. The Trustee, or its nominee or custodian, shall maintain possession of the instruments or securities, if any, evidencing any Eligible Investments from the time of purchase thereof until the time of sale or maturity. Any Investment Earnings on such invested funds in a Series Principal Collection Sub-subaccount and any other sub-subaccounts as specified in the related Supplement will be deposited in the related Series Non-Principal Collection Sub-subaccount. If the Servicer fails to give such written instruction, the amounts in the Collection Accounts available for investment shall remain uninvested.

(d) Daily Collections. (i) Promptly following its receipt of Collections in the form of available funds in the Lockbox Accounts or Eligible Segregated Accounts, but in no event later than the Business Day following such receipt, the Servicer shall transfer, or cause to be transferred, all Collections on deposit (less the aggregate amount of set-offs permitted to be retained pursuant to any applicable Lockbox Agreement or Eligible Segregated Accounts

Agreement) in the form of available funds in the Lockbox Accounts, or Eligible Segregated Accounts directly to the applicable Collection Concentration Account as follows:

(A) all funds which are deposited in the United States, to the U.S. Dollar Collection Concentration Account;

(B) all funds which are deposited in Canada in U.S. Dollars, to the Canada/U.S. Dollar Collection Concentration Account; and

(C) all funds which are deposited in Canada in Canadian Dollars, to the Canada/Canadian Dollar Collection Concentration Account.

All such transfers to the U.S. Dollar Collection Concentration Account and the Canada/U.S. Dollar Collection Concentration Account shall be made in U.S. Dollars. All such transfers to the Canada/Canadian Dollar Collection Concentration Account shall be made in Canadian Dollars.

(ii) Promptly, but in no event later than the date of deposit (unless received after 3:00 p.m. New York City time, on such date, then on the next Business Day), the Trustee shall transfer amounts on deposit (a) in the U.S. Dollar Collection Concentration Account into the U.S. Dollar Collection Account, (b) in the Canada/U.S. Dollar Collection Concentration Account into the Canada/U.S. Dollar Collection Account and (c) in the Canada/Canadian Dollar Collection Concentration Account into the Canada/Canadian Dollar Collection Account.

(iii) On the date funds become available in the U.S. Dollar Collection Account (unless received after 1:00 p.m., New York City time, on such date, then on the next Business Day) (the "Deposit Date"), the Trustee shall (in accordance with the written directions received from the Servicer pursuant to subsection (h) below, upon which the Trustee may conclusively rely) transfer from Aggregate Daily Collections for such Deposit Date, to the respective Series Collection Subaccount for each Outstanding Series, an amount equal to the product of (x) the applicable Invested Percentage for such Outstanding Series and (y) such Aggregate Daily Collections.

(iv) On each Deposit Date, the Trustee shall (in accordance with the written directions received from the Servicer pursuant to subsection (h) below, upon which the Trustee may conclusively rely) allocate funds transferred to the Series Collection Subaccount for each Outstanding Series pursuant to subsection (d)(ii) above to the Series Non-Principal Collection Sub-subaccount, the Series Principal Collection Sub-subaccount and such other Sub-subaccounts of each such Series in accordance with the related Supplement for such Series.

(v) On each Deposit Date, except as otherwise provided in a Supplement, the Trustee shall (in accordance with the written directions received from the Servicer pursuant to subsection (h) below, upon which the Trustee may conclusively rely) transfer to the Company Collection Subaccount from Aggregate Daily Collections deposited into the Collection Accounts pursuant to subsection (d)(i) above on such Deposit Date, the remaining funds (less an amount equal to the costs and expenses, if any, incurred by the Trustee with respect to the sale of the Receivables pursuant to subsection 7.2(a) or 9.1(b) and

reimbursable to the Trustee as provided in Section 8.5), if any, on deposit in the Collection Account on such date after giving effect to transfers to be made pursuant to subsection (d)(iii) above.

(vi) No later than the Business Day following each Deposit Date, the Servicer shall direct the Trustee in writing to transfer with respect to the Aggregate Daily Collections deposited into the Canada/U.S. Dollar Collection Account and the Canada/Canadian Dollar Collection Account to the respective Series Canada/U.S. Dollar Collection Subaccount and the respective Series Canada/Canadian Dollar Collection Subaccount, as the case may be, for each Outstanding Series, an amount equal to the product of (x) the applicable Invested Percentage for such Outstanding Series and (y) such Aggregate Daily Collections.

(vii) No later than the Business Day following each Deposit Date, except as otherwise provided in a Supplement, (A) if in the amounts deposited in a Series Collection Subaccount or Sub-subaccount, as the case may be, of an Outstanding Series in accordance with this Section 3.1 and the related Supplement are less than the amounts required to be on deposit therein on such Business Day or (B) if a Supplement requires or permits funds on deposit in the respective Series Canada/U.S. Dollar Collection Subaccount or the respective Series Canada/Canadian Dollar Collection Subaccount to be transferred to another Collection Subaccount or Sub-subaccount of such Series, as the case may be, the Servicer shall direct the Trustee in writing to transfer to the applicable Series Collection Subaccount or Sub-subaccounts, as the case may be, first, from amounts on deposit in the Series Canada/U.S. Dollar Collection Subaccount for such Series and second, from amounts on deposit in the Series Canada/Canadian Dollar Collection Subaccount for such Series, an amount up to the amount of any such shortfall or required or permitted transfer.

(e) Certain Allocations Following an Amortization Period. (i) If, on any Settlement Report Date, an Amortization Period has occurred and is continuing with respect to any Outstanding Series and at such Settlement Report Date, a Revolving Period is still in effect with respect to any other Outstanding Series (a "Special Allocation Settlement Report Date"), then the Servicer shall make the following calculations:

(A) the amount (the "Allocable Charged-Off Amount") equal to the excess, if any, of (I) the aggregate Principal Amount of Charged-Off Receivables for the related Settlement Period over (II) the aggregate amount of Recoveries received during the related Settlement Period;

(B) the amount (the "Allocable Recoveries Amount") equal to the excess, if any, of (I) the aggregate amount of Recoveries received during the related Settlement Period over (II) the aggregate Principal Amount of Charged-Off Receivables for the related Settlement Period; and

(ii) If, on any Special Allocation Settlement Report Date, any of the Allocable Charged-Off Amount or the Allocable Recoveries Amount is greater than zero for the related Settlement Period, the Trustee shall (in accordance with written directions received pursuant to subsection (h) below, upon which the Trustee may conclusively rely) make (A) a pro rata allocation to each Outstanding Series (based on the Invested Percentage for such

Series) of a portion of each such positive amount and (B) an allocation to the Exchangeable Company Interest of the remaining portion of each such positive amount; provided, that the aggregate Allocable Recoveries Amount allocated pursuant to this subsection 3.1(e)(ii) shall never exceed the Allocable Charged-Off Amount previously allocated pursuant to this subsection 3.1(e)(ii).

(iii) With respect to each portion of the Allocable Charged-Off Amount and the Allocable Recoveries Amount which is allocated to an Outstanding Series pursuant to subsection 3.1(e)(ii), the Trustee shall apply each such amount to such Series in accordance with the related Supplement for such Series.

(f) Allocations for the Exchangeable Company Interest. Until the occurrence and continuance of a Potential Early Amortization Event or an Early Amortization Event, in each case set forth in Section 7.1 of the Agreement, or an Early Amortization Period with respect to all Outstanding Series, on each Business Day and, after the occurrence and continuance of a Potential Early Amortization Event or an Early Amortization Event, in each case set forth in Section 7.1 of the Agreement, or an Early Amortization Period with respect to all Outstanding Series, and until the Trust Termination Date, on each Distribution Date, after making all allocations required pursuant to subsection 3.1(d), the Trustee shall (in accordance with the written direction of the Servicer, upon which the Trustee may conclusively rely) transfer to the owner of the Exchangeable Company Interest the remaining amount on deposit in the Company Collection Subaccount as well as all amounts on deposit in the Canada/U.S. Dollar Collection Account and the Canada/Canadian Dollar Collection Account (and any subaccounts thereof) not otherwise required to be retained therein or otherwise distributed pursuant to the terms of a Supplement.

(g) Set-Off. (i) In addition to the provisions of Section 8.5, if the Company shall fail to make a payment as provided in this Agreement or any Supplement, the Servicer or the Trustee may set off and apply any amounts otherwise payable to the Company under any Pooling and Servicing Agreement, including without limitation any amounts allocable to the Exchangeable Company Interest or any Series Subordinated Interest. The Company hereby waives demand, notice or declaration of such set-off and application; provided, however, that notice will promptly be given to the Company of such set-off; provided, further, that failure to give such notice shall not affect the validity of such set-off.

(ii) In addition to the provisions of Section 8.5, in the event the Servicer shall fail to make a payment as provided in any Pooling and Servicing Agreement, the Trustee may set off and apply any amounts otherwise payable to the Servicer in its capacity as Servicer under the Transaction Documents on account of such obligation. The Servicer hereby waives demand, notice or declaration of such set-off and application; provided that notice will promptly be given to the Servicer of such set-off; provided, further, that failure to give such notice shall not affect the validity of such set-off.

(h) Allocation and Application of Funds. The Servicer shall in a timely manner direct the Trustee in writing (which shall be given in the form of the Daily Report and Monthly Settlement Statement) to apply all Collections with respect to the Receivables in accordance with this Article III and in the Supplement with respect to each Outstanding Series. The Servicer shall direct the Trustee in writing to pay Collections to the owner of the

Exchangeable Company Interest to the extent such Collections are allocated to the Exchangeable Company Interest under subsection 3.1(f) and as otherwise provided in Article III. Notwithstanding anything in this Agreement, any Supplement or any other Transaction Document to the contrary, to the extent that the Trustee receives any Daily Report prior to 2:00 p.m., New York City time, on any Business Day, the Trustee shall make any applications of funds required thereby on the same Business Day and otherwise on the next succeeding Business Day.

(i) Exchange of Canadian Dollars into U.S. Dollars. All amounts transferred from a Series Canada/Canadian Dollar Collection Subaccount to the U.S. Dollar Collection Account (or any Subaccount or Sub-subaccount thereof) shall be exchanged by the Trustee into U.S. Dollars at the written direction of the Servicer. Subject to the last paragraph in this Section 3.1(i), the Servicer shall solicit offer quotations from at least two Authorized Foreign Exchange Dealers for effecting such exchange and shall compare such offer quotations to the Required Currency Hedge and select the execution which will require the least amount of Canadian Dollars to purchase one (1) U.S. Dollar. The Servicer shall then direct the Trustee in writing to effect such exchange with the Authorized Foreign Exchange Dealer or the Eligible Counterparty as soon thereafter as is reasonably practicable.

The Servicer shall notify the Trustee in writing of the name and payment instructions of the Authorized Foreign Exchange Dealer or Eligible Counterparty, and shall direct the Trustee in writing to execute the trade. The Trustee shall withdraw the portion of the Canadian Dollars from the appropriate Series Canada/Canadian Dollar Collection Subaccount required to be paid pursuant to such agreement or agreements and make the payments described in the payment instructions provided pursuant to the preceding sentence, all in accordance with the written instructions of the Servicer.

The Servicer shall maintain written records of any quotations received in response to any solicitations made pursuant to this Section 3.1(i) and shall make the same available to the Trustee promptly upon request.

If, as a result of changes in customary market practice in, or other changes relating to, the currency exchange markets in Canada, the Servicer is unable to comply with the terms thereof in respect of the purchase of U.S. Dollars with Canadian Dollars, then the parties hereto will use all reasonable efforts to agree on the terms of an amendment hereto and to amend the terms hereof in order to permit such compliance with the terms hereof or to reflect such customary market practice.

The foregoing shall be the exclusive method by which amounts may be transferred from a Series Canada/Canadian Dollar Collection Subaccount to the U.S. Dollar Collection Account (or any Subaccount or Sub-subaccount thereof); provided, however, as an alternate transfer method, the Servicer may transfer the required amount of U.S. Dollars, calculated in accordance with the Canadian Exchange Percentage, to the U.S. Dollar Collection Account (or any Subaccount or Sub-subaccount thereof) and upon completion of such transfer, the Trustee shall distribute from such Series Canada/Canadian Dollar Collection Subaccount the corresponding amount of Canadian Dollars to or upon the order of the Servicer; and provided further that the amount of U.S. Dollars transferred is not less than the amount of U.S. Dollars that would have been transferred using the Valuation Price. The

Trustee shall, in no event whatsoever, be responsible for any loss or damages arising out of or with respect to any currency exchange pursuant to this Article III except to the extent provided in Article VIII.

THE REMAINDER OF ARTICLE III SHALL BE SPECIFIED IN THE SUPPLEMENT WITH RESPECT TO EACH SERIES. SUCH REMAINDER SHALL BE APPLICABLE ONLY TO THE SERIES RELATING TO THE SUPPLEMENT IN WHICH SUCH REMAINDER APPEARS.

ARTICLE IV

ARTICLE IV IS RESERVED AND MAY BE SPECIFIED IN ANY SUPPLEMENT WITH RESPECT TO THE SERIES RELATING THERETO

ARTICLE V

THE CERTIFICATES AND INTERESTS

Section 5.1. The Certificates. The Investor Certificates of each Series and any Class thereof shall be in fully registered form and shall be substantially in the form of the exhibits with respect thereto attached to the applicable Supplement. The Certificates shall, upon issue, be executed and delivered by the Company to the Trustee for authentication and redelivery as provided in Section 5.2. The Investor Certificates shall be issued in minimum denominations of $1,000,000 and in integral multiples of $100,000 in excess thereof unless otherwise specified in any Supplement for any Series and Class. Unless otherwise specified in any Supplement for any Series, the Investor Certificates of any Series or Class shall be issued upon initial issuance as one or more global certificates in an aggregate original principal amount equal to the Initial Invested Amount with respect to such Series or Class. The Company is hereby authorized to execute and deliver each Certificate on behalf of the Trust. Each Certificate shall be executed by manual or facsimile signature on behalf of the Company by a Responsible Officer. Certificates bearing the manual or facsimile signature of the individual who was, at the time when such signature was affixed, authorized to sign on behalf of the Company or the Trustee shall not be rendered invalid, notwithstanding that such individual has ceased to be so authorized prior to or on the date of the authentication and delivery of such Certificates or does not hold such office at the date of such Certificates. No Certificate shall be entitled to any benefit under this Agreement, or be valid for any purpose, unless there appears on such Certificate a certificate of authentication substantially in the form provided for herein executed by or on behalf of the Trustee by the manual signature of a duly authorized signatory, and such certificate of authentication upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and delivered hereunder. All Certificates shall be dated the date of their authentication but failure to do so shall not render them invalid.

Section 5.2. Authentication of Certificates. Contemporaneously with the execution and delivery of this Agreement, the Trustee shall authenticate and deliver the initial Series of the Investor Certificates that is issued upon original issuance, upon the written order of the Company in a form reasonably satisfactory to the Trustee, to the holders of the initial Series of Investor Certificates, against payment to the Company of the Initial Invested Amount. The Investor Certificates shall be duly authenticated by or on behalf of the Trustee in authorized denominations equal to (in the aggregate) the Initial Invested Amount and the interests evidenced thereby, and together with any Series Subordinated Interest and the Exchangeable Company Interest, shall constitute the entire ownership of the Trust. Upon a Company Exchange as provided in Section 5.10 and the satisfaction of certain other conditions specified therein, the Trustee shall authenticate and deliver the Certificates of additional Series (with the designation provided in the applicable Supplement) (or, if provided in any Supplement, the additional Investor Certificates of an existing Series), upon the written order of the Company, to the Persons designated in such Supplement or order (if no additional Supplement is required). Upon the order of the Company, the Investor Certificates of any Series shall be duly authenticated by or on behalf of the Trustee, in authorized denominations equal to (in the aggregate) the Initial Invested Amount of such Series (or, if provided in any Supplement, the additional Investor Certificates of an existing Series), of Investor Certificates.

Section 5.3. Registration of Transfer and Exchange of Certificates. (a) The Trustee shall cause to be kept at the office or agency to be maintained by a transfer agent and registrar (which may be the Trustee) (the "Transfer Agent and Registrar") in accordance with the provisions of Section 8.16 a register (the "Certificate Register") in which, subject to such reasonable regulations as the Trustee may prescribe, the Transfer Agent and Registrar shall provide for the registration of the Investor Certificates and of transfers and exchanges of the Investor Certificates as herein provided. The Company hereby appoints the Trustee as Transfer Agent and Registrar for the purpose of registering the Investor Certificates and transfers and exchanges of the Investor Certificates as herein provided. The Trustee shall be permitted to resign as Transfer Agent and Registrar upon 30 days' written notice to the Company and the Servicer; provided, however, that such resignation shall not be effective and the Trustee shall continue to perform its duties as Transfer Agent and Registrar until the Trustee has appointed a successor Transfer Agent and Registrar reasonably acceptable to the Company and such successor Transfer Agent and Registrar has accepted such appointment. The provisions of Sections 8.1, 8.2, 8.3, 8.5 and 10.19 shall apply to the Trustee also in its role as Transfer Agent or Registrar, as the case may be, for so long as the Trustee shall act as Transfer Agent or Registrar, as the case may be.

The Company hereby agrees to provide the Trustee from time to time sufficient funds, on a timely basis and in accordance with and subject to Section 8.5, for the payment of any reasonable compensation payable to the Transfer Agent and Registrar for their services under this Section 5.3. The Trustee hereby agrees that, upon the receipt of such funds from the Company, it shall pay the Transfer Agent and Registrar such amounts.

Upon surrender for registration of transfer of any Investor Certificate at any office or agency of the Transfer Agent and Registrar maintained for such purpose, the Company shall execute, and, upon the written request of the Company, the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Investor Certificates in authorized denominations of the same Series (and Class)

representing like aggregate Fractional Undivided Interests and which bear numbers that are not contemporaneously outstanding.

At the option of an Investor Certificateholder, Investor Certificates may be exchanged for other Investor Certificates of the same Series (and Class) in authorized denominations of like aggregate Fractional Undivided Interests, bearing numbers that are not contemporaneously outstanding, upon surrender of the Investor Certificates to be exchanged at any such office or agency of the Transfer Agent and Registrar maintained for such purpose.

Whenever any Investor Certificates of any Series are so surrendered for exchange, the Company shall execute, and, upon the written request of the Company, the Trustee shall authenticate and (unless the Transfer Agent and Registrar is different from the Trustee, in which case the Transfer Agent and Registrar shall) deliver, the Investor Certificates of such Series which the Investor Certificateholder making the exchange is entitled to receive. Every Investor Certificate presented or surrendered for registration of transfer or exchange shall be accompanied by a written instrument of transfer substantially in the form attached to the form of such Investor Certificate and duly executed by the holder thereof or his attorney-in-fact duly authorized in writing delivered to the Trustee (unless the Transfer Agent and Registrar is different from the Trustee, in which case to the Transfer Agent and Registrar) and complying with any requirements set forth in the applicable Supplement.

No service charge shall be made for any registration of transfer or exchange of Investor Certificates, but the Transfer Agent and Registrar may require any Investor Certificateholder that is transferring or exchanging one or more Certificates to pay a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Investor Certificates.

All Investor Certificates surrendered for registration of transfer and exchange shall be canceled and disposed of in a customary manner satisfactory to the Trustee.

The Company shall execute and deliver Certificates to the Trustee or the Transfer Agent and Registrar in such amounts and at such times as are necessary to enable the Trustee and the Transfer Agent and Registrar to fulfill their respective responsibilities under this Agreement and the Certificates.

(b) The Transfer Agent and Registrar will maintain at its expense in the Borough of Manhattan, The City of New York and, subject to subsection 5.3(a), if specified in the related Supplement for any Series, any other city designated in such Supplement, an office or offices or agency or agencies where Investor Certificates may be surrendered for registration or transfer or exchange.

(c) Unless otherwise stated in any related Supplements, registration of transfer of Certificates containing a legend relating to restrictions on transfer of such Certificates (which legend shall be set forth in the Supplement relating to such Investor Certificates) shall be effected only if the conditions set forth in the related Supplement are complied with.

Certificates issued upon registration or transfer of, or in exchange for, Certificates bearing the legend referred to above shall also bear such legend unless the

Company, the Servicer, the Trustee and the Transfer Agent and Registrar receive an Opinion of Counsel satisfactory to each of them, to the effect that such legend may be removed.

(d) (i) The Company may not transfer, assign, exchange or otherwise pledge or convey the Series Subordinated Interest of any Series (or any interest therein) or the Exchangeable Company Interest (or any interest therein) except, with respect to the Exchangeable Company Interest, pursuant to Section 5.10.

(ii) Neither the Company nor the Servicer shall at any time participate in the listing of any Targeted Investor Certificate (as defined below) on an "established securities market" within the meaning of Section 7704(b)(1) of the Internal Revenue Code and any proposed, temporary or final treasury regulation thereunder as of the date hereof, including, without limitation, an over-the-counter or interdealer quotation system that regularly disseminates firm buy or sell quotations. "Targeted Investor Certificate" shall mean any Certificate representing a right to receive interest or principal with respect to any Class or Series of Investor Certificates with respect to which an Opinion of Counsel has not been rendered that such Certificates will be treated as debt for federal income tax purposes (it being understood that any Certificate with respect to which an Opinion of Counsel has been rendered that such Certificate will be treated either as debt or as an interest in a partnership for federal income tax purposes shall be a Targeted Investor Certificate).

(e)(i) No transfer of a Targeted Investor Certificate or grant of a participation therein shall be permitted if (A) such transfer or grant would cause the number of Targeted Holders (as defined below) to exceed 90 or (B) the transferee or grantee, as the case may be, is a trust, partnership or "S corporation" (within the meaning of Section 1361(a) of the Code) (a "flow-through entity"), unless such flow-through entity represents that less than 50% of the aggregate value of such flow-through entity's assets consist of Targeted Investor Certificates. "Targeted Holder" shall mean each holder of a Targeted Investor Certificate; provided, however, that any Person holding more than one interest with respect to the Investor Certificates or the Trust, each of which separately would cause such Person to be a Targeted Holder, shall be treated as a single Targeted Holder.

(ii) Any determination by the Transfer Agent and Registrar (in accordance with the information contained in the Certificate Register and the certifications made by each transferee and participant pursuant to the applicable Supplement, upon which information the Transfer Agent and Registrar may conclusively rely) that the event described in either clause (i)(A) or (i)(B) of this subsection 5.3(e) would occur as the result of a transfer of a Targeted Investor Certificate or the grant of a participation therein shall be (X) communicated in writing to the transferring or granting Investor Certificateholder prior to the effective date set out in the notice of transfer or participation required by, or otherwise provided for under, the related Supplement and (Y) binding upon the parties absent manifest error.

(iii) Except as specified in any Supplement for a related Series, all Investor Certificates of any Series shall be equally and ratably entitled as provided herein to the benefits hereof without preference, priority or distinction on account of the actual time or times of

authentication and delivery, all in accordance with the terms and provisions of this Agreement and the applicable Supplement.

Section 5.4. Mutilated, Destroyed, Lost or Stolen Certificates. If (a) any mutilated Certificate is surrendered to the Transfer Agent and Registrar, or the Transfer Agent and Registrar receives evidence in the form of a certification by the holder thereof of the destruction, loss or theft of any Certificate and (b) there is delivered to the Transfer Agent and Registrar and the Trustee such security or indemnity as may be required by them to save the Trust and each of them harmless, then, in the absence of actual notice to the Trustee or Transfer Agent and Registrar that such Certificate has been acquired by a bona fide purchaser, the Company shall execute and, upon the written request of the Company, the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like tenor and aggregate Fractional Undivided Interest and bearing a number that is not contemporaneously outstanding. In connection with the issuance of any new Certificate under this Section 5.4, the Trustee or the Transfer Agent and Registrar may require the payment by the Holder of a sum sufficient to cover any tax or other governmental expenses (including the fees and expenses of the Trustee and Transfer Agent and Registrar) connected therewith. Any duplicate Certificate issued pursuant to this Section 5.4 shall constitute complete and indefeasible evidence of ownership in the Trust, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

Section 5.5. Persons Deemed Owners. At all times prior to due presentation of a Certificate for registration of transfer, the Company, the Trustee, the Paying Agent, the Transfer Agent and Registrar, any Agent and any agent of any of them may treat the Person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving distributions pursuant to Article IV of the related Supplement and for all other purposes whatsoever, and neither the Trustee, the Paying Agent, the Transfer Agent and Registrar, any Agent nor any agent of any of them shall be affected by any notice to the contrary. Notwithstanding the foregoing provisions of this Section 5.5, in determining whether the holders of the requisite Fractional Undivided Interests have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Certificates (or interests therein) owned by the Company, the Servicer or any Affiliate thereof shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Certificates which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Certificates (or interests therein) so owned by the Company, the Servicer or any Affiliate thereof which have been pledged in good faith shall not be disregarded and may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Certificates (or interests therein) and that the pledgee is not the Company, the Servicer or an Affiliate thereof.

Section 5.6. Appointment of Paying Agent. The Paying Agent shall make distributions to Investor Certificateholders from the Collection Account to the extent of available funds (and/or any other account or accounts maintained for the benefit of the Investor Certificateholders as specified in the related Supplement for any Series) pursuant to Articles III and IV. The Trustee may revoke such power and remove the Paying Agent if the Trustee determines in its sole discretion that the Paying Agent shall have failed to perform its obligations under this Agreement in any material respect. Unless otherwise specified in the

related Supplement for any Series and with respect to such Series, the Paying Agent shall initially be the Trustee and, if the Trustee so chooses, any co-paying agent chosen by the Trustee. Each Paying Agent shall have a combined capital and surplus of at least $50,000,000. The Paying Agent shall be permitted to resign upon 30 days' written notice to the Trustee. In the event that the Paying Agent shall so resign, the Trustee shall appoint a successor to act as Paying Agent (which shall be a depository institution or trust company) reasonably acceptable to the Company which appointment shall be effective on the date on which the Person so appointed gives the Trustee written notice that it accepts the appointment. Any resignation or removal of the Paying Agent and appointment of successor Paying Agent pursuant to this Section 5.6 shall not become effective until acceptance of appointment by the successor Paying Agent, as provided in this Section 5.6. The Trustee shall cause such successor Paying Agent or any additional Paying Agent appointed by the Trustee to execute and deliver to the Trustee an instrument in which such successor Paying Agent or additional Paying Agent shall agree with the Trustee that as Paying Agent, such successor Paying Agent or additional Paying Agent will hold all sums, if any, held by it for payment to the Investor Certificateholders in trust for the benefit of the Investor Certificateholders entitled thereto until such sums shall be paid to such Holders. The Paying Agent shall return all unclaimed funds to the Trustee and upon removal of a Paying Agent such Paying Agent shall also return all funds in its possession to the Trustee. The provisions of Sections 8.1, 8.2, 8.3, 8.5 and 10.19 shall apply to the Trustee also in its role as Paying Agent, for so long as the Trustee shall act as Paying Agent. Any reference in this Agreement to the Paying Agent shall include any co-paying agent, if any, unless the context requires otherwise.

The Company hereby agrees to provide the Trustee from time to time sufficient funds, on a timely basis and in accordance with and subject to Section 8.5, for the payment of any reasonable compensation payable to the Paying Agent for its services under this Section 5.6. The Trustee hereby agrees that, upon the receipt of such funds from the Company, it shall pay the Paying Agent such amounts.

Section 5.7. Access to List of Investor Certificateholders' Names and Addresses. The Trustee will furnish or cause to be furnished by the Transfer Agent and Registrar to the Company, the Servicer or the Paying Agent, within ten Business Days after receipt by the Trustee of a written request therefor from the Company, the Servicer or the Paying Agent, respectively, in writing, a list of the names and addresses of the Investor Certificateholders as then recorded by or on behalf of the Trustee. If three or more Investor Certificateholders of record or any Investor Certificateholder of any Series or a group of Investor Certificateholders of record representing Fractional Undivided Interests aggregating not less than 10% of the Invested Amount of the related Outstanding Series (the "Applicants") apply in writing to the Trustee, and such application states that the Applicants desire to communicate with other Investor Certificateholders of any Series with respect to their rights under this Agreement or under the Investor Certificates and is accompanied by a copy of the communication which such Applicants propose to transmit, then the Trustee, after having been adequately indemnified by such Applicants for its costs and expenses, shall transmit or shall cause the Transfer Agent and Registrar to transmit, such communication to the Investor Certificateholders reasonably promptly after the receipt of such application.

Every Investor Certificateholder, by receiving and holding an Investor Certificate, agrees with the Trustee that neither the Trustee, the Transfer Agent and Registrar,

nor any of their respective agents, officers, directors or employees shall be held accountable by reason of the disclosure or mailing of any such information as to the names and addresses of the Investor Certificateholders hereunder, regardless of the sources from which such information was derived.

As soon as practicable following each Record Date, the Trustee shall provide to the Paying Agent or its designee, a list of Investor Certificateholders in such form as the Paying Agent may reasonably request.

Section 5.8. Authenticating Agent. (a) The Trustee may appoint one or more authenticating agents with respect to the Certificates which shall be authorized to act on behalf of the Trustee in authenticating the Certificates in connection with the issuance, delivery, registration of transfer, exchange or repayment of the Certificates. Whenever reference is made in this Agreement to the authentication of Certificates by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication on behalf of the Trustee by an authenticating agent and a certificate of authentication executed on behalf of the Trustee by an authenticating agent. Each authenticating agent must be acceptable to the Company.

(b) Any institution succeeding to the corporate trust business of an authenticating agent shall continue to be an authenticating agent without the execution or filing of any paper or any further act on the part of the Trustee or such authenticating agent.

(c) An authenticating agent may at any time resign by giving written notice of resignation to the Trustee. Upon the receipt by the Trustee of any such notice of resignation and upon the giving of any such notice of termination by the Trustee, the Trustee shall immediately give notice of such resignation or termination to the Company. Any resignation of an authenticating agent shall not become effective until acceptance of appointment by the successor authenticating agent as provided in this Section 5.8. The Trustee may at any time terminate the agency of an authenticating agent by giving notice of termination to such authenticating agent. Upon receiving such a notice of resignation or upon such a termination, or in case at any time an authenticating agent shall cease to be acceptable to the Trustee, the Trustee promptly may appoint a successor authenticating agent. Any successor authenticating agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an authenticating agent. No successor authenticating agent (other than an Affiliate of the Trustee) shall be appointed unless reasonably acceptable to the Trustee and the Company.

(d) The Company hereby agrees to provide the Trustee from time to time sufficient funds, on a timely basis and in accordance with and subject to Section 8.5, for the payment of any reasonable compensation payable to each authenticating agent for its services under this Section 5.8. The Trustee hereby agrees that, upon the receipt of such funds from the Company it shall pay each authenticating agent such amounts.

(e) The provisions of Sections 8.1, 8.2, 8.3 and 8.5 shall be applicable to any authenticating agent.

(f) Pursuant to an appointment made under this Section 5.8, the Certificates may have endorsed thereon, in lieu of the Trustee's certificate of authentication, an alternate certificate of authentication in substantially the following form:

"This is one of the Certificates described in the Pooling Agreement dated as of June 5, 1998, among WESCO Receivables Corp., WESCO Distribution, Inc., as Servicer, and The Chase Manhattan Bank, as Trustee.

---
as Authenticating Agent
for the Trustee

By

Authorized Signatory"

Section 5.9. Tax Treatment. It is the intent of the Servicer, the Company, the Investor Certificateholders and the Trustee that, for federal, state and local income and franchise tax purposes, the Investor Certificates be treated as evidence of indebtedness secured by the Trust Assets and the Trust not be characterized as an association taxable as a corporation. The Company, the Servicer and the Trustee, by entering into this Agreement, and each Investor Certificateholder, by its acceptance of its Investor Certificate, agree to treat the Investor Certificates for federal, state and local income and franchise tax purposes as indebtedness. The provisions of this Agreement and all related Transaction Documents shall be construed to further these intentions of the parties. This Section 5.9 shall survive the termination of this Agreement and shall be binding on all transferees of any of the foregoing persons.

Section 5.10. Company Exchanges. (a) The Company may, in accordance with the procedures set forth below, call for an adjustment of the Exchangeable Company Interest in exchange for (i) an increase in the Invested Amount of Investor Certificates of an Outstanding Series (or a Class thereof) and an increase in the related Series Subordinated Interest or (ii) one or more newly issued Series of Investor Certificates and the related newly created Series Subordinated Interest (a "New Series") (any such exchange, a "Company Exchange"). The Company may perform a Company Exchange by notifying the Trustee, in writing at least five days in advance (an "Exchange Notice") of the date upon which the Company Exchange is to occur (an "Exchange Date"). Any Exchange Notice shall state the designation of any Series (and/or Class, if applicable) to be issued (or increased) on the Exchange Date and, with respect to each such Series (and/or Class, if applicable): (a) its additional or Initial Invested Amount, as the case may be, if any, which in the aggregate at any time may not be greater than the current value of the Exchangeable Company Interest, if any, at such time, (b) its Certificate Rate (or the method for allocating interest payments or other cash flow to such Series), if any, and (c) whether such New Series will be a companion series to an Outstanding Series as described in paragraph (d) below (an "Existing Companion Series"; and together with the New Series, a "Companion Series"). On the Exchange Date, the Trustee shall, upon the written order of the Company, authenticate and deliver any

Certificates evidencing an increase in the Invested Amount of Investor Certificates of an Outstanding Series (or a Class thereof) or a newly issued Series only upon delivery by the Company to the Trustee of the following (together with the delivery by the Company to the Trustee of any additional agreements, instruments or other documents as are specified in the related Supplement): (a) a Supplement executed by the Company and specifying the Principal Terms of such Series (provided that no such Supplement shall be required for any increase in the Invested Amount of an Outstanding Series (or Class thereof) of Investor Certificates unless it is so required by the related Supplement; provided that if the Certificate Rate for the new Certificates is different from the Certificate Rate applicable to the outstanding Certificates of such Series (or Class thereof) the new Certificate Rate shall be set forth in an Officer's Certificate of the Company delivered to the Trustee), (b) a Tax Opinion addressed to the Trustee and the Trust, (c) a General Opinion addressed to the Trustee and the Trust, (d) an agreement pursuant to which the Enhancement Provider, if any, agrees to provide Enhancement, (e) an Officer's Certificate that the Exchange will not result in the occurrence of a Potential Early Amortization Event or Early Amortization Event with respect to any Outstanding Series and that all conditions precedent to the Exchange contained in the Pooling and Servicing Agreements have been complied with, and (f) written confirmation from each Rating Agency that the Company Exchange will not result in the Rating Agency's reducing or withdrawing its rating on any then Outstanding Series rated by it. Upon the delivery of the items listed in clauses (a) through (f) above, the existing Exchangeable Company Interest and the applicable Series Subordinated Interests, as the case may be, shall be deemed adjusted as of the Exchange Date, and the new Series Subordinated Interests, if any, shall be deemed duly created as of the Exchange Date, in each case as provided above. There is no limit to the number of Company Exchanges that the Company may perform under this Agreement. If the Company shall, on any Exchange Date, retain any Investor Certificates issued on such Exchange Date, it shall, prior to transferring any such Certificates to another Person, obtain a Tax Opinion. Additional restrictions relating to a Company Exchange may be set forth in any Supplement.

(b) Upon any Company Exchange, the Trustee, in accordance with the written directions of the Company, shall issue to the Company under Section 5.1, for execution and redelivery to the Trustee for authentication under Section 5.2, (i) one or more Certificates representing an increase in the Invested Amount of an Outstanding Series (or Class thereof) or (ii) one or more new Series of Investor Certificates. Any such Certificates shall be substantially in the form specified in the applicable Supplement and each shall bear, upon its face, the designation for such Series (and Class thereof) to which each such certificate belongs so selected by the Company.

(c) In conjunction with a Company Exchange, the parties hereto shall, except as otherwise provided in subsection (a) above, execute a Supplement to this Agreement, which shall define, with respect to any additional Investor Certificates or newly issued Series, as the case may be: (i) its name or designation, (ii) its additional or initial principal amount, as the case may be (or method for calculating such amount), (iii) its coupon rate (or formula for the determination thereof), (iv) the interest payment date or dates and the date or dates from which interest shall accrue, (v) the method for allocating Collections to Holders, including the applicable Investor Percentage, (vi) the names of any accounts to be used by such Series and the terms governing the operation of any such accounts, (vii) the issue and terms of a letter of credit or other form of Enhancement, if any, with respect thereto, (viii) the terms, if any, on

which the Certificates of such Series may be repurchased by the Company or may be remarketed to other investors, (ix) the Series Termination Date, (x) any deposit account maintained for the benefit of Holders, (xi) the number of Classes of such Series, and if more than one Class, the rights and priorities of each such Class, (xii) the rights of the owner of the Exchangeable Company Interest that have been transferred to the holders of such Series, (xiii) the designation of any Series Accounts and the terms governing the operation of any such Series Accounts, (xiv) provisions reasonably acceptable to the Trustee concerning the payment of the Trustee's fees and expenses and (xv) other relevant terms (all such terms, the "Principal Terms" of such Series). The Supplement executed in connection with the Company Exchange shall contain administrative provisions which are reasonably acceptable to the Trustee.

(d) In order for a New Series to be part of a Companion Series, the Supplement for the related Existing Companion Series must provide for or permit the Amortization Period to commence on the Issuance Date for such New Series, and on or prior to the Issuance Date for the New Series the Servicer and the Company shall take all actions, if any, necessary to cause the Amortization Period for such Existing Companion Series to commence on such Issuance Date. The proceeds from the issuance of the New Series shall be deposited in the applicable Series Principal Collection Sub-subaccount and the Company shall, on the Issuance Date for such New Series, deposit into the applicable Series Non-Principal Collection Sub-subaccount the amount of interest that will accrue on the New Series over a period specified in the related Supplement for such New Series. On each day on which principal is paid to the holders of the Existing Companion Series, the Trustee shall distribute to the Company from the applicable Series Principal Collection Sub-subaccount of the New Series an amount (up to the amount of available funds in such account) equal to the amount distributed on such day to the Investor Certificateholders of any Existing Companion Series; provided that, after giving effect to such distributions, the Aggregate Receivables Amount shall equal or exceed the sum of (i) the Target Receivables Amount with respect to such Existing Companion Series on such day, plus (ii) the Target Receivables Amount with respect to the New Series on such day, plus (iii) the Target Receivables Amount with respect to any other Outstanding Series on such day; provided further that the Trustee may conclusively rely on the calculations of the Servicer of such amounts.

Section 5.11. Book-Entry Certificates. If specified in any related Supplement, the Investor Certificates, or any portion thereof, upon original issuance, shall be issued in the form of one or more typewritten Certificates representing the Book-Entry Certificates, to be delivered to the depository specified in such Supplement (the "Depository") which shall be the Clearing Agency, specified by, or on behalf of, the Company for such Series. The Investor Certificates shall initially be registered on the Certificate Register in the name of the nominee of such Clearing Agency, and no Certificate Book-Entry Holder will receive a definitive certificate representing such Certificate Book-Entry Holder's interest in the Investor Certificates, except as provided in Section 5.13. Unless and until definitive, fully registered Investor Certificates ("Definitive Certificates") have been issued to Holders pursuant to Section 5.13 or the related Supplement:

(a) the provisions of this Section 5.11 shall be in full force and effect;

(b) the Company, the Servicer and the Trustee may deal with each Clearing Agency for all purposes (including the making of distributions on the Investor

Certificates) as the Holder without respect to whether there has been any actual authorization of such actions by the Certificate Book-Entry Holders with respect to such actions;

(c) to the extent that the provisions of this Section 5.11 conflict with any other provisions of this Agreement, the provisions of this Section 5.11 shall control; and

(d) the rights of Certificate Book-Entry Holders shall be exercised only through the Clearing Agency and the related Clearing Agency Participants and shall be limited to those established by law and agreements between such related Certificate Book-Entry Holders and the Clearing Agency and/or the Clearing Agency Participants. Pursuant to the Depository Agreement, the initial Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal and interest on the Investor Certificates to such Clearing Agency Participants.

Notwithstanding the foregoing, no Class or Series of Investor Certificates may be issued as Book Entry Certificates (but, instead, shall be issued as Definitive Certificates) unless at the time of issuance of such Class or Series the Company and the Trustee receive an opinion of independent counsel that the Certificates of such Class or Series will be treated as indebtedness for federal income tax purposes.

Section 5.12. Notices to Clearing Agency. Whenever notice or other communication to the Holders is required under this Agreement, unless and until Definitive Certificates shall have been issued to Certificate Book-Entry Holders pursuant to Section 5.13, the Trustee shall, give all such notices and communications specified herein to be given to the Investor Certificateholders to the Clearing Agencies.

Section 5.13. Definitive Certificates. If (a)(i) the Company advises the Trustee in writing that any Clearing Agency is no longer willing or able to properly discharge its responsibilities under the applicable Depository Agreement, and (ii) the Company is unable to locate a qualified successor, (b) the Company, at its option, advises the Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency or (c) after the occurrence of a Servicer Default or an Early Amortization Event, Certificate Book-Entry Holders representing Fractional Undivided Interests aggregating more than 50% of the Invested Amount held by such Certificate Book-Entry Holders of each affected Series then issued and outstanding advise the Clearing Agency through the Clearing Agency Participants in writing, and the Clearing Agency shall so notify the Trustee, that the continuation of a book-entry system through the Clearing Agency is no longer in the best interests of the Certificate Book-Entry Holders, the Trustee shall notify the Clearing Agency, which shall be responsible to notify the Certificate Book-Entry Holders, of the occurrence of any such event and of the availability of Definitive Certificates to Certificate Book-Entry Holders requesting the same. Upon surrender to the Trustee of the Book-Entry Certificates by the Clearing Agency, accompanied by registration instructions from the Clearing Agency for registration, the Company shall execute and the Trustee shall authenticate the Definitive Certificates. Neither the Company nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions.

ARTICLE VI

OTHER MATTERS RELATING TO THE COMPANY

Section 6.1. Limitation on Liability. None of the Company's directors or officers or employees or agents, shall be under any liability to the Trust, the Trustee, the Holders or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement, whether or not such action or inaction arises from express or implied duties under this Agreement; provided, that this provision shall not protect any such director, officer, employee or agent against any liability which would otherwise be imposed on such Person by reason of wilful misconduct, bad faith or gross negligence in the performance of such Person's duties or by reason of reckless disregard of such Person's obligations and duties hereunder.

Section 6.2. Liabilities. By entering into this Agreement, the Company agrees to be liable, directly to the injured party, for the entire amount of any losses, claims, damages or liabilities, arising out of or based on the arrangement created by any Pooling and Servicing Agreement or the actions of the Servicer taken pursuant hereto or thereto (except those losses, claims, damages or liabilities incurred by an Investor Certificateholder in the capacity of an investor in the Investor Certificates as a result of the performance of the Receivables, market fluctuations or other similar market or investment risks) as though the Pooling and Servicing Agreements created a partnership under the New York Uniform Limited Partnership Act with the Company as a general partner thereof. The Company agrees to pay, indemnify and hold harmless each Investor Certificateholder against and from any and all such losses, claims, damages and liabilities, except to the extent they arise from any action or omission by such Investor Certificateholder; provided that any payments made by the Company in respect of any of the foregoing items shall be made solely from funds available to the Company which are not otherwise required to be applied to the payment of any amounts pursuant to any Pooling and Servicing Agreements (other than to the Company), shall be non-recourse other than with respect to such funds and shall not constitute a claim against the Company to the extent that insufficient funds exist to make such payment. In the event of a Service Transfer, the Successor Servicer (except for the Trustee in its capacity as Successor Servicer) will indemnify and hold harmless the Company for any losses, claims, damages and liabilities of the Company arising under this Section 6.2 from the actions or omissions of such Successor Servicer.

ARTICLE VII

EARLY AMORTIZATION EVENTS

Section 7.1. Early Amortization Events. Unless modified with respect to any Series of Investor Certificates by any related Supplement, if any one of the following events (each, an "Early Amortization Event") shall occur:

(a)(i) the Company shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent,

or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Company shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Company any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the Company any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 such days from the entry thereof; or (iv) the Company shall take any action in furtherance of any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Company shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(b) the Trust or the Company shall become an "investment company" within the meaning of the Investment Company Act of 1940, as amended;

(c) the Trust is characterized for federal income tax purposes as a "publicly traded partnership" or as an association taxable as a corporation; or

(d) the Trustee shall be appointed as Successor Servicer pursuant to subsection 6.2(b) of the Servicing Agreement;

then, an "Early Amortization Period" with respect to all Outstanding Series shall commence without any notice or other action on the part of the Trustee or any Investor Certificateholder immediately upon the occurrence of such event. The Servicer shall notify each Rating Agency, each Agent and the Trustee in writing of the occurrence of any Early Amortization Period, specifying the cause thereof. Further, upon the commencement against the Company of a case, proceeding or other action described in clause (a)(ii) or (iii) above, the Company shall not purchase Receivables from any Seller, or transfer Receivables to the Trust, until such time, if any, as such case, proceeding or other action is vacated, discharged, or stayed or bonded pending appeal.

Additional Early Amortization Events and the consequences thereof may be set forth in each Supplement with respect to the Series relating thereto.

Section 7.2. Additional Rights Upon the Occurrence of Certain Events. (a) If an Insolvency Event with respect to the Company occurs, the Company shall immediately cease to transfer Receivables to the Trust and shall promptly give notice to the Trustee of such occurrence. Notwithstanding any cessation of the transfer to the Trust of additional Receivables, Receivables transferred to the Trust prior to the occurrence of such Insolvency Event and Collections in respect of such Receivables and interest, whenever created, accrued in respect of such Receivables, shall continue to be a part of the Trust. Within 15 days of the Trustee's receipt of notice of the occurrence of an Insolvency Event in accordance with Section 7.1, if the Aggregate Invested Amount and all accrued and unpaid interest thereon have not

been paid to the Investor Certificateholders, then the Trustee shall (i) publish a notice in a newspaper with a national circulation (an "Authorized Newspaper") that an Insolvency Event has occurred and that the Servicer, on behalf of the Trustee, intends to sell, dispose of or otherwise liquidate the Receivables and the other Trust Assets in a commercially reasonable manner and (ii) send written notice to the Investor Certificateholders and request instructions from such holders, which notice shall request each Investor Certificateholder to advise the Trustee in writing that it elects one of the following options: (A) the Investor Certificateholder wishes the Trustee to instruct the Servicer not to sell, dispose of or otherwise liquidate the Receivables and the other Trust Assets, or (B) the Investor Certificateholder wishes the Trustee to instruct the Servicer to sell, dispose of or otherwise liquidate the Receivables and the other Trust Assets and to instruct the Servicer to reconstitute the Trust upon the same terms and conditions set forth herein. If after 60 days from the day notice pursuant to clause (i) above is first published (the "Publication Date"), the Trustee shall not have received written instructions of (x) holders of Certificates representing undivided interests in the Trust aggregating in excess of 50% of the related Invested Amount of each Series (or in the case of a series having more than one Class of Investor Certificates, each Class of such series) selecting option (A) above and (y) if the owners of the Exchangeable Company Interest do not include the Company (and following the delivery of written notice in the form referred to above by the Company to such owners), the owners thereof representing undivided interests in the Trust aggregating in excess of 50% of the Company Interest, the Trustee shall instruct the Servicer to proceed to sell, dispose of, or otherwise liquidate the Receivables and the other Trust Assets in a commercially reasonable manner and on commercially reasonable terms, which shall include the solicitation of competitive bids, and the Servicer shall proceed to consummate the sale, liquidation or disposition of the Receivables and the other Trust Assets as provided above with the highest bidder therefor; provided, however, that if the allocable sale price, less all reasonable fees, expenses and other amounts due hereunder to the Trustee, its agents and counsel to the Trustee, to be realized from such sale, liquidation or disposition would be less than the Aggregate Invested Amount plus accrued and unpaid interest thereon through the Distribution Date next succeeding the date of such sale, the Trustee must receive the prior unanimous consent of all the Investor Certificateholders to such sale, liquidation or disposition. The Company or any of its Affiliates shall be permitted to bid for the Receivables and the other Trust Assets. In addition, the Company or any of its Affiliates shall have the right to match any bid by a third person and be granted the right to purchase the Receivables and the other Trust Assets at such matched bid price. The Servicer, on behalf of the Trustee, may obtain a prior determination from any such conservator, receiver or liquidator that the terms and manner of any proposed sale, disposition or liquidation are commercially reasonable. The provisions of Sections 7.1 and 7.2 shall be cumulative and not mutually exclusive. The costs and expenses incurred by the Trustee in such sale shall be reimbursable to the Trustee as provided in Section 8.5.

(b) The proceeds from the sale, liquidation or disposition of the Receivables and the other Trust Assets pursuant to subsection (a) above shall be treated as Collections on the Receivables and such proceeds will be distributed to any Servicers who are not Affiliates of the Company for the payment of servicing fees and to the Trustee in an amount equal to the amount of any expenses incurred by the Trustee acting in its capacity either as Trustee or as liquidating agent pursuant to subsection 7.2(a) above which have not otherwise been reimbursed prior thereto. Thereafter, the remaining funds, if any, shall be distributed (i) to holders of each Series after immediately being deposited in the Collection Accounts, in

accordance with the provisions of subsection 3.1(d) and the related Supplement for such Series and (ii) after giving effect to the transfer to be made pursuant to the preceding clause (i), the remainder, if any, shall be allocated to the Company Interest and shall be released to the owner of the Exchangeable Company Interest upon cancelation thereof.

ARTICLE VIII

THE TRUSTEE

Section 8.1. Duties of Trustee. (a) The Trustee, prior to the occurrence of a Servicer Default or an Early Amortization Event of which a Responsible Officer of the Trustee has actual knowledge and after the curing of all Servicer Defaults and Early Amortization Events which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Pooling and Servicing Agreements and no implied covenants or obligations shall be read into such Pooling and Servicing Agreements against the Trustee. If a Servicer Default or Early Amortization Event to the actual knowledge of a Responsible Officer of the Trustee has occurred (which has not been cured or waived), the Trustee shall exercise the rights and powers vested in it in its capacity as Trustee by any Pooling and Servicing Agreement and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. The provisions of this Section shall be applicable to the Trustee in its capacity as Trustee hereunder. If the Trustee shall have succeeded to the obligations of the Servicer, the provisions of the Servicing Agreement shall govern the actions of the Trustee as Successor Servicer.

(b) The Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions expressed therein upon resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee and believed by it to be genuine and to have been signed or presented to it pursuant to any Pooling and Servicing Agreement by the proper party or parties; but in the case of any of the above which are specifically required to be furnished to the Trustee pursuant to any provision of the Pooling and Servicing Agreements, the Trustee shall, subject to Section 8.2, examine them to determine whether they substantially conform to the requirements of this Agreement; provided, that the Trustee shall not be responsible for the accuracy or content of any document furnished pursuant to any Pooling and Servicing Agreement.

(c) Subject to subsection 8.1(a), no provision of any Pooling and Servicing Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own misconduct; provided, however, that:

(i) The Trustee shall not be liable in its individual capacity for an error of judgment unless it shall be proved that the Trustee was negligent, or acted in bad faith, in ascertaining the pertinent facts;

(ii) The Trustee shall not be liable in its individual capacity with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the Pooling and Servicing Agreement or at the direction of the Servicer or the holders

of Investor Certificates evidencing in excess of 50% (or such lesser percentage as set forth in any applicable provision) of the Aggregate Invested Amount;

(iii) The Trustee shall not be charged with knowledge of any failure by the Servicer to comply with any of its obligations, unless a Responsible Officer of the Trustee obtains actual knowledge of such failure or the Trustee receives written notice of such failure from the Servicer, any Agent or any Investor Certificateholder. In the absence of written notice, the Trustee may conclusively rely that there is no Servicer Default or Early Amortization Event;

(iv) The Trustee shall not be charged with knowledge of a Servicer Default or Early Amortization Event unless a Responsible Officer of the Trustee obtains actual knowledge of such event or the Trustee receives written notice of such default or event from the Servicer, any Agent or any Investor Certificateholder. In the absence of written notice received by a Responsible Officer of the Trustee, the Trustee may conclusively rely that there is no Servicer Default or Early Amortization Event;

(v) The Trustee shall not be liable for any investment losses resulting from any investments of funds on deposit in the Accounts or any subaccounts thereof; and

(vi) The Trustee shall have no duty to monitor the performance of the Servicer, nor shall it have any liability in connection with malfeasance or nonfeasance by the Servicer. The Trustee shall have no liability in connection with compliance of the Servicer or the Company with statutory or regulatory requirements related to the Receivables.

(d) The Trustee shall not be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under any Pooling and Servicing Agreement or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it, and none of the provisions contained in any Pooling and Servicing Agreement shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any obligations of the Servicer under such Agreement except during such time, if any, as the Trustee shall be the successor to, and be vested with the rights, duties, powers and privileges of, the Servicer in accordance with the terms of such Agreement.

(e) Except as expressly provided in any Pooling and Servicing Agreement, the Trustee shall have no power to vary the corpus of the Trust.

(f) Provided that the Servicer and the Company shall have provided to the Trustee promptly upon request all books, records and other information reasonably requested by the Trustee and shall have provided the Trustee with all necessary access to the properties, books and records of the Servicer and the Company which the Trustee may reasonably require, then within 90 days following the Initial Closing Date, the Trustee shall have (i) completed the Servicer Site Review and (ii) established the Standby Liquidation System, and shall have notified and delivered descriptions to the Servicer, each Rating Agency and each Agent of such events.

(g) The Trustee shall deliver the Internal Operating Procedures Memorandum to the Company and the Servicer on the Initial Closing Date. From and after such date, the Trustee shall take such actions as are set forth in the Internal Operating Procedures Memorandum unless prevented from doing so through no fault of the Trustee.

Section 8.2. Rights of the Trustee. Except as otherwise provided in Section 8.1:

(a) The Trustee may conclusively rely on and shall be protected in acting on, or in refraining from acting in accord with, any resolution, Officer's Certificate, opinion of counsel, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, appraisal, bond, note or other paper or document believed by it to be genuine and to have been signed or presented to it pursuant to any Pooling and Servicing Agreement by the proper party or parties;

(b) The Trustee may consult with counsel (at the Company's expense) and any Opinion of Counsel or any advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such Opinion of Counsel;

(c) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by any Pooling and Servicing Agreement, or to institute, conduct or defend any litigation hereunder or in relation hereto, at the request, order or direction of any of the Holders, pursuant to the provisions of any Pooling and Servicing Agreement, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby; provided, however, that nothing contained herein shall relieve the Trustee of liability for its own negligence or willful misconduct or of the obligation, upon the occurrence of a Servicer Default or Early Amortization Event (which the Trustee has written notice thereof and which has not been cured), to exercise such of the rights and powers vested in it by any Pooling and Servicing Agreement, and to use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. The right of the Trustee to perform any discretionary act enumerated in this Agreement shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or wilful misconduct in the performance of any such act;

(d) The Trustee shall not be personally liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by any Pooling and Servicing Agreement;

(e) The Trustee shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, direction, order, approval, bond, note or other paper or document, or to recompute the amount of any allocations or distributions contained in any direction from the Servicer provided for under the Agreement, unless requested in writing so to do by the holders of Investor Certificates evidencing Fractional Undivided

Interests aggregating more than 10% of the Invested Amount of any Series which could be adversely affected if the Trustee does not perform such acts; provided, however, that such holders of Investor Certificates shall provide the Trustee with indemnity reasonably satisfactory to it for any expense expected to result from any such investigation requested by them to the extent the Trustee is not otherwise reimbursed hereunder; provided, further, that the Trustee shall be entitled to make such further inquiry or investigation into such facts or matters as it may reasonably see fit, and if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books and records of the Company, personally or by agent or attorney, at the sole cost and expense of the Company;

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through affiliates, agents or attorneys or a custodian or nominee, and the Trustee shall not be responsible for any misconduct or negligence on the part of, or for the supervision of, any such affiliate, agent, attorney, custodian or nominee appointed with due care by it hereunder;

(g) The Trustee shall not be required to make any initial or periodic examination of any documents or records related to the Receivables for the purpose of establishing the presence or absence of defects, the compliance by the Company with its representations and warranties or for any other purpose;

(h) In the event that the Trustee is also acting as Paying Agent, Transfer Agent, Liquidating Agent or Registrar hereunder, the rights and protections afforded to the Trustee pursuant to this Article VIII shall also be afforded to such Paying Agent, Transfer Agent, Liquidating Agent and Registrar;

(i) The Trustee shall not be required to give any bond or surety in respect of the execution of the Trust created hereby or the powers granted hereunder;

(j) The Trustee shall not in any way be liable by reason of any insufficiency in any Account held by Trustee unless it is determined by a court of competent jurisdiction that the Trustee's negligence or willful misconduct was the primary cause of such insufficiency;

(k) The Trustee shall not in any way be liable by reason of any insufficiency in the Collateral Account resulting from any investment loss on any Eligible Investment invested pursuant to Section 3.1(c) of this Agreement; and

(l) Anything in this Agreement to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 8.3. Trustee Not Liable for Recitals in Certificates. The Trustee assumes no responsibility for the correctness of the recitals contained herein and in the Certificates (other than the certificate of authentication on the Certificates). Except as set forth in Section 8.15, the Trustee makes no representations as to the validity or sufficiency of any

Pooling and Servicing Agreement or of the Certificates (other than the certificate of authentication on the Certificates) or of any Receivable or related document. The Trustee shall not be accountable for the use or application by the Company of any of the Certificates or of the proceeds of such Certificates, or for the use or application of any funds paid to the Company in respect of the Receivables or from the Accounts or other accounts hereafter established to effectuate the transactions contemplated herein and in accordance with the terms of any Pooling and Servicing Agreement.

The Trustee shall not be accountable for the use or application by the Servicer of any of the Certificates or of the proceeds of such Certificates, or for the use or application of any funds paid to the Servicer or any Sub-Servicer in respect of the Receivables or deposited in or withdrawn from the Accounts or any Lockbox by or at the direction of the Servicer, any Sub-Servicer or the Lockbox Processor, in each case unless the Trustee, acting in its capacity as Successor Servicer, itself makes such use or application. The Trustee shall at no time have any responsibility or liability for or with respect to the legality, validity and enforceability of any Receivable.

Section 8.4. Trustee May Own Certificates. The Trustee in its individual or any other capacity (a) may become the owner or pledgee of Investor Certificates with the same rights as it would have if it were not the Trustee and (b) may transact any banking and trust business with the Company, the Servicer, any Sub-Servicer or any Seller as it would were it not the Trustee.

Section 8.5. Trustee's Fees and Expenses. The Trustee shall be entitled to a fee (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) for all services rendered by the Trustee in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder of the Trustee. The Servicer covenants and agrees to pay, but only from funds available to it as the Servicing Fee paid under the Servicing Agreement, to the Trustee an annual fee agreed upon in writing between the Servicer and the Trustee, payable in advance on the Initial Closing Date and on each one-year anniversary thereof. The Trustee also shall be entitled to reimbursement from the Servicer or the Company upon the Trustee's request for all reasonable expenses (including, without limitation, expenses incurred in connection with notices, requests for documentation or other communications to or directions from Holders), disbursements, losses, liabilities, damages and advances incurred or made by the Trustee in accordance with any of the provisions of any Pooling and Servicing Agreement or by reason of its status as Trustee under any Pooling and Servicing Agreement (including the reasonable fees and expenses of its agents, any co-trustee and counsel) except any such expense, disbursement, loss, liability, damage or advance as may arise from its negligence or willful misconduct; provided that any payments made by the Company in respect of any of the foregoing items shall be made solely from funds available to the Company which are not otherwise required to be applied to the payment of any amounts pursuant to any Pooling and Servicing Agreements (other than to the Company), shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Company to the extent that insufficient funds exist to make such payment. To the extent that the Trustee has not been paid for any of the foregoing items (including pursuant to the first sentence of this Section 8.5), the Trustee shall be entitled to be paid for such items from amounts which otherwise would be distributable to the Company under Article III of this Agreement. The Trustee shall be entitled to reimbursement

for any reasonable out-of-pocket costs or expenses incurred in connection with the review, negotiation, preparation, execution and delivery of any of the Transaction Documents or in connection with the issuance of any Certificates on the Initial Closing Date solely as specified in a separate writing between the Company and the Trustee. If the Trustee is appointed Successor Servicer in accordance with the Servicing Agreement, the Trustee, in its capacity as Successor Servicer, shall also be entitled to be paid the Servicing Fee and any other compensation to which the Servicer is expressly entitled under any Pooling and Servicing Agreement. The provisions of this Section 8.5 shall apply to the reasonable expenses, disbursements and advances made or incurred by the Trustee, or any other Person, in its capacity as liquidating agent, to the extent not otherwise paid. The covenants and agreements contained in this Section 8.5 (including, without limitation, the covenants to pay the expenses, disbursements, losses, liabilities, damages and advances provided for in this Section 8.5) shall survive the termination of any Pooling and Servicing Agreement and shall be binding, as applicable, on (i) the Servicer and any Successor Servicer and (ii) the Company.

Section 8.6. Eligibility Requirements for Trustee. The Trustee hereunder shall at all times be a corporation organized and doing business under the laws of the United States of America or any state thereof and authorized under such laws to exercise corporate trust powers, having (or having a holding company parent with) a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by Federal or State authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then, for the purpose of this Section 8.6, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 8.6, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.7.

Section 8.7. Resignation or Removal of Trustee. (a) Subject to paragraph (c) below, the Trustee may at any time resign and be discharged from the trust hereby created by giving written notice thereof to the Company, the Servicer, each Agent and the Rating Agencies. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, and the expenses for such petition shall be paid pursuant to Section 8.5.

(b) If at any time the Trustee shall cease to be eligible in accordance with the provisions of Section 8.6 hereof and shall fail to resign after written request therefor by the Servicer, or if at any time the Trustee shall be legally unable to act, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Company may remove the Trustee and promptly appoint a successor trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee.

(c) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section 8.7 shall not become effective until acceptance of appointment by the successor trustee as provided in Section 8.8.

(d) The obligations of the Company described in Sections 6.3 and 8.5 hereof and the obligations of the Servicer described in Section 8.5 hereof and Section 5.1 of the Servicing Agreement shall survive the removal or resignation of the Trustee as provided in this Agreement.

(e) No Trustee under this Agreement shall be personally liable for any action or omission of any successor trustee.

Section 8.8. Successor Trustee. (a) Any successor trustee appointed as provided in Section 8.7 shall execute, acknowledge and deliver to the Company and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein. The predecessor Trustee shall deliver to the successor trustee all documents or copies thereof, at the expense of the Servicer, and statements held by it hereunder; and the Company and the predecessor Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor trustee all such rights, power, duties and obligations. The Servicer shall immediately and, in any event, no less than ten days prior to any such resignation or removal, give notice to each Rating Agency upon the appointment of a successor trustee.

(b) No successor trustee shall accept appointment as provided in this Section 8.8 unless at the time of such acceptance such successor trustee shall be eligible under the provisions of Section 8.6.

(c) Upon acceptance of appointment by a successor trustee as provided in this Section 8.8, such successor trustee shall mail notice of such succession hereunder to all Holders at their addresses as shown in the Certificate Register.

Section 8.9. Merger or Consolidation of Trustee. Any Person into which the Trustee may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Person succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be eligible under the provisions of Section 8.6, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The Trustee (unless the Trustee is The Chase Manhattan Bank) shall promptly give notice (except to the extent prohibited under any Requirement of Law or Contractual Obligation), but in no event less than ten days prior to any such merger or consolidation, to the Company, the Servicer and the Rating Agencies upon any such merger or consolidation of the Trustee.

Section 8.10. Appointment of Co-Trustee or Separate Trustee. (a) Notwithstanding any other provisions of any Pooling and Servicing Agreement, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust may at the time be located, the Trustee shall have the power and may execute and deliver all instruments to appoint one or more persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the Trust, and to vest in such Person or Persons, in such capacity and for the benefit of the Holders, such title to the Trust, or any part thereof, and, subject to the other provisions of this Section 8.10, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 8.6 and no notice to Holders of the appointment of any co-trustee or separate trustee shall be required under Section 8.8. The Trustee shall promptly notify each Rating Agency of the appointment of any co-trustee.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any statute of any jurisdiction in which any particular act or acts are to be performed (whether as Trustee hereunder or as successor to the Servicer hereunder), the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Agreement and the conditions of this Article VIII. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of any Pooling and Servicing Agreement, specifically including every provision of any Pooling and Servicing Agreement relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee and a copy thereof given to the Servicer and the Company.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect to any Pooling and Servicing Agreement on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 8.11. Tax Returns. In the event the Trust shall be required to file tax returns, the Company shall prepare and file or shall cause to be prepared and filed (including, without limitation, by the Servicer) any tax returns required to be filed by the Trust and shall remit such returns to the Trustee for signature at least five Business Days before such returns are due to be filed. The Trustee is hereby authorized to sign any such return on behalf of the Trust. The Company shall also prepare or shall cause to be prepared (including, without limitation, by the Servicer) all tax information required by law to be distributed to Holders and shall deliver such information to the Trustee at least five Business Days prior to the date it is required by law to be distributed to the Holders. The Trustee, upon written request, will furnish the Company, or the Company's designee, with all such information known to the Trustee as may be reasonably required in connection with the preparation of all tax returns of the Trust, and shall, upon request, execute such returns. In no event shall the Trustee in its individual capacity be liable for any liabilities, costs or expenses of the Trust, the Holders, the Company or the Servicer arising under any tax law or regulation, including, without limitation, federal, state or local income or excise taxes or any other tax imposed on or measured by income (or any interest or penalty with respect thereto or arising from any failure to comply therewith).

Section 8.12. Trustee May Enforce Claims Without Possession of Certificates. All rights of action and claims under any Pooling and Servicing Agreement or the Certificates may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders in respect of which such judgment has been obtained.

Section 8.13. Suits for Enforcement. If a Servicer Default shall occur and be continuing, the Trustee may, as provided in Section 6.1 of the Servicing Agreement, proceed to protect and enforce its rights and the rights of the Holders under this Agreement or any other Transaction Document by suit, action or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Agreement or any other Transaction Document or in aid of the execution of any power granted in this Agreement or any other Transaction Document or for the enforcement of any other legal, equitable or other remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee or the Holders. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Investor Certificateholder any plan of reorganization, arrangement, adjustment or composition affecting the Certificates or the rights of any holder thereof, or

authorize the Trustee to vote in respect of the claim of any Investor Certificateholder in any such proceeding.

Section 8.14. Rights of Investor Certificateholders to Direct Trustee. Investor Certificateholders evidencing more than 50% of the Invested Amount of any Series affected by the conduct of any proceeding or the exercise of any right conferred on the Trustee shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that, subject to Section 8.1, the Trustee shall have the right to decline to follow any such direction if the Trustee being advised by counsel determines that the action so directed may not lawfully be taken, or if the Trustee in good faith shall, by a Responsible Officer or Responsible Officers of the Trustee, determine that the proceedings so directed would be illegal or expose it to personal liability or be unduly prejudicial to the rights of Investor Certificateholders not party to such direction; and provided, further, that nothing in any Pooling and Servicing Agreement shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction of the Investor Certificateholders.

Section 8.15. Representations and Warranties of Trustee. The Trustee represents and warrants that:

(a) the Trustee is a banking corporation organized, existing and in good standing under the laws of the United States or any of its fifty states and is duly authorized and empowered to exercise trust powers under applicable law;

(b) the Trustee has the power and authority to enter into this Agreement and any Supplement, and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement and any Supplement; and

(c) each Pooling and Servicing Agreement and each of the Transaction Documents executed by it have been duly executed and delivered by the Trustee and, in the case of all such Transaction Documents, are legal, valid and binding obligations of the Trustee, enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights generally and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

Section 8.16. Maintenance of Office or Agency. The Trustee will maintain at its expense in the Borough of Manhattan, The City of New York, an office or offices or agency or agencies where notices and demands to or upon the Trustee in respect of the Certificates and the Pooling and Servicing Agreements may be served. The Trustee will give prompt written notice to the Company, the Servicer and the Holders of any change in the location of the Certificate Register or any such office or agency.

Section 8.17. Limitation of Liability. The Certificates are executed by the Trustee, not in its individual capacity but solely as Trustee of the Trust, in the exercise of the powers and authority conferred and vested in it by this Agreement. Each of the undertaking

and agreements made on the part of the Trustee in the Certificates is made and intended not as a personal undertaking or agreement by the Trustee but is made and intended for the purpose of binding only the Trust.

ARTICLE IX

TERMINATION

Section 9.1. Termination of Trust; Liquidation of Receivables. (a) The Trust and the respective obligations and responsibilities of the Company, the Servicer, the Sub-Servicers and the Trustee created hereby (other than the obligation of the Trustee to make payments to Holders as hereafter set forth and any indemnification obligations hereunder) shall terminate, except with respect to any such obligations or responsibilities expressly stated to survive such termination, on the earliest of (i) June 5, 2016, (ii) at the option of the Company, at any time where the Aggregate Invested Amount is zero (unless an Early Amortization Event as specified in Section 7.1 of this Agreement shall have occurred and be continuing, in which case the Company shall be deemed to elect to terminate the Trust pursuant to this clause (ii)) and (iii) upon completion of distribution of the amounts referred to in subsection 7.2(b) (the "Trust Termination Date").

(b) If on the Distribution Date in the month immediately preceding the month in which the Trust Termination Date occurs (after giving effect to all transfers, withdrawals, deposits and drawings to occur on such date and the payment of principal on any Series of Certificates to be made on the related Distribution Date pursuant to Article III) the Invested Amount of any Series would be greater than zero, the Trustee, at the written direction of the Servicer, shall sell within 30 days of such Distribution Date all of the Receivables and other Trust Assets. The proceeds of such sale shall be treated as Collections on the Receivables and shall be allocated in accordance with Article III. During such 30-day period, the Servicer shall continue to collect Collections on the Receivables and allocate Collections in accordance with the provisions of Article III. The costs and expenses incurred by the Trustee in such sale shall be reimbursable to the Trustee as provided in Section 8.5.

Section 9.2. Clean-Up Call and Final Termination Date of Investor Certificates of any Series. (a) On the Distribution Date during the Amortization Period with respect to any Series on which the Invested Amount (or such other amount as may be set forth in the related Supplement) of such Series is reduced to an amount equal to or less than the Clean-Up Call Percentage of the Invested Amount for such Series as of the day preceding the beginning of such Amortization Period (or such other amount as may be set forth in the related Supplement), the Company shall have the option to repurchase, and to the extent set forth in the related Supplement, shall repurchase, the entire Certificateholders' Interest of such Series, at a purchase price equal to (i) the outstanding Invested Amount of the Investor Certificates of such Series plus (ii) accrued and unpaid interest through the date of such purchase (after giving effect to any payment of principal and monthly interest on such date of purchase) plus (iii) all other amounts payable to all Investor Certificateholders of such Series under the related Supplement (such purchase price, the "Clean-Up Call Repurchase Price"). The amount of the Clean-Up Call Repurchase Price will be deposited into the Collection Account for credit to the Series Collection Subaccount for such Series on the Business Day prior to such Distribution

Date in immediately available funds and will be passed through in full to the applicable Investor Certificateholders. Following any such repurchase, such Certificateholders' Interest in the Trust Assets shall terminate and such interest therein will be allocated to the Company Interest and such Holders will have no further rights with respect thereto. In the event that the Company fails for any reason to deposit the Clean-Up Call Repurchase Price for such Receivables, the Certificateholders' Interest in the Receivables and the other Trust Assets will continue and monthly payments will continue to be made to the Holders.

(b) The amount deposited pursuant to subsection 9.2(a) shall be paid to the Investor Certificateholders of the related Series pursuant to Article III on the Distribution Date following the date of such deposit. All Certificates of a Series which are purchased by the Company pursuant to subsection 9.2(a) shall be delivered by the Company upon such purchase to, and be canceled by (in accordance with the written directions of the Company), the Transfer Agent and Registrar and be disposed of in a manner satisfactory to the Trustee and the Company.

(c) All principal or interest with respect to any Series of Investor Certificates shall be due and payable no later than the Series Termination Date with respect to such Series. Unless otherwise provided in a Supplement, in the event that the Invested Amount of any Series of Certificates is greater than zero on its Series Termination Date (after giving effect to all transfers, withdrawals, deposits and drawings to occur on such date and the payment of principal to be made on such Series on such date), the Servicer, on behalf of the Trustee, will sell or cause to be sold, in accordance with the directions of Investor Certificateholders representing more than 50% of the Invested Amount of such Series, and pay the proceeds to all Holders of such Series pro rata (except that unless expressly provided to the contrary in the related Supplement, no payment shall be made to Holders of any Class of any Series that is by its terms subordinated to any other Class until such senior Class of Certificates has been paid in full) in final payment of all principal of and accrued interest on such Series of Certificates, an amount of Receivables or interests in Receivables up to the Invested Amount of such Series at the close of business on such date. Absent such direction from Investor Certificateholders representing more than 50% of the Invested Amount of such Series, the Trustee shall continue to hold the Trust Assets in respect of such Series in accordance with the terms of the Pooling and Servicing Agreements until the Trust Termination Date (or until Investor Certificateholders representing more than 50% of the Invested Amount of such Series shall otherwise direct the Trustee); provided that the terms of this Agreement, the related Supplement and the Servicing Agreement shall be deemed to remain in full force and effect, except that no additional Receivables shall be allocated with respect to such Series. The reasonable costs and expenses incurred by the Trustee in such sale shall be reimbursable to the Trustee as provided in Section 8.5. Any proceeds of such sale in excess of such principal and interest paid shall be paid to the owner of the Exchangeable Company Interest, unless and to the extent otherwise specified in any applicable Supplement. Upon such Series Termination Date with respect to the applicable Series of Certificates, final payment of all amounts allocable to any Investor Certificates of such Series shall be made in the manner provided in this Section 9.2.

Section 9.3. Final Payment with Respect to Any Series. (a) Written notice of any termination, specifying the Distribution Date upon which the Investor Certificateholders of any Series may surrender their Investor Certificates for payment of the final distribution with

respect to such Series and cancelation, shall be given (subject to at least 30 days' (or such shorter period as is acceptable to the Trustee) prior written notice from the Servicer to the Trustee containing all information required for the Trustee's notice) by the Trustee to Investor Certificateholders of such Series, mailed not later than the fifth day of the month of such final distribution and specifying (i) the Distribution Date upon which final payment of the Investor Certificates will be made upon presentation and surrender of Investor Certificates at the office or offices therein designated, (ii) the amount of any such final payment and (iii) that the Record Date otherwise applicable to such Distribution Date is not applicable, payments being made only upon presentation and surrender of the Investor Certificates at the office or offices therein specified. The Servicer's notice to the Trustee in accordance with the preceding sentence shall be accompanied by an Officer's Certificate setting forth the information specified in Section 4.3 of the Servicing Agreement covering the period during the then current calendar year through the date of such notice. The Trustee shall give such notice to the Transfer Agent and Registrar and the Paying Agent at the time such notice is given to such Investor Certificateholders.

(b) Notwithstanding the termination of the Trust pursuant to subsection 9.1(a) or the occurrence of the Series Termination Date with respect to any Series pursuant to Section 9.2, all funds then on deposit in the Collection Accounts (but only to the extent necessary to pay all outstanding and unpaid amounts to Holders) shall continue to be held in trust for the benefit of the Holders, and the Paying Agent or the Trustee shall pay such funds to the Holders upon surrender of their Certificates in accordance with the terms hereof. Any Certificate not surrendered on the date specified in subsection 9.3(a)(i) shall cease to accrue any interest provided for such Certificate from and after such date. In the event that all of the Investor Certificateholders shall not surrender their Certificates for cancelation within six months after the date specified in the above-mentioned written notice, the Trustee shall give a second written notice to the remaining Investor Certificateholders of such Series to surrender their Certificates for cancelation and receive the final distribution with respect thereto. If within one year after the second notice all the Investor Certificates of such Series shall not have been surrendered for cancelation, the Trustee may take appropriate steps, or may appoint an agent to take appropriate steps, to contact the remaining Investor Certificateholders of such Series concerning surrender of their Certificates, and the cost thereof shall be paid out of the funds in the Collection Accounts held for the benefit of such Investor Certificateholders. The Trustee and the Paying Agent shall pay to the Company upon request any monies held by them for the payment of principal or interest that remains unclaimed for two years. After payment to the Company, Holders entitled to the money must look to the Company for payment as general creditors unless an applicable abandoned property law designates another Person.

(c) All Certificates surrendered for payment of the final distribution with respect to such Certificates and cancelation shall be canceled by the Transfer Agent and Registrar and be disposed of in a customary manner satisfactory to the Trustee.

Section 9.4. Company's Termination Rights. Upon the termination of the Trust pursuant to Section 9.1 and the cancelation of the Exchangeable Company Interest and payment to the Trustee (in its capacity as such and/or in its capacity as Successor Servicer) of all amounts owed to it under any Pooling and Servicing Agreement, the Trustee shall assign and convey to the Company (without recourse, representation or warranty) in exchange for the Exchangeable Company Interest all right, title and interest of the Trust in the Trust Assets,

whether then existing or thereafter created, and all proceeds thereof except for amounts held by the Trustee pursuant to subsection 9.3(b). The Trustee shall execute and deliver such instruments of transfer and assignment, in each case without recourse, representation or warranty, as shall be reasonably requested by the Company to vest in the Company all right, title and interest which the Trust had in the Trust Assets.

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 10.1. Amendment. (a) Any Pooling and Servicing Agreement, including any schedule or exhibit thereto, may be amended in writing from time to time by the Servicer, the Company and the Trustee, without the consent of any holder of any outstanding Certificate, to cure any ambiguity, to correct or supplement any provisions herein or therein which may be inconsistent with any other provisions herein or therein or to add any other provisions hereto to change in any manner or eliminate any of the provisions with respect to matters or questions raised under any Pooling and Servicing Agreement which shall not be inconsistent with the provisions of any Pooling and Servicing Agreement; provided, however, that such action shall not, as evidenced by an Officer's Certificate from the Company and, to the extent, in the reasonable view of the Company, a question of law exists, supported by an Opinion of Counsel delivered to the Trustee, adversely affect in any material respect the interests of the Investor Certificateholders. The Trustee may, but shall not be obligated to, enter into any such amendment pursuant to this paragraph or paragraph (b) below which affects the Trustee's rights, duties or immunities under any Pooling and Servicing Agreement or otherwise.

(b) Any Pooling and Servicing Agreement and any schedule or exhibit thereto may also be amended in writing from time to time by the Servicer, the Company and the Trustee with the consent of Investor Certificateholders evidencing more than 50% of the Invested Amount of any Series adversely affected by the amendment (or, if any such Series shall have more than one Class of Investor Certificates adversely affected by the amendment, 50% or more of the Invested Amount of each such Class) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of such Pooling and Servicing Agreement or of modifying in any manner the rights of holders of any Series then issued and outstanding; provided, however, that no such amendment shall (i) reduce in any manner the amount of, or delay the timing of, distributions which are required to be made on any Investor Certificate of such Series without the consent of such Investor Certificateholder of such Series; (ii) change the definition of or the manner of calculating the interest of any Investor Certificateholder of such Series without the consent of such Investor Certificateholder; or (iii) reduce the aforesaid percentage of Fractional Undivided Interests the holders of which are required to consent to any such amendment, in each case without the consent of all Holders of each Series adversely affected in any material respect.

(c) Notwithstanding anything in this Section 10.1 to the contrary, the Supplement with respect to any Series may be amended on the terms and with the procedures provided in such Supplement.

(d) The Company or the Servicer shall deliver any proposed amendment to each Agent at least five days prior to the execution and delivery thereof. The Servicer shall furnish written notification of the substance of such amendment to each Rating Agency. No such amendment (including, without limitation, the amendment of any Supplement, notwithstanding anything to the contrary contained in any Supplement) shall be effective until the Rating Agency Condition has been satisfied with respect thereto.

(e) Promptly after the execution of any such amendment or consent the Trustee shall furnish written notification of the substance of such amendment to each Holder of each Outstanding Series (or with respect to an amendment of a Supplement, of the applicable Series).

(f) It shall not be necessary for the consent of Investor Certificateholders under this Section 10.1 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents and of evidencing the authorization of the execution thereof by Investor Certificate holders shall be subject to such reasonable requirements as the Trustee may prescribe.

(g) In executing or accepting any amendment pursuant to this Section 10.1, the Trustee shall, upon request, be entitled to receive and rely upon (i) an Opinion of Counsel (A) stating that such amendment is authorized pursuant to a specific provision of a Pooling and Servicing Agreement and complies with such provision, (B) stating that all conditions precedent to the execution and delivery of such amendment shall have been satisfied in full, which opinion in the case of this clause (B) may, to the extent that such opinion concerns questions of fact, rely on an Officer's Certificate with respect to such questions of fact and (C) to the extent such amendment modifies Article I, II, III or IV hereof, substantially in the form of Exhibit C, (ii) a certificate from a Responsible Officer of the Company stating that such amendment shall not adversely affect the interests of the holders of any outstanding Certificates in any material respect except for holders of the Series whose consent to such amendment has been obtained in accordance with clause (b) of this Section 10.1 and (iii) a Tax Opinion.

Section 10.2. Protection of Right, Title and Interest to Trust. (a) The Servicer shall cause this Agreement, any Supplement, all amendments hereto and/or all financing statements and continuation statements and any other necessary documents covering the Certificateholders' and the Trustee's right, title and interest to the Trust and the Trust Assets to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of the Trustee hereunder to all property comprising the Trust. The Servicer shall deliver to the Trustee file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. The Company shall cooperate fully with the Servicer in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this subsection 10.2(a).

(b) With respect to any prospective change in its name, identity or corporate structure, the Company shall comply fully with subsection 2.8(m) hereof and shall file such financing statements or amendments as may be necessary to continue the perfection of the

Trust's security interest in the Receivables and the proceeds thereof. If the Company determines that no refiling is required, it shall provide to the Trustee an Opinion of Counsel so stating.

Section 10.3. Limitation on Rights of Holders. (a) The death or incapacity of any Holder shall not operate to terminate this Agreement or the Trust, nor shall such death or incapacity entitle such Holder's legal representatives or heirs to claim an accounting or to take any action or commence any proceeding in any court for a partition or winding up of the Trust, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

(b) Except with respect to the Investor Certificateholders as expressly provided in any Pooling and Servicing Agreement, no Holder shall have any right to vote or in any manner otherwise control the operation and management of the Trust, or the obligations of the parties hereto. Nor shall any Investor Certificateholder be under any liability to any third person by reason of any action taken by the parties to this Agreement pursuant to any provision hereof.

(c) No Investor Certificateholder shall have any right by virtue of any provisions of this Agreement to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Agreement, unless such Investor Certificateholder previously shall have given to the Trustee written request to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding; it being understood and intended, and being expressly covenanted by each Investor Certificateholder with every other Investor Certificateholder and the Trustee, that no one or more Holders shall have any right in any manner whatever by virtue of or by availing itself or themselves of any provisions of the Pooling and Servicing Agreements to affect, disturb or prejudice the rights of any other of the Investor Certificateholders, or to obtain or seek to obtain priority over or preference to any other such Investor Certificateholder, or to enforce any right under this Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all Investor Certificateholders. For the protection and enforcement of the provisions of this Section 10.3, each and every Investor Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

(d) By their acceptance of Certificates pursuant to this Agreement and the applicable Supplement, the Holders agree to the provisions of this Section 10.3.

Section 10.4. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 10.5. Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile), and, unless

otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or three days after being deposited in the mail, postage prepaid, or, in the case of facsimile notice, when received, (i) addressed as follows in the case of the Company, the Servicer and the Trustee and (ii) in the case of the Sub-Servicers, as set forth under their signatures in the Receivables Sale Agreements, or, in either case, to such other address as may be hereafter notified by the respective parties hereto:

The Company: WESCO Receivables Corp.
Commerce Court
4 Station Square, Suite 700
Pittsburgh, Pennsylvania 15219
Attention: Chief Financial Officer
Telephone: 412-454-2270
Facsimile: 412-454-2555

with a copy to the Servicer:

The Servicer: WESCO Distribution, Inc.
Commerce Court
4 Station Square, Suite 700
Pittsburgh, Pennsylvania 15219
Attention: Chief Financial Officer
Telephone: 412-454-2283
Facsimile: 412-454-2555

The Trustee: The Chase Manhattan Bank
450 West 33rd Street
New York, New York 10001
Attention: Structured Finance Services - ABS
Facsimile: 212-946-3916

Any notice required or permitted to be mailed to an Investor Certificateholder shall be given by first-class mail, postage prepaid, at the address of such Investor Certificateholder as shown in the Certificate Register. Any notice so mailed within the time prescribed in any Pooling and Servicing Agreement shall be conclusively presumed to have been duly given, whether or not the Investor Certificateholder receives such notice.

Section 10.6. Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of any Pooling and Servicing Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of such Pooling and Servicing Agreement and shall in no way affect the validity or enforceability of the other provisions of any Pooling and Servicing Agreement or of the Certificates or rights of the Holders.

Section 10.7. Assignment. Notwithstanding anything to the contrary contained herein, except as provided in Section 5.3 of the Servicing Agreement, no Pooling and Servicing Agreement, nor any rights or interests thereunder, may be assigned by the Company

or the Servicer without the prior written consent of the Trustee acting at the direction of the holders of 66 2/3% of the Invested Amount of each Outstanding Series and without the Rating Agency Condition's having been satisfied with respect to such assignment.

Section 10.8. Certificates Nonassessable and Fully Paid. It is the intention of the parties to each Pooling and Servicing Agreement that the Investor Certificateholders shall not be personally liable for obligations of the Trust, that the interests in the Trust represented by the Investor Certificates shall be nonassessable for any losses or expenses of the Trust or for any reason whatsoever and that Investor Certificates upon authentication thereof by the Trustee pursuant to Section 5.2 are and shall be deemed fully paid.

Section 10.9. Further Assurances. The Company and the Servicer agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the Trustee more fully to effect the purposes of each Pooling and Servicing Agreement, including, without limitation, the execution of any financing statements or continuation statements relating to the Receivables for filing under the provisions of the UCC of any applicable jurisdiction.

Section 10.10. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Trustee or the Investor Certificateholders, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

Section 10.11. Counterparts. This Agreement may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 10.12. Third-Party Beneficiaries. This Agreement will inure to the benefit of and be binding upon the parties hereto, the Holders and their respective successors and permitted assigns. Except as otherwise provided in Section 6.3 and this Article X and in any Supplement, no other Person will have any right or obligation hereunder.

Section 10.13. Actions by Holders. (a) Wherever in any Pooling and Servicing Agreement a provision is made that an action may be taken or a notice, demand or instruction given by Investor Certificateholders, such action, notice or instruction may be taken or given by any Investor Certificateholders of any Series, unless such provision requires a specific percentage of Investor Certificateholders of a certain Series or all Series.

(b) Any request, demand, authorization, direction, notice, consent, waiver or other act by a Investor Certificateholder shall bind such Investor Certificateholder and every subsequent holder of such Certificate issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done or omitted to be done by the Trustee, the Company or the Servicer in reliance thereon, whether or not notation of such action is made upon such Certificate.

Section 10.14. Merger and Integration. Except as specifically stated otherwise herein, this Agreement and the Servicing Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement and the Servicing Agreement. This Agreement and the Servicing Agreement may not be modified, amended, waived, or supplemented except as provided herein.

Section 10.15. Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

Section 10.16. Construction of Agreement. (a) The Company hereby grants to the Trustee, for the benefit of the Holders, a perfected first priority security interest in all of the Company's right, title and interest in, to and under the Receivables and the other Trust Assets now existing and hereafter created, all monies due or to become due and all amounts received with respect thereto and all "proceeds" thereof (including Recoveries), to secure all of the Company's and the Servicer's obligations hereunder, including, without limitation, the Company's obligation to sell or transfer Receivables hereafter created to the Trust.

(b) This Agreement shall constitute a security agreement under applicable law.

Section 10.17. No Set-Off. Except as expressly provided in this Agreement, the Trustee agrees that it shall have no right of set-off or banker's lien against, and no right to otherwise deduct from, any funds held in the Collection Accounts for any amount owed to it by the Company, the Servicer or any Investor Certificateholder.

Section 10.18. No Bankruptcy Petition. Each of the Trustee and the Servicer hereby covenants and agrees that, prior to the date which is one year and one day after the date of the end of the Amortization Period with respect to all Outstanding Series, it will not institute against, or join any other Person in instituting against, the Company any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law.

Section 10.19. Limitation of Liability. It is expressly understood and agreed by the parties hereto that (a) each Pooling and Servicing Agreement is executed and delivered by the Trustee, not individually or personally but solely as Trustee of the Trust, in the exercise of the powers and authority conferred and vested in it, (b) except with respect to Section 8.15 hereof the representations, undertakings and agreements herein made on the part of the Trust are made and intended not as personal representations, undertakings and agreements by the Trustee, but are made and intended for the purpose of binding only the Trust, (c) nothing herein contained shall be construed as creating any liability of the Trustee, individually or personally, to perform any covenant of the Trust either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties who are signatories to this Agreement and by any Person claiming by, through or under such parties; provided, however, the Trustee shall be liable in its individual capacity for its own willful misconduct or negligence and (d) under no circumstances shall the Trustee be personally liable for the payment of any indebtedness or expenses of the Trust or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Trust under

any Pooling and Servicing Agreement; provided further, that the foregoing clauses (a) through (d) shall survive the resignation or removal of the Trustee.

The Company hereby agrees to indemnify and hold harmless the Trustee and the Trust for the benefit of the Holders (each, an "indemnified person") from and against any loss, liability, expense, damage or injury suffered or sustained by reason of any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Company pursuant to any Pooling and Servicing Agreement to which it is a party, including but not limited to any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the negligence, bad faith or wilful misconduct of an indemnified person; provided that any payments made by the Company pursuant to this subsection shall be made solely from funds available to the Company which are not otherwise required to be applied to the payment of any amounts pursuant to any Pooling and Servicing Agreements (other than to the Company), shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Company to the extent that insufficient funds exist to make such payment.

Section 10.20. Canadian Taxes. The Company represents and warrants to the Trustee for the benefit of the Certificateholders that it has not assumed in any manner whatsoever any obligation of the Sellers under the Canadian Receivables Sale Agreement (i) to make collections and remittances in respect of any Canadian goods and services tax, any Canadian provincial sales tax or any other similar Canadian tax or (ii) to file any returns in respect of such taxes with Canadian tax authorities and that it was not contemplated by neither any Seller under the Canadian Receivables Sale Agreement nor the Company that such obligation was to be assumed by the Company. The parties hereto agree that the Trust does not assume in any manner whatsoever any obligation of the Sellers under the Canadian Receivables Sale Agreement to collect such taxes, make such remittances and file such returns, and that it is not contemplated by the parties hereto that any such obligation is hereby assumed by the Trust or the Trustee. The Company hereby indemnifies the Trustee for the benefit of the Certificateholders and holds it harmless from and against any assessments, claims or other demands for payment of such taxes by Canadian tax authorities, as well as interest and penalties; provided that any payments made by the Company pursuant to this subsection shall be made solely from funds available to the Company which are not otherwise required to be applied to the payment of any amounts pursuant to any Pooling and Servicing Agreements (other than to the Company), shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Company to the extent that insufficient funds exist to make such payment. It is understood that all of the invoices in respect of the Receivables of the Sellers under the Canadian Receivables Sale Agreement will bear the GST registration number of such Seller.

Section 10.21. Certain Information. The Servicer and the Company shall promptly provide to the Trustee such information in computer tape, hard copy or other form regarding the Receivables as the Trustee may reasonably request to perform its obligations hereunder.

IN WITNESS WHEREOF, the Company, the Servicer and the Trustee have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

WESCO RECEIVABLES CORP., as Company

By: /s/ [Illegible]

Name:
Title:

WESCO DISTRIBUTION, INC., as Servicer

By: /s/ [Illegible]

Name:
Title:

THE CHASE MANHATTAN BANK, not in its individual capacity but solely as Trustee

By: /s/ Ruth McKenna

Name: RUTH MCKENNA
Title: TRUST OFFICER

WESCO RECEIVABLES CORP.
as Company,

WESCO DISTRIBUTION, INC.
as Servicer,

THE CHASE MANHATTAN BANK,
as Funding Agent,

PARK AVENUE RECEIVABLES CORPORATION,
as Initial Purchaser

THE CHASE MANHATTAN BANK,
as an APA Bank

and

THE CHASE MANHATTAN BANK,
as Trustee

SERIES 1998-1 SUPPLEMENT

Dated as of June 5, 1998

to

POOLING AGREEMENT

Dated as of June 5, 1998

WESCO RECEIVABLES MASTER TRUST

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SERIES 1998-1 SUPPLEMENT, dated as of June 5, 1998 (as amended, supplemented or otherwise modified from time to time, this "Supplement"), among WESCO Receivables Corp., a Delaware corporation (the "Company"), WESCO Distribution, Inc., a Delaware corporation ("WESCO"), as servicer (except where otherwise noted) (in such capacity, the "Servicer"), Park Avenue Receivables Corporation, a Delaware corporation (including its successors and assigns and excluding, however, the APA Banks as assignees pursuant to Section 2.6, the "Initial Purchasers"), the several banks or financial institutions parties to this Supplement as of the Issuance Date and the other banks or financial institutions from time to time parties hereto pursuant to Section 11.11(b) (collectively, the "APA Banks"; each, individually, an "APA Bank"), The Chase Manhattan Bank, a New York banking corporation ("Chase"), in its capacity as Funding Agent (the "Funding Agent"), and The Chase Manhattan Bank, in its capacity as Trustee (the "Trustee") under the Agreement (as defined below).

W I T N E S S E T H :

WHEREAS, the Company, the Servicer and the Trustee have entered into a Pooling Agreement, dated as of June 5, 1998 (as amended, supplemented or otherwise modified from time to time, the "Agreement");

WHEREAS, the Agreement provides, among other things, that the Company, the Servicer and the Trustee may at any time and from time to time enter into supplements to the Agreement for the purpose of authorizing the issuance on behalf of the Trust by the Company for execution and redelivery to the Trustee for authentication of one or more Series of Investor Certificates; and

WHEREAS, the Company, the Servicer, the Trustee, the Funding Agent, the Initial Purchaser and the APA Banks wish to supplement the Agreement as hereinafter set forth.

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

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions. (a) The following words and phrases shall have the following meanings with respect to Series 1998-1 and the definitions of such terms are applicable to the singular as well as the plural form of such terms and to the masculine as well as the feminine and neuter genders of such terms:

"ABR": shall mean, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of (a) the Reference Rate in effect on such day, (b) the Base CD Rate in effect on such day plus 1% and (c) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof: "Reference Rate" shall mean the rate of interest per annum publicly announced (or, if not announced publicly, quoted internally) from time to time by the Funding Agent as its reference rate in effect at its principal office in New York, New York; "Base CD Rate"

shall mean the sum of (a) the product of (i) the Three-Month Secondary CD Rate and (ii) a fraction, the numerator of which is one and the denominator of which is one minus the C/D Reserve Percentage and (b) the C/D Assessment Rate; "Three-Month Secondary CD Rate" shall mean, for any day, the secondary market rate for three-month certificates of deposit reported as being in effect on such day (or, if such day shall not be a Business Day, the next preceding Business Day) by the Board through the public information telephone line of the Federal Reserve Bank of New York (which rate will, under the current practices of the Board, be published in Federal Reserve Statistical Release H.15(519) during the week following such day), or, if such rate shall not be so reported on such day or such next preceding Business Day, the average of the secondary market quotations for three-month certificates of deposit of major money center banks in New York City received at approximately 10:00 A.M., New York City time, on such day (or, if such day shall not be a Business Day, on the next preceding Business Day) by the Funding Agent from three New York City negotiable certificate of deposit dealers of recognized standing selected by it; and "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Funding Agent from three federal funds brokers of recognized standing selected by it. Any change in the ABR due to a change in the Reference Rate, the Three-Month Secondary CD Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Reference Rate, the Three-Month Secondary CD Rate or the Federal Funds Effective Rate, respectively.

"Accrual Period" shall mean the period from and including a Distribution Date, or, in the case of the initial Accrual Period, the Issuance Date, to but excluding the succeeding Distribution Date.

"Accrued Expense Amount" shall mean, for each Business Day during an Accrual Period, the sum of (i) the Daily Interest Deposit for such Business Day, (ii) the Daily Commitment Fee Deposit for such Business Day, (iii) the Daily Facility Fee Deposit for such Business Day, (iv) the Daily Servicing Fee Deposit for such Business Day, (v) any fees or other amounts due in connection with the purchase of the Required Currency Hedge and (vi) all Program Costs which have accrued since the preceding Business Day.

"Acquiring APA Bank" shall have the meaning assigned in subsection 11.11(b).

"Additional Interest" shall have the meaning assigned in subsection 3A.4(b).

"Adjusted Liquidity Price" shall mean, in determining the Purchase Price of the Initial Purchaser's Series 1998-1 Purchaser Invested Amount on the APA Bank Purchase Date, an amount equal to:

$$PI\ [OC + (NDR/1.05)]$$

where:

PI = the Invested Percentage on the APA Bank Purchase Date;

OC = the sum of (i) any and all amounts due and owing to the Company in respect of Seller Repurchase Payments and Seller Adjustment Payments pursuant to the Transaction Documents and (ii) (without duplication) any and all amounts due and owing to the Trust as Transfer Deposit Amounts pursuant to Section 2.5(b) of the Pooling Agreement on the APA Bank Purchase Date; and

NDR = the aggregate outstanding Principal Amount of all Receivables, that are not Defaulted Receivables.

Each of the foregoing shall be determined from the most recent Daily Report received from the Servicer.

"Aged Receivables Ratio" shall mean, as of the last day of each Settlement Period, the percentage equivalent of a fraction, (i) the numerator of which shall be the sum of (A) the aggregate unpaid balance of Receivables, other than Construction Receivables and BEAR Receivables, that were 121-150 days past their respective original invoice dates as of such last day plus the aggregate unpaid balance of Construction Receivables that were 151-180 days past their respective original invoice dates as of such last day plus the aggregate unpaid balance of BEAR Receivables that were 91-120 days past their respective original invoice dates as of such last day, and (B) the aggregate amount of Receivables of the Sellers which were charged off as uncollectible prior to the day which is, in the case of Receivables other than Construction Receivables and BEAR Receivables, 121 days after their respective original invoice dates and, in the case of BEAR Receivables, 91 days after their respective original invoice dates and, in the case of Construction Receivables, 151 days after their respective original invoice dates, in each case during such Settlement Period, and (ii) the denominator of which shall be the aggregate Principal Amount of Receivables other than BEAR Receivables and Construction Receivables originated by the Sellers during the fourth prior Settlement Period (excluding the Settlement Period ended on such day) plus the aggregate Principal Amount of BEAR Receivables originated by the Sellers during the third prior Settlement Period (excluding the Settlement Period ended on such day) plus the aggregate Principal Amount of Construction Receivables originated by the Sellers during the fifth prior Settlement Period (excluding the Settlement Period ended on such day).

"Agent" shall mean the Funding Agent.

"Aggregate Commitment Amount" shall mean, with respect to any day, the aggregate amount of the Commitments of all APA Banks on such day, as reduced from time to time pursuant to Section 2.8.

"APA Banks" shall have the meaning specified in the recitals hereto.

"APA Bank Purchase Date" shall mean either the date of the Purchase or, if the APA Banks fund the Series 1998-1 Invested Amount on the Issuance Date pursuant to Section 2.3, the Issuance Date.

"Applicable Margin" shall mean on any date of determination (i) for each Eurodollar Tranche, 2.25% per annum, (ii) for each Floating Tranche, 1.25% per annum or (iii) if the APA Banks are obligated to purchase, and have so purchased, all right, title and interest of the Initial Purchaser in its Series 1998-1 Purchaser Invested Amount due to the occurrence of a PARCO Wind-Down Event described in clauses (ii), (iii) or (iv) of the definition thereof, other than an event described in (ii) or (iv) which is directly attributable to the Initial Purchaser's investment in the VFC Certificates (a) for each Eurodollar Tranche, 1.50% per annum, or (b) for each Floating Tranche, 0.75% per annum.

"Article VII Costs" shall mean any amounts due pursuant to Article VII.

"Assignment/Participation Certification" shall mean an assignment or participation certification, as the case may be, in substantially the form of Exhibit G hereto.

"Available Pricing Amount" shall mean, on any Business Day, the sum of (i) the Unallocated Balance plus (ii) the Increase, if any, on such date.

"Base Daily Interest Expense" shall mean (i) for any day prior to the APA Bank Purchase Date in any Accrual Period, the product of (A) the Series 1998-1 Invested Amount divided by 360 and (B) the CP Rate for such day and (ii) for the APA Bank Purchase Date and any day thereafter in any Accrual Period, the sum of (A) the product of (x) the sum of (a) the portion of the Series 1998-1 Invested Amount (calculated with respect to all APA Banks without regard to clauses (d) and (e) of the definition of Series 1998-1 Purchaser Invested Amount) allocable to the Floating Tranche on such day and (b) for any day during the period from and including the APA Bank Purchase Date to but excluding the Distribution Date immediately succeeding the APA Bank Purchase Date, divided by 365 (or 366, as the case may be) and (y) the ABR plus the Applicable Margin in effect on such day, (B) the product of (x) the portion of the Series 1998-1 Invested Amount (calculated with respect to all Purchasers without regard to clauses (d) and (e) of the definition of Series 1998-1 Purchaser Invested Amount) allocable to Eurodollar Tranches on such day divided by 360 and (y) the weighted average Eurodollar Rate plus the Applicable Margin on such day in effect with respect thereto and (C) on the APA Bank Purchase Date, the Unaccrued Discount Payment Amount; provided, however, that for any such day during the continuance of an Early Amortization Period, the "Base Daily Interest Expense" for such day shall be equal to the greater of (i) the sum of the amounts calculated pursuant to clause (ii) above and (ii) the product of (x) the Series 1998-1 Invested Amount on such day divided by 365 (or 366, as the case may be) and (y) the ABR plus the Applicable Margin in effect on such day plus 2.0%.

"Benefitted Purchaser" shall have the meaning assigned in Section 11.12.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States or any successor thereto.

"Carrying Cost Reserve Ratio" shall mean, as of any Settlement Report Date and continuing until (but not including) the next Settlement Report Date, an amount (expressed as a percentage) equal to (a) the product of (i) 2.00 times Days Sales Outstanding as of such day and (ii) 1.3 times a rate per annum equal to the ABR plus the Applicable Margin as of such earlier Settlement Report Date, divided by (b) 365 (or 366, as the case may be).

"C/D Assessment Rate" shall mean for any day pertaining to a Floating Tranche, the net annual assessment rate (rounded upwards, if necessary, to the next 1/100 of 1%) in effect on such day that is payable by a member of the Bank Insurance Fund classified as "well-capitalized" and within supervisory subgroup "B" (or a comparable successor risk classification) within the meaning of 12 C.F.R. Part 327 (or any successor provision) to the Federal Deposit Insurance Corporation for insurance by such Corporation of time deposits made in dollars at the offices of such member in the United States; provided that if, as a result of any change in any law, rule or regulation, it is no longer possible to determine the Assessment Rate as aforesaid, then the Assessment Rate shall be such annual rate as shall be determined by the Funding Agent to be representative of the cost of such insurance to the APA Banks.

"C/D Reserve Percentage" for any day pertaining to a Floating Tranche, that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board, for determining the maximum reserve requirement for a Depositary Institution (as defined in Regulation D of the Board) in respect of new negotiable non-personal time deposits in Dollars of over $100,000 having a maturity of 30 days or more.

"Certificate Rate" shall mean, on any date of determination, the weighted average (weighted based on the respective outstanding amounts of the Floating Tranche and each Eurodollar Tranche) of the ABR in effect on such day and the Eurodollar Rates in effect on such day plus, in each case, the respective Applicable Margins.

"Change in Control" shall mean the occurrence of any event the result of which causes the Company not to be a direct, wholly owned Subsidiary of WESCO.

"Change in Law" shall mean (a) the adoption of any law, rule or regulation after the Issuance Date, (b) any change in law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the Issuance Date or (c) compliance by any Purchaser with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Issuance Date.

"Chase" shall have the meaning specified in the preamble hereto.

"Clean-Up Call Amount" shall mean the Clean-Up Call Percentage of the maximum Series 1998-1 Invested Amount at any time during the Series 1998-1 Revolving Period.

"Clean-Up Call Percentage" shall mean 10%.

"Commercial Paper" shall mean the short-term promissory notes of the Initial Purchaser issued in the United States commercial paper market.

"Commitment" shall mean, as to any APA Bank, its obligation to purchase a VFC Certificate on the Issuance Date, to acquire the Initial Purchaser's VFC Certificate and to maintain and, subject to certain conditions, increase, its Series 1998-1 Purchaser Invested Amount, in each case, in an aggregate amount not to exceed at any one time outstanding the amount set forth opposite such APA Bank's name on Schedule 1 under the caption "Commitment", as such amount may be reduced from time to time as provided herein; collectively, as to all APA Banks, the "Commitments".

"Commitment Expiry Date" shall mean June 4, 2004 (as may be extended for an additional 364 days from time to time in writing by PARCO, the Funding Agent and the APA Banks).

"Commitment Fee" shall have the meaning assigned in subsection 2.9(b).

"Commitment Fee Rate" shall have the meaning assigned in the Fee Letter.

"Commitment Percentage" shall mean, as to any APA Bank and as of any date, the percentage equivalent of a fraction, the numerator of which is such APA Bank's Commitment as set forth on Schedule 1 and the denominator of which is the Aggregate Commitment Amount as of such date.

"Commitment Period" shall mean the period commencing on the Issuance Date and terminating on the Commitment Termination Date.

"Commitment Reduction" shall have the meaning assigned in subsection 2.8(a).

"Commitment Termination Date" shall mean the earlier to occur of (i) the date on which the Aggregate Commitment Amount has been reduced to zero pursuant to Section 2.8 of this Supplement and (ii) the Commitment Expiry Date.

"Commitment Transfer Supplement" shall have the meaning assigned in subsection 11.11(a).

"CP Rate" shall mean for any day the weighted average of the interest rates (or if issued at a discount, the weighted average of the rates, after converting to interest-bearing equivalents) on all outstanding Commercial Paper issued by the Initial Purchaser to fund the Initial Purchaser's Series 1998-1 Purchaser Invested Amount.

"CP Rate Period" shall mean, with respect to any CP Tranche, a period of days not to exceed 60 days commencing on a Business Day selected in accordance with subsection 3A.4(c); provided that if a CP Rate Period would end on a day that is not a Business Day, such CP Rate Period shall end on the next succeeding Business Day.

"CP Tranche" shall mean a portion of the Series 1998-1 Invested Amount for which the Series 1998-1 Monthly Interest is calculated by reference to a particular Discount and a particular CP Rate Period.

"Credit Agreement" shall mean the Amended and Restated Credit Agreement, dated as of June 5, 1998, among WESCO, the several lenders from time to time parties

thereto, and The Chase Manhattan Bank, as Administrative Agent, as the same may be amended, supplemented or otherwise modified from time to time.

"Daily Commitment Fee Deposit" shall mean, for any Business Day, an amount equal to (i) the amount of Daily Commitment Fee Expense for each day since the preceding Business Day plus (ii) the aggregate amount of all previously accrued Daily Commitment Fee Expense that has not yet been deposited in the Series 1998-1 Non-Principal Collection Sub-subaccount.

"Daily Commitment Fee Expense" shall mean, (i) during the Series 1998-1 Revolving Period, for any day in any Accrual Period, the product of (A) the excess of the Aggregate Commitment Amount over the aggregate Series 1998-1 Purchaser Invested Amounts of the APA Banks on such day multiplied by (B) the Commitment Fee Rate divided by 360, (ii) during the Series 1998-1 Amortization Period, for any day prior to the APA Bank Purchase Date in any Accrual Period, the product of (A) the Series 1998-1 Invested Amount on such day multiplied by (B) the Commitment Fee Rate divided by 360 and (iii) during the Series 1998-1 Amortization Period, for the APA Bank Purchase Date or any day thereafter in any Accrual Period, zero.

"Daily Facility Fee Deposit" shall mean, for any Business Day, an amount equal to (i) the amount of Daily Facility Fee Expense for each day since the preceding Business Day plus (ii) the aggregate amount of all previously accrued Daily Facility Fee Expense that has not yet been deposited in the Series 1998-1 Non-Principal Collection Sub-subaccount.

"Daily Facility Fee Expense" shall mean, (i) for any day in any Accrual Period prior to the APA Bank Purchase Date, the product of (A) (1) for any day prior to the date on which the Series 1998-1 Amortization Period commences, the Aggregate Commitment Amount on such day and (2) for any day on which the Series 1998-1 Amortization Period commences and for any day thereafter, the Series 1998-1 Invested Amount on such day, in each case, multiplied by (B) the Facility Fee Rate divided by 360 and (ii) for the APA Bank Purchase Date or any day thereafter in any Accrual Period, zero.

"Daily Interest Deposit" shall mean, for any Business Day, an amount equal to (i) the amount of Daily Interest Expense for each day since the preceding Business Day plus (ii) the aggregate amount of all previously accrued Daily Interest Expense that has not yet been deposited in the Series 1998-1 Non-Principal Collection Sub-subaccount plus (iii) the aggregate amount of all Additional Interest for each day since the preceding Business Day.

"Daily Interest Expense" shall mean, for any Business Day, an amount equal to (i) the amount of accrued and unpaid Base Daily Interest Expense in respect of such day plus (ii) the aggregate amount of all previously accrued and unpaid Base Daily Interest Expense plus (iii) the aggregate amount of all accrued and unpaid Additional Interest.

"Daily Servicing Fee Deposit" shall mean, for any Business Day, an amount equal to (i) the amount of Daily Servicing Fee Expense for each day since the preceding Business Day plus (ii) the aggregate amount of all previously accrued Daily Servicing

Fee Expense that has not yet been deposited in the Series 1998-1 Non-Principal Collection Sub-subaccount.

"Daily Servicing Fee Expense" shall mean, for any day in any Accrual Period the Series 1998-1 Interests' pro rata portion (determined in accordance with Section 6.1) of the Servicing Fee accruing for such day.

"Days Sales Outstanding" or "DSO" shall mean, in respect of (x) BEAR Receivables, (y) Construction Receivables or (z) Receivables that are not BEAR Receivables or Construction Receivables, as of any Settlement Report Date and continuing until (but not including) the next Settlement Report Date, the number of days equal to the product of (a) 91 and (b) the amount obtained by dividing (i) the aggregate Principal Amount of such Receivables referred to above in (x), (y) or (z), as the case may be, that were Eligible Receivables as of the last day of the immediately preceding Settlement Period by (ii) the aggregate Principal Amount of such Receivables generated by the Sellers for the three Settlement Periods immediately preceding such earlier Settlement Report Date.

"Decrease" shall have the meaning assigned in Section 2.7.

"Default Ratio" shall mean, as of the last day of each Settlement Period, the percentage equivalent of a fraction, (i) the numerator of which shall be the sum of (A) the aggregate unpaid balance of Receivables that were 91-120 days past their original invoice dates as of such last day, and (B) the aggregate amount of Receivables which were charged off as uncollectible prior to the day which is 91 days after their respective original invoice dates, and (ii) the denominator of which shall be the aggregate Principal Amount of Receivables originated during the third prior Settlement Period (excluding the Settlement Period ended on such day).

"Defaulted Receivables" shall mean Receivables, other than Construction Receivables and BEAR Receivables, that are not aged more than 121 days past their original invoice date plus the aggregate outstanding Principal Amount of all Construction Receivables that are not aged more than 151 days past their original invoice date plus the aggregate outstanding Principal Amount of all BEAR Receivables that are not aged more than 91 days past their original invoice date plus any Receivable, other than a Construction Receivable or a BEAR Receivable, which becomes a Charged-Off Receivable prior to 121 days past its original invoice date as of the APA Bank Purchase Date plus any Construction Receivable which becomes a Charged-Off Receivable prior to 151 days past its original invoice date as of the APA Bank Purchase Date plus any BEAR Receivable, which becomes a Charged-Off Receivable prior to 91 days past its original invoice date as of the APA Bank Purchase Date plus the Aggregate Uncleared Funds Amount; provided that for the purposes of computing the Principal Amount of Receivables, Canadian Dollar Receivables shall be converted to U.S. Dollars using the Valuation Price.

"Defaulting APA Bank" shall have the meaning assigned in subsection 2.6(c).

"Dilution Period" shall mean, in respect of (x) BEAR Receivables, (y) Construction Receivables or (z) Receivables that are not BEAR Receivables or Construction Receivables, as of any Settlement Report Date and continuing until (but not

including) the next Settlement Report Date, the quotient of (i) the product of (A) the aggregate Principal Amount of such Receivables referred to above in (x), (y) or (z), as the case may be, which were originated by the Sellers during the Settlement Period immediately preceding such earlier Settlement Report Date and (B) one-thirtieth of Days Sales Outstanding in respect of such Receivables and (ii) the Aggregate Receivables Amount in respect of such Receivables as of the last day of the Settlement Period preceding such earlier Settlement Report Date.

"Dilution Ratio" shall mean, for each Settlement Period, an amount (expressed as a percentage) equal to the aggregate amount of Dilution Adjustments made during such Settlement Period divided by the aggregate Principal Amount of Receivables which were originated by the Sellers during the preceding Settlement Period.

"Dilution Reserve Ratio" shall mean, as of any Settlement Report Date and continuing until (but not including) the next Settlement Report Date, an amount (expressed as a percentage) which is calculated as follows:

DRR = [(c * d) + [(e-d) * (e/d)]] * f

Where:

DRR = Dilution Reserve Ratio;

c = 2.0;

d = the average of the Dilution Ratio during the period of twelve consecutive Settlement Periods ending prior to such earlier Settlement Report Date;

e = the highest Dilution Ratio for any Settlement Period during the period of twelve consecutive Settlement Periods ending prior to such earlier Settlement Report Date; and

f = the Dilution Period.

"Discount" shall mean, with respect to any Commercial Paper, the interest or discount component thereof.

"Early Amortization Event" shall have the meanings assigned in Section 5.1 of this Supplement and Section 7.1 of the Agreement.

"Early Amortization Period" shall have the meaning assigned in Section 5.1 of this Supplement and Section 7.1 of the Agreement.

"Effective Date" shall have the meaning assigned in Section 9.1.

"Eligible Assignee" shall mean any financial institution that is a United States Person (within the meaning of Section 7701(a)(30) of the Internal Revenue Code) and that has a short term debt rating of at least A-1 from S&P and P-1 from Moody's.

"Eurocurrency Reserve Requirements": for any day pertaining to a Eurodollar Tranche, the aggregate (without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including, without limitation, basic, supplemental, marginal, special and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of such Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate" shall mean, with respect to each day during each Eurodollar Period pertaining to a Eurodollar Tranche, the rate per annum determined by the Funding Agent to the rate of interest per annum (rounded upward if necessary to the nearest 1/16 of 1%) notified to the Funding Agent by Chase as the rate of interest at which Dollar deposits in the approximate amount of the portion of the Series 1998-1 Invested Amount allocable to such Eurodollar Tranche as of such day and having a maturity comparable to the Eurodollar Period applicable to such Eurodollar Tranche would be offered to prime banks in the London interbank market at their request at or about 11:00 a.m. (London time) on the second Business Day prior to the commencement of such Eurodollar Period.

"Eurodollar Period" shall mean, with respect to any Eurodollar Tranche:

(a) initially, the period commencing on the Issuance Date or conversion date, as the case may be, with respect to such Eurodollar Tranche and ending one month thereafter (or such other period which is acceptable to the Purchaser and which in no event will be less than 15 days); and

(b) thereafter, each period commencing on the last day of the immediately preceding Eurodollar Period applicable to such Eurodollar Tranche and ending one month thereafter (or such other period which is acceptable to the Purchaser and which in no event will be less than 15 days);

provided that all Eurodollar Periods must end on the next Distribution Date and all of the foregoing provisions relating to Eurodollar Periods are subject to the following:

(1) if any Eurodollar Period would otherwise end on a day that is not a Business Day, such Eurodollar Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Eurodollar Period into another calendar month, in which event such Eurodollar Period shall end on the immediately preceding Business Day;

(2) any Eurodollar Period that would otherwise extend beyond the Scheduled Revolving Termination Date shall end on the Scheduled Revolving Termination Date; and

(3) any Eurodollar Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Eurodollar Period) shall end on the last Business Day of the calendar month at the end of such Eurodollar Period.

"Eurodollar Rate" shall mean, with respect to each day during each Eurodollar Period pertaining to a portion of the Series 1998-1 Invested Amount allocated to a Eurodollar Tranche, a rate per annum determined for such day in accordance with the following formula (rounded upwards, if necessary, to the nearest 1/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

"Eurodollar Tranche" shall mean a portion of the Series 1998-1 Invested Amount for which the Series 1998-1 Monthly Interest is calculated by reference to a Eurodollar Rate determined by reference to a particular Eurodollar Period.

"Excluded Taxes" shall have the meaning assigned in subsection 7.3(a).

"Facility Fee" shall have the meaning assigned in subsection 2.9(c).

"Facility Fee Rate" shall have the meaning assigned in the Fee Letter.

"Fee Letter" shall mean that certain Fee Letter, dated as of the date hereof, among the Company, the Funding Agent and the Initial Purchaser and acknowledged by the Trustee.

"Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Funding Agent from three federal funds brokers of recognized standing selected by it.

"Financial Covenants" shall mean collectively, each as specified in the Credit Agreement, as in effect as of the date hereof, without giving effect to any modification, change or amendment thereafter, unless specifically approved in writing by the Required APA Banks, (i) the leverage ratio covenant as specified in subsection 6.14 thereof, (ii) the consolidated net cash interest expense coverage ratio covenant as specified in subsection 6.15 thereof and (iii) the working capital covenant as specified in subsection 6.16 thereof.

"Floating Tranche" shall mean, on or after the APA Bank Purchase Date, that portion of the Series 1998-1 Invested Amount not allocated to a Eurodollar Tranche for which the Series 1998-1 Monthly Interest is calculated by reference to the ABR.

"Funding Agent" shall have the meaning specified in the recitals hereto.

"Increase" shall have the meaning assigned in subsection 2.5(a).

"Increase Amount" shall have the meaning assigned in subsection 2.5(a).

"Increase Date" shall have the meaning assigned in subsection 2.5(a).

"Initial Purchaser" shall have the meaning specified in the recitals hereto.

"Initial Series 1998-1 Invested Amount" shall have the meaning assigned in subsection 2.5(a).

"Interest Shortfall" shall have the meaning assigned in subsection 3A.4(b).

"Invested Percentage" shall mean, with respect to any Business Day (i) during the Series 1998-1 Revolving Period, the percentage equivalent of a fraction, the numerator of which is the Series 1998-1 Allocated Receivables Amount as of the end of the immediately preceding Business Day and the denominator of which is the Aggregate Receivables Amount as of the end of the immediately preceding Business Day and (ii) during the Series 1998-1 Amortization Period, the percentage equivalent of a fraction, the numerator of which is the Series 1998-1 Allocated Receivables Amount as of the end of the last Business Day of the Series 1998-1 Revolving Period (provided that if during the Series 1998-1 Amortization Period, the amortization periods of all other Outstanding Series which were outstanding prior to the commencement of the Series 1998-1 Amortization Period commence, then, from and after the date the last of such Series commences its Amortization Period, the numerator shall be the Series 1998-1 Allocated Receivables Amount as of the end of the Business Day preceding such date) and the denominator of which is the greater of (A) the Aggregate Receivables Amount as of the end of the immediately preceding Business Day and (B) the sum of the numerators used to calculate the Invested Percentage for all Outstanding Series on the Business Day for which such percentage is determined.

"Issuance Date" shall mean June 5, 1998.

"Loss Reserve Ratio" shall mean, as of any Settlement Report Date and continuing until (but not including) the next Settlement Report Date, an amount (expressed as a percentage) which is calculated as follows:

LRR = [(a * b)/c] * d

Where:

LRR = Loss Reserve Ratio;

a = the aggregate Principal Amount of Receivables, other than Construction Receivables and BEAR Receivables, originated by the Sellers during the two Settlement Periods immediately preceding such earlier Settlement Report Date; plus the aggregate Principal Amount of BEAR Receivables originated by the Sellers during the two Settlement Periods immediately preceding such earlier Settlement Report Date plus the aggregate Principal Amount of Construction Receivables originated by the Sellers during the two Settlement Periods immediately preceding such earlier Settlement Report Date;

b = (i) after the earlier of (x) such time as fourteen Settlement Periods have occurred since the Cut-Off Date or (y) such time as the Servicer shall have delivered to the Funding Agent fourteen months of historical aging data

showing separate aging of Receivables 91-120, 121-150 and 151-180 days, respectively, past their original invoice date, the highest three-month rolling average of the Aged Receivables Ratio that occurred during the period of twelve consecutive Settlement Periods preceding such earlier Settlement Report Date, or (ii) before such time, the highest of (a) 1.5 times the Aged Receivables Ratio reported for the month of April 1998, (b) the average of the Aged Receivables Ratios reported for the months of April 1998 and May 1998 and (c) the highest three-month average of the Aged Receivables Ratio reported over any three consecutive months since the Cut-Off Date.

c = the Aggregate Receivables Amount as of the last day of the Settlement Period preceding such earlier Settlement Report Date; and

d = 2.0

"Majority Purchasers" shall mean, (i) on any day prior to the APA Bank Purchase Date, the Initial Purchaser and the Required APA Banks and (ii) on the APA Bank Purchase Date and any day thereafter, the Required APA Banks.

"Maximum Commitment Amount" shall mean $306,000,000.

"Minimum Ratio" shall mean 15%.

"Monthly Interest Payment" shall have the meaning assigned in subsection 3A.6(a).

"Moody's" shall mean Moody's Investors Service or any successor thereto.

"Non-Defaulting APA Bank" shall have the meaning assigned in subsection 2.6(c).

"Optional Termination Date" shall have the meaning assigned in subsection 2.7(d).

"Optional Termination Notice" shall have the meaning assigned in subsection 2.7(d).

"Other Taxes" shall have the meaning assigned in subsection 7.3(b).

"Outstanding Balance" shall mean, with respect to any Receivable at any time, the then outstanding principal amount thereof, excluding any accrued and outstanding finance, interest, late or similar charges related thereto.

"PARCO Insolvency Event" shall mean the occurrence of any one or more of the following: (i) any proceeding shall have been instituted by the Initial Purchaser seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of any order for relief or the appointment of a receiver,

trustee or other similar official for it or any substantial part of its property, or (ii) any proceeding of the type described in the foregoing clause (i) shall be instituted against the Initial Purchaser and shall have remained undismissed for a period of sixty (60) consecutive days, or an order granting relief requested in any such proceeding shall be entered.

"PARCO Residual Amount" shall have the meaning assigned in subsection 2.6(e).

"PARCO Wind-Down Event" shall mean the occurrence of any of the following events:

(i) on the fifteenth Business Day prior to the Commitment Expiry Date, the Commitments of the APA Banks have not been extended for at least an additional 364 days;

(ii) the providers of the Initial Purchaser's program liquidity and/or letter of credit facilities shall have given notice that an event of default has occurred and is continuing under their respective agreements with the Initial Purchaser or shall have given notice that their commitments shall not be extended thereunder;

(iii) the Initial Purchaser has notified the Funding Agent, the Company and Trustee that it has elected not to fund the Series 1998-1 Invested Amount or any Increase pursuant to subsection 2.5(b);

(iv) the Commercial Paper shall not be rated at least A-1 by S&P and P-1 by Moody's, respectively;

(v) the average of the Dilution Ratio for the two previous Settlement Periods shall exceed 7.3%;

(vi) the average of the Default Ratio for the two previous Settlement Periods shall exceed the "Default Ratio Trigger" (as determined in accordance with Schedule 3);

(vii) the average Days Sales Outstanding of Receivables for the two previous Settlement Periods shall exceed 55 days; and

(viii) an Early Amortization Period has commenced;

provided, however, in the case of the events described in clauses (v), (vi) and (vii) above, the Funding Agent at its sole discretion may waive such events as PARCO Wind-Down Events and shall notify the Rating Agencies in writing of such waiver.

"Participants" shall have the meaning assigned in subsection 11.11(e).

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

"Potential PARCO Wind-Down Event" shall mean any event or circumstance that with notice, the lapse of time, or both, would become a PARCO Wind-Down Event.

"Program Costs" shall mean, for any Business Day, the sum of (i) the product of (A) all unpaid fees and expenses due and payable to counsel to, and independent auditors of, the Company (other than fees and expenses payable on or in connection with the closing of the issuance of the Series 1998-1 Interests) and (B) a fraction, the numerator of which is the Aggregate Commitment Amount on such Business Day and the denominator of which is the sum of (x) the Aggregate Invested Amounts on such Business Day (other than the Series 1998-1 Invested Amount and the Invested Amount in respect of any variable funding certificate of any other Outstanding Series) and (y) the Aggregate Commitment Amount on such Business Day plus the aggregate Commitment amount for any variable funding certificate of any other Outstanding Series, and (ii) all unpaid fees and expenses due and payable to any Rating Agencies rating the VFC Certificates; provided, however, that the amount of Program Costs payable pursuant to Section 3A.6(b)(iv) shall not exceed $100,000 in the aggregate in any fiscal year of the Servicer.

"Purchase" shall mean the assignment by the Initial Purchaser to the APA Banks of the Initial Purchaser's Series 1998-1 Purchaser Invested Amount pursuant to Section 2.6.

"Purchase Price" shall mean, on the APA Bank Purchase Date, an amount equal to the lesser of (i) the Initial Purchaser's Series 1998-1 Purchaser Invested Amount (calculated without regard to clauses (d) and (e) of the definition of Series 1998-1 Purchaser Invested Amount) and (ii) the Adjusted Liquidity Price on such date, in each case as increased by the sum of (1) the excess of (x) all accrued and unpaid Discount on all outstanding Commercial Paper issued to fund the Initial Purchaser's Series 1998-1 Purchaser Invested Amount from the issuance date(s) thereof to but excluding the APA Bank Purchase Date, over (y) amounts on deposit in the Series 1998-1 Accrued Interest Collection Sub-subaccount, plus (2) the aggregate Discount to accrue on all outstanding Commercial Paper issued to fund the Initial Purchaser's Series 1998-1 Purchaser Invested Amount from and including the APA Bank Purchase Date, to and excluding the maturity date of each CP Tranche.

"Purchase Price Deficit" shall have the meaning assigned in subsection 2.6(c).

"Purchaser" shall mean, prior to the APA Bank Purchase Date, the Initial Purchaser and, on and after the APA Bank Purchase Date, the APA Banks and each Acquiring APA Bank.

"Rating Agency" and "Rating Agencies" shall mean Moody's, S&P or any other nationally recognized statistical rating organization from which a rating for the Commercial Paper was requested by the Initial Purchaser and is currently in effect.

"Rating Agency Condition" shall mean, with respect to any action, that (i) each Rating Agency shall have been given prior notice thereof and that each of the Rating Agencies shall have notified the Initial Purchaser and the Funding Agent in writing that such action will not result in a reduction or withdrawal of the then current rating of the

Commercial Paper and (ii) the Funding Agent shall have given their prior written consent to such action.

"Record Date" shall mean the first Business Day prior to each Distribution Date.

"Reduction Percentage" shall mean the percentage equivalent of a fraction, the numerator of which is the PARCO Residual Amount and the denominator of which is the sum of the PARCO Residual Amount and the Adjusted Liquidity Price on the APA Bank Purchase Date.

"Reference Rate" shall have the meaning assigned in the definition of ABR herein.

"Register" shall have the meaning assigned in subsection 11.11(c).

"Required APA Banks" shall mean APA Banks having Commitment Percentages in the aggregate at least equal to 66-2/3% or, if the Commitments have been terminated, holding at least 66-2/3% of the outstanding Series 1998-1 Invested Amount; provided that the Commitment of any Defaulting APA Bank that has not paid all amounts due and owing by it in respect of the purchase it was obligated to make shall not be included in the Aggregate Commitment Amount for purposes of this definition.

"Sale Notice" shall mean an irrevocable written notice given by an authorized signatory or authorized officer of the Initial Purchaser (or on behalf of the Initial Purchaser by Chase, in its capacity as the Initial Purchaser's administrative agent) to the Funding Agent committing to sell, assign and transfer to the APA Banks, the Initial Purchaser's Series 1998-1 Purchaser Invested Amount, which notice shall designate (i) the APA Bank Purchase Date, (ii) the Initial Purchaser's Series 1998-1 Purchaser Invested Amount, (iii) the Purchase Price (including a calculation of the Purchase Price), (iv) that no PARCO Insolvency Event has occurred and (v) wire transfer instructions specifying the account(s) into which the proceeds of the Purchase Price shall be deposited.

"Scheduled Revolving Termination Date" shall mean the last day of the Settlement Period ending in April of the year of the Commitment Expiry Date.

"Series 1998-1" shall mean Series 1998-1, the Principal Terms of which are set forth in this Supplement.

"Series 1998-1 Accrued Interest Sub-subaccount" shall have the meaning assigned in subsection 3A.2(a).

"Series 1998-1 Adjusted Invested Amount" shall mean, as of any date of determination, (i) the Series 1998-1 Invested Amount on such date, minus (ii) the amount on deposit in the Series 1998-1 Principal Collection Sub-subaccount on such date.

"Series 1998-1 Allocable Charged-Off Amount" shall mean, with respect to any Special Allocation Settlement Report Date, the "Allocable Charged-Off Amount", if any, which has been allocated to Series 1998-1.

"Series 1998-1 Allocable Recoveries Amount" shall mean, with respect to any Special Allocation Settlement Report Date, the "Allocable Recoveries Amount", if any, which has been allocated to Series 1998-1.

"Series 1998-1 Allocated Receivables Amount" shall mean, on any date of determination, the lower of (i) the Series 1998-1 Target Receivables Amount on such day and (ii) the product of (x) the Aggregate Receivables Amount on such day and (y) the percentage equivalent of a fraction the numerator of which is the Series 1998-1 Target Receivables Amount on such day and the denominator of which is the Aggregate Target Receivables Amount on such day.

"Series 1998-1 Amortization Period" shall mean the period commencing on the Business Day following the earliest to occur of (i) the date on which an Early Amortization Period is declared to commence or automatically commences, (ii) the Optional Termination Date and (iii) the Scheduled Revolving Termination Date and ending on the earlier of (i) the date when the Series 1998-1 Invested Amount shall have been reduced to zero and all accrued interest and other amounts owing on the VFC Certificates and to the Funding Agent and the Purchasers hereunder shall have been paid in full and (ii) the Series 1998-1 Termination Date.

"Series 1998-1 Canada/Canadian Dollar Collection Subaccount" shall have the meaning specified in subsection 3A.2(a).

"Series 1998-1 Canada/U.S. Dollar Collection Subaccount" shall have the meaning specified in subsection 3A.2(a).

"Series 1998-1 Collection Subaccount" shall have the meaning assigned in subsection 3A.2(a).

"Series 1998-1 Interests" shall mean, collectively, the VFC Certificates and the Series 1998-1 Subordinated Interest.

"Series 1998-1 Invested Amount" shall mean, as of any date of determination, the sum of the Series 1998-1 Purchaser Invested Amounts of all Purchasers on such date.

"Series 1998-1 Monthly Interest" shall have the meaning assigned in subsection 3A.4(a).

"Series 1998-1 Monthly Principal Payment" shall have the meaning assigned in Section 3A.5.

"Series 1998-1 Monthly Servicing Fee" shall have the meaning assigned in Section 6.1.

"Series 1998-1 Non-Principal Collection Sub-subaccount" shall have the meaning assigned in subsection 3A.2(a).

"Series 1998-1 Principal Collection Sub-subaccount" shall have the meaning assigned in subsection 3A.2(a).

"Series 1998-1 Purchaser Invested Amount" shall mean, with respect to the Initial Purchaser on the Issuance Date or, if the Initial Purchaser shall not fund the Initial Series 1998-1 Invested Amount, any APA Bank, an amount equal to the Initial Series 1998-1 Invested Amount or such APA Bank's Commitment Percentage of the Initial Series 1998-1 Invested Amount, and with respect to the Initial Purchaser or any other Purchaser on any date of determination thereafter, an amount equal to (a) the Initial Purchaser's or such other Purchaser's Series 1998-1 Purchaser Invested Amount on the immediately preceding Business Day (or, with respect to the day as of which such other Purchaser acquires an interest in the Series 1998-1 Invested Amount, whether pursuant to Section 2.6, by executing a counterpart hereof, a Commitment Transfer Supplement or otherwise, the portion of the transferor's Series 1998-1 Purchaser Invested Amount being purchased), plus (b) the amount of any increases in such Purchaser's Series 1998-1 Purchaser Invested Amount pursuant to Section 2.5 made on such day, minus (c) the amount of any distributions to such Purchaser in respect of principal received and applied on such day minus (d) the aggregate Series 1998-1 Allocable Charged-Off Amount applied to such Purchaser on or prior to such date pursuant to subsection 3A.5(b)(ii) plus (e) (but only to the extent of any unreimbursed reductions made pursuant to clause (d) above) the aggregate Series 1998-1 Allocable Recoveries Amount applied to such Purchaser on or prior to such date pursuant to subsection 3A.5(c)(i).

"Series 1998-1 Ratio" shall mean, as of any Settlement Report Date and continuing until (but not including) the next Settlement Report Date, the greater of (i) the sum of the Loss Reserve Ratio and the Dilution Reserve Ratio and (ii) the Minimum Ratio, in each case, then in effect.

"Series 1998-1 Required Reserves" shall mean, (x) as of any date of determination during the Series 1998-1 Revolving Period, an amount equal to the sum of:

(a) an amount equal to the product of (A) the Series 1998-1 Adjusted Invested Amount on such day (after giving effect to any increase or decrease thereof on such day) and (B) a fraction, the numerator of which is the Series 1998-1 Ratio, and the denominator of which is one minus the Series 1998-1 Ratio;

(b) the product of (i) the Series 1998-1 Invested Amount on such day (after giving effect to any increase or decrease thereof on such day) and (ii) a fraction, the numerator of which is the Carrying Cost Reserve Ratio in effect for the Accrual Period in which such day falls, and the denominator of which is one minus the Series 1998-1 Ratio; and

(c) the product of (i) the aggregate Principal Amount of Receivables in the Trust on such day, (ii) a fraction, the numerator of which is the Series 1998-1 Invested Amount on such day, and the denominator of which is the sum of the Aggregate Invested Amount on such day (after giving effect to any increase or decrease thereof on such day), and (iii) a fraction, the numerator of which is the Servicing Reserve Ratio, and the denominator of which is one minus the Series 1998-1 Ratio;

and (y) on any date of determination during the Series 1998-1 Amortization Period, an amount equal to the Series 1998-1 Required Reserves on the last Business Day of the

Series 1998-1 Revolving Period; provided, in the case of this clause (y), that such amount shall be adjusted on each Special Allocation Settlement Report Date, if any, to the extent required as set forth in Section 3A.5(b)(i) and Section 3A.5(c)(ii).

"Series 1998-1 Revolving Period" shall mean the period commencing on the Issuance Date and terminating on the earliest to occur of the close of business on (i) the date on which an Early Amortization Period is declared to commence or automatically commences, (ii) the Optional Termination Date, (iii) the Scheduled Revolving Termination Date and (iv) the Commitment Termination Date.

"Series 1998-1 Subordinated Interest Amount" shall mean, for any date of determination, an amount equal to (i) the Series 1998-1 Allocated Receivables Amount minus (ii) the Series 1998-1 Adjusted Invested Amount.

"Series 1998-1 Subordinated Interest Reduction Amount" shall have the meaning assigned in subsection 2.7(b).

"Series 1998-1 Subordinated Interest" shall have the meaning assigned in subsection 2.2(b).

"Series 1998-1 Target Receivables Amount" shall mean, on any date of determination, the sum of (i) the Series 1998-1 Adjusted Invested Amount on such day and (ii) the Series 1998-1 Required Reserves for such day.

"Series 1998-1 Termination Date" shall mean the Distribution Date that occurs nine months following the Scheduled Revolving Termination Date.

"Servicer Indemnified Person" shall have the meaning specified in subsection 2.10(b).

"Servicing Reserve Ratio" shall mean, as of any Settlement Report Date and continuing until (but not including) the next Settlement Report Date, an amount (expressed as a percentage) equal to (i) the product of (A) the Servicing Fee Percentage and (B) 2.0 times Days Sales Outstanding as of such earlier Settlement Report Date, divided by (ii) 360.

"Taxes" shall have the meaning assigned in subsection 7.3(a).

"Transaction Parties" shall have the meaning assigned in subsection 2.6(d).

"Transfer Issuance Date" shall mean the date on which a Commitment Transfer Supplement becomes effective pursuant to the terms of such Commitment Transfer Supplement.

"Transferee" shall have the meaning assigned in subsection 11.10(f).

"Trust Accounts" shall have the meaning assigned in subsection 3A.2(a).

"U.C.C. Certificate" shall mean a certificate substantially in the form of Exhibit H to this Supplement.

"Unaccrued Discount Payment Amount" shall mean the portion of the Purchase Price determined in accordance with clause (2) of the definition thereof.

"Unallocated Balance" shall mean, as of (i) any Business Day prior to the APA Bank Purchase Date, the portion of the Series 1998-1 Invested Amount allocated to any CP Tranche the CP Rate Period in respect of which expires on such Business Day and (ii) the APA Bank Purchase Date or any Business Day thereafter, the sum of (A) the portion of the Series 1998-1 Invested Amount for which interest is then being calculated by reference to the ABR and (B) the portion of the Series 1998-1 Invested Amount allocated to any Eurodollar Tranche the Eurodollar Period in respect of which expires on such Business Day.

"VFC Certificate" shall mean a VFC Certificate, Series 1998-1, executed by the Company and authenticated by or on behalf of the Trustee, substantially in the form of Exhibit A.

"VFC Certificateholders" shall mean the Purchasers.

"VFC Certificateholders' Interest" shall have the meaning assigned in subsection 2.2(a).

"WESCO" shall have the meaning specified in the preamble hereto.

(b) If any term or provision contained herein conflicts with or is inconsistent with any term, definition or provision contained in the Agreement, the terms and provisions of this Supplement shall govern. All capitalized terms not otherwise defined herein are defined in the Agreement. All Article, Section or subsection references herein shall mean Article, Section or subsections of this Supplement, except as otherwise provided herein. Unless otherwise stated herein, the context otherwise requires or such term is otherwise defined in the Agreement, each capitalized term used or defined herein shall relate only to the Series 1998-1 Interests and no other Series of Investor Certificates issued by the Trust.

ARTICLE II

DESIGNATION OF CERTIFICATES; PURCHASE AND SALE OF THE VFC CERTIFICATES

SECTION 2.1. Designation. The Certificates and interests created and authorized pursuant to the Agreement and this Supplement shall be divided into two Classes, which shall be designated respectively as (i) the "VFC Certificates, Series 1998-1" and (ii) an interest designated as the "Series 1998-1 Subordinated Interest."

SECTION 2.2. The Series 1998-1 Interests. (a) The VFC Certificates shall represent fractional undivided interests in the Trust, including the right to receive distributions from (i) the Invested Percentage (expressed as a decimal) of Collections received with respect to the Receivables and all other funds on deposit in the Collection Accounts and (ii) all other funds on deposit in the Series Collection Subaccounts and any subaccounts thereof (collectively, the "VFC Certificateholders' Interest").

(b) The "Series 1998-1 Subordinated Interest" shall be a fractional undivided interest in the Trust, consisting of the right to receive Collections with respect to the Receivables allocated to the VFC Certificateholders' Interest and not required to be distributed to or for the benefit of the Purchasers. The Exchangeable Company Interest and any other Series of Investor Certificates outstanding shall represent the ownership interest in the remainder of the Trust not allocated pursuant hereto to the VFC Certificateholders' Interest or the Series 1998-1 Subordinated Interest.

(c) The VFC Certificates shall be substantially in the form of Exhibit A and shall, upon issue, be executed and delivered by the Company to the Trustee for authentication and redelivery as provided in Section 2.4 hereof and Section 5.2 of the Agreement.

SECTION 2.3. Purchases of Interests in the VFC Certificates. (a) Initial Purchase. Subject to the terms and conditions of this Supplement, including delivery of notice in accordance with Section 2.4, (i) on the Issuance Date, (A) the Initial Purchaser may, in its sole discretion, purchase a VFC Certificate in an amount equal to the Initial Series 1998-1 Invested Amount or (B) if the Initial Purchaser shall have notified the Funding Agent that it has elected not to purchase a VFC Certificate on the Issuance Date, each APA Bank hereby severally agrees to purchase on the Issuance Date a VFC Certificate in an amount equal to such APA Bank's Commitment Percentage of the Initial Series 1998-1 Invested Amount and (ii) thereafter, (A) if the Initial Purchaser shall have purchased a VFC Certificate on the Issuance Date, the Initial Purchaser may, in its sole discretion, maintain its VFC Certificate, subject to increase or decrease during the Series 1998-1 Revolving Period, in accordance with the provisions of this Supplement and (B) if the APA Banks shall have purchased VFC Certificates on the Issuance Date or, in any case, on or after the APA Bank Purchase Date, the APA Banks hereby severally agree to maintain their respective VFC Certificates, subject to increase or decrease during the Series 1998-1 Revolving Period, in accordance with the provisions of this Supplement. The Company hereby agrees to maintain ownership of the Series 1998-1 Subordinated Interest, subject to increase or decrease during the Series 1998-1 Revolving Period, in accordance with the provisions of this Supplement. Payments by the Initial Purchaser or the APA Banks, as the case may be, in respect of the VFC Certificates shall be made in immediately available funds on the Issuance Date to the Funding Agent for payment to the Company.

(b) Subsequent Purchases. Subject to the terms and conditions of this Supplement, each Acquiring APA Bank hereby severally agrees to maintain its VFC Certificate, subject to increase or decrease during the Series 1998-1 Revolving Period, in accordance with the provisions of this Supplement.

(c) Maximum Series 1998-1 Purchaser Invested Amount. Notwithstanding anything to the contrary contained in this Supplement, at no time shall the Series 1998-1 Purchaser Invested Amount (calculated without regard to clauses (d) and (e) of the definition thereof) of any APA Bank exceed such APA Bank's Commitment at such time.

SECTION 2.4. Delivery. On the Issuance Date, the Company shall sign, on behalf of the Trust, and shall direct the Trustee in writing pursuant to Section 5.2 of the Agreement to duly authenticate, and the Trustee, upon receiving such direction, shall so authenticate (i) the VFC Certificates in such names and such denominations and deliver such VFC Certificates to the Funding Agent, on behalf of the Initial Purchaser, or the APA Banks, as the case may be, in accordance with such written directions. The VFC Certificates shall be issued in minimum denominations of $1,000,000 and in integral multiples of $100,000 in excess

thereof. The Trustee shall mark on its books the actual Series 1998-1 Invested Amount and Series 1998-1 Subordinated Interest Amount outstanding on any date of determination, which, absent manifest error, shall constitute prima facie evidence of the outstanding Series 1998-1 Invested Amount and Series 1998-1 Subordinated Interest Amount from time to time.

SECTION 2.5. Procedure for Initial Issuance and for Increasing the Series 1998-1 Invested Amount. (a) Subject to subsection 2.5(c), (i) on the Business Day designated in writing as provided herein (the "Issuance Date"), the Initial Purchaser may agree, in its sole discretion, and each APA Bank hereby agrees to purchase a VFC Certificate in accordance with Section 2.3 and (ii) on any Business Day during the Commitment Period, the Initial Purchaser may agree, in its sole discretion, and each APA Bank hereby agrees that the Series 1998-1 Invested Amount may be increased by increasing such Purchaser's Series 1998-1 Purchaser Invested Amount (an "Increase"), upon the request of the Servicer or the Company on behalf of the Trust (each date on which an increase in the Series 1998-1 Invested Amount occurs hereunder being herein referred to as the "Increase Date" applicable to such Increase); provided, however, that the Servicer or the Company, as the case may be, shall have given the Funding Agent (with a copy to the Trustee) irrevocable written notice (effective upon receipt), substantially in the form of Exhibit F hereto, of such request no later than (i) 1:00 p.m., New York City time, two Business Days prior to the Issuance Date or such Increase Date, as the case may be, in the case of any Increase Date occurring prior to the APA Bank Purchase Date or (ii) (x) if the Initial Series 1998-1 Invested Amount or Increase Amount is to be priced solely with reference to the ABR, on or prior to 12:00 noon, New York City time, on the Issuance Date or such Increase Date, as the case may be, or (y) if all or a portion of the Initial Series 1998-1 Invested Amount or Increase Amount is to be allocated to a Eurodollar Tranche, 1:00 p.m., New York City time, three Business Days prior to the Issuance Date or such Increase Date, as the case may be, in the case of any Increase Date occurring on or after the APA Bank Purchase Date; provided, further, that the provisions of this subsection shall not restrict the allocations of Collections pursuant to Article III. Such notice shall state (x) the Issuance Date or the Increase Date, as the case may be, (y) the initial invested amount (the "Initial Series 1998-1 Invested Amount"), or the proposed amount of such Increase (the "Increase Amount"), as the case may be, and (z) on and after the APA Bank Purchase Date, what portions thereof will be allocated to a Eurodollar Tranche and the Floating Tranche.

(b) If, prior to the APA Bank Purchase Date, the Initial Purchaser elects not to fund any portion of a requested Increase, the Initial Purchaser shall notify the Funding Agent thereof and deliver a Sale Notice in accordance with Section 2.6 and each APA Bank shall purchase its Commitment Percentage of the Initial Purchaser's Series 1998-1 Purchaser Invested Amount in accordance with Section 2.6 and fund such Increase in an amount equal to its Commitment Percentage of such Increase; provided, however that an APA Bank shall not be obligated to fund any portion of an Increase that would cause its Series 1998-1 Purchaser Invested Amount to exceed its Commitment.

(c) The Purchasers shall not be required to make the initial purchase of VFC Certificates on the Issuance Date or to increase their respective Series 1998-1 Purchaser Invested Amounts on any Increase Date hereunder unless:

(i) the related aggregate initial purchase amount or Increase Amount is equal to $1,000,000 or an integral multiple of $100,000 in excess thereof;

(ii) after giving effect to the initial purchase amount or Increase Amount, (A) the Series 1998-1 Invested Amount would not exceed the Maximum Commitment Amount on the Issuance Date or such Increase Date, as the case may be, and (B) the Series 1998-1 Allocated Receivables Amount would not be less than the Series 1998-1 Target Receivables Amount on the Issuance Date or such Increase Date, as the case may be;

(iii) no Early Amortization Event or Potential Early Amortization Event shall have occurred and be continuing;

(iv) in the case of any funding by the Initial Purchaser, no PARCO Wind-Down Event or Potential PARCO Wind-Down Event shall have occurred and be continuing; and

(v) all of the representations and warranties made by each of the Company and the Servicer in each Transaction Document to which it is a party are true and correct in all material respects on and as of the Issuance Date or such Increase Date, as the case may be, as if made on and as of such date (except to the extent such representations and warranties are expressly made as of another date).

The Company's acceptance of funds in connection with (x) the Purchasers' initial purchase of VFC Certificates on the Issuance Date and (y) each Increase occurring on any Increase Date shall constitute a representation and warranty by the Company to the Purchasers as of the Issuance Date or such Increase Date (except to the extent such representations and warranties are expressly made as of another date or relate to particular receivables), as the case may be, that all of the conditions contained in this subsection 2.5(c) have been satisfied.

(d) After receipt by the Funding Agent of the notice required by subsection 2.5(a) from the Servicer or the Company on behalf of the Trust, the Funding Agent shall, so long as the conditions set forth in subsections 2.5(a) and (c) are satisfied, promptly provide telephonic notice (i) prior to the APA Bank Purchase Date, to the Initial Purchaser, and (ii) on and after the APA Bank Purchase Date, to each APA Bank, of the Increase Date and of the portion of the Increase Amount allocable to such APA Bank (which shall equal such APA Bank's Commitment Percentage of the Increase Amount). If the Initial Purchaser elects to fund an Increase, the Initial Purchaser agrees to pay in immediately available funds the amount of such Increase on the related Increase Date to the Funding Agent for payment to the Trust for deposit in the Series 1998-1 Principal Collection Sub-subaccount. On or after the APA Bank Purchase Date, each APA Bank agrees to pay in immediately available funds such APA Bank's Commitment Percentage of each Increase on the related Increase Date to the Funding Agent for payment to the Trust for deposit in the Series 1998-1 Principal Collection Sub-subaccount.

SECTION 2.6. Sale by the Initial Purchaser of its Series 1998-1 Purchaser Invested Amount to the APA Banks. (a) On any date during the Commitment Period, the Initial Purchaser may, in its own discretion, and the Initial Purchaser shall upon the occurrence of a PARCO Wind-Down Event, in each case, by delivering a Sale Notice to the Funding Agent, the Company and the Trustee, sell to the APA Banks (in accordance with their respective Commitment Percentages) and each APA Bank hereby agrees to purchase its Commitment Percentage of all right, title and interest of the Initial Purchaser in its Series 1998-1 Purchaser Invested Amount. Any Sale Notice shall be delivered by the Initial Purchaser to the Funding Agent, the Company and the Trustee prior to 12:30 p.m., New York City time, on the APA Bank

Purchase Date and shall constitute an irrevocable offer by the Initial Purchaser to sell 100% of its Series 1998-1 Purchaser Invested Amount at the Purchase Price. Any Sale Notice shall be deemed to be a representation and warranty by the Initial Purchaser that no PARCO Insolvency Event shall have occurred and be continuing. Each APA Bank hereby agrees to purchase from the Initial Purchaser such APA Bank's Commitment Percentage of the Initial Purchaser's Series 1998-1 Purchaser Invested Amount for a purchase price equal to such APA Bank's Commitment Percentage of the Purchase Price on the APA Bank Purchase Date (which date, subject to subsection 2.6(b), may be the same as the date of the Sale Notice). Notwithstanding anything to the contrary set forth in this Supplement, no APA Bank shall have any obligation to purchase the Initial Purchaser's Series 1998-1 Purchaser Invested Amount if, on such Purchase Date, any PARCO Insolvency Event shall have occurred and be continuing.

(b) If, at or prior to 12:30 p.m., New York City time, on any Business Day, the Initial Purchaser delivers the Sale Notice to the Funding Agent specifying that the APA Bank Purchase Date shall be the same date as the date of the Sale Notice, the Funding Agent shall, by no later than 1:00 p.m., New York City time, notify (by telecopy or by telephone call promptly confirmed in writing by telecopy) each APA Bank of the receipt and content of the Sale Notice. Each APA Bank shall purchase its Commitment Percentage of the Initial Purchaser's VFC Certificate by depositing its Commitment Percentage of the Purchase Price in immediately available funds into the account(s) specified by the Initial Purchaser in the Sale Notice no later than 2:00 p.m., New York City time. If the Initial Purchaser delivers the Sale Notice to the Funding Agent after 12:30 p.m., New York City time, on any Business Day or the Initial Purchaser delivers the Sale Notice to the Funding Agent specifying that the APA Bank Purchase Date shall be a date other than the date of the Sale Notice, the Funding Agent shall promptly advise (by telecopy or by telephone call promptly confirmed in writing by telecopy) each APA Bank of the receipt and content of the Sale Notice. Notwithstanding the fact that the APA Bank Purchase Date may occur on a date which is later than the date on which the Sale Notice is delivered to the Funding Agent, the several obligations of each APA Bank to make such purchase and to make payment of the amounts required to be paid by it pursuant to subsection 2.6(a) shall arise immediately upon receipt by the Funding Agent of the Sale Notice. Upon payment of the Purchase Price as provided herein and delivery to the Trustee by the Funding Agent of the Initial Purchaser's VFC Certificate, the Company shall sign, on behalf of the Trust, and shall direct the Trustee in writing to duly authenticate, and the Trustee, upon receiving such direction, shall so authenticate, a new VFC Certificate in the name of each APA Bank and in a denomination equal to such APA Bank's Commitment Percentage as set forth in such written direction and shall deliver such VFC Certificate to each such APA Bank in accordance with such written direction.

(c) If, by 2:00 p.m., New York City time, one or more APA Banks (each, a "Defaulting APA Bank," and each APA Bank other than the Defaulting APA Bank being referred to as a "Non-Defaulting APA Bank") fails to make its Commitment Percentage of the Purchase Price available to the Funding Agent pursuant to subsection 2.6(b) (the aggregate amount not so made available to the Funding Agent being herein called the "Purchase Price Deficit"), then the Funding Agent shall, by no later than 2:30 p.m., New York City time, instruct each Non-Defaulting APA Bank to pay, by no later than 3:00 p.m., New York City time, in immediately available funds, to the account designated by the Funding Agent, an amount equal to the lesser of (x) such Non-Defaulting APA Bank's proportionate share (based upon the relative Commitments of the Non-Defaulting APA Banks) of the Purchase Price Deficit and (y) its unused Commitment. A Defaulting APA Bank shall forthwith, upon demand, pay to the Funding Agent for the ratable benefit of the Non-Defaulting APA Banks all amounts paid by

each Non-Defaulting APA Bank on behalf of such Defaulting APA Bank, together with interest thereon, for each day from the date a payment was made by a Non-Defaulting APA Bank until the date such Non-Defaulting APA Bank has been paid such amounts in full, at a rate per annum equal to the sum of the Federal Funds Effective Rate plus 2%. In addition, without prejudice to any other rights that the Initial Purchaser may have under applicable law, each Defaulting APA Bank shall pay to the Initial Purchaser forthwith upon demand, the difference between the Defaulting APA Bank's unpaid Commitment Percentage of the Purchase Price and the amount paid with respect thereto by the Non-Defaulting APA Banks, together with interest thereon, for each day from the date of the Funding Agent's request for such Defaulting APA Bank's Commitment Percentage of the Purchase Price pursuant to Section 2.6(b) until the date the requisite amount is paid to the Initial Purchaser in full, at a rate per annum equal to the sum of the Federal Funds Effective Rate plus 2%.

(d) The transfer of the Initial Purchaser's VFC Certificate pursuant to this Section 2.6 shall be without recourse or warranty, express or implied, except that the Initial Purchasers represent that such VFC Certificate is free and clear of adverse claims created by or arising as a result of claims against the Initial Purchaser. By executing and delivering a Sale Notice pursuant to Section 2.6(a), (i) the Initial Purchaser makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the VFC Certificate or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the VFC Certificate, or any other agreement, instrument or other document furnished pursuant thereto or in connection therewith, including without limitation any Transaction Document, and (ii) the Initial Purchaser makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Trust, the Trustee, the Servicer, each Sub-Servicer, each Seller or any Obligor (collectively, the "Transaction Parties") or the Funding Agent, or the performance or observance by the Transaction Parties of any of their respective obligations under the VFC Certificate or the Transaction Documents.

(e) If the Adjusted Liquidity Price on the APA Bank Purchase Date is less than the Series 1998-1 Invested Amount on the APA Bank Purchase Date (the amount of such insufficiency, the "PARCO Residual Amount"), each APA Bank agrees that (i) on each Distribution Date after the APA Bank Purchase Date on which interest is distributed to VFC Certificateholders pursuant to subsection 3A.6(a), the Funding Agent shall distribute to the Initial Purchaser its Reduction Percentage of such interest payments and (ii) on each Distribution Date after the APA Purchase Date on which amounts in reduction of the Series 1998-1 Invested Amount are distributed to VFC Certificateholders pursuant to Section 2.7 or subsection 3A.6(c), the Funding Agent shall distribute to the Initial Purchaser its Reduction Percentage of such amounts only after the Series 1998-1 Invested Amount has been paid in full.

SECTION 2.7. Procedure for Decreasing the Series 1998-1 Invested Amount; Optional Termination. (a) On any Business Day during the Series 1998-1 Revolving Period or the Series 1998-1 Amortization Period (except for Distribution Dates during the Series 1998-1 Amortization Period (which shall be governed by subsection 3A.6(c))), upon the written request of the Servicer or the Company on behalf of the Trust, the Series 1998-1 Invested Amount may be reduced (a "Decrease") by the distribution by the Trustee to the Funding Agent for the pro rata benefit of the Purchasers in accordance with their respective Series 1998-1 Purchaser Invested Amounts of funds on deposit in the Series 1998-1 Principal Collection Sub-subaccount on such day in an amount not to exceed the amount of such funds on deposit on such day; provided that the Servicer shall have given the Funding Agent (with a copy to the Trustee)

irrevocable written notice (effective upon receipt), prior to 1:00 p.m., New York City time, (i) on the second Business Day prior to such Decrease, in the case of any Decrease occurring prior to the APA Bank Purchase Date and (ii) (A) if the Decrease relates solely to a Floating Tranche, on the Business Day of such Decrease or (B) if all or any portion of the Decrease relates to a Eurodollar Tranche, on the Business Day that is three Business Days prior to such Decrease, and which notice shall state the amount of such Decrease; provided, further, that (x) such Decrease shall be in an amount equal to $1,000,000 and integral multiples of $100,000 in excess thereof or if the Series 1998-1 Invested Amount is less than $1,000,000 then such Decrease shall equal the Series 1998-1 Invested Amount, and (y) prior to the APA Bank Purchase Date, such Decrease shall be in an amount no greater than the Unallocated Balance on such day.

(b) Simultaneously with any such Decrease during the Series 1998-1 Revolving Period, the Series 1998-1 Subordinated Interest Amount shall be reduced by an amount (the "Series 1998-1 Subordinated Interest Reduction Amount") such that the Series 1998-1 Subordinated Interest Amount shall equal the Series 1998-1 Required Reserves after giving effect to such Decrease. During the Series 1998-1 Revolving Period, after the distribution described in subsection (a) above has been made, and the Series 1998-1 Subordinated Interest Amount shall have been reduced by the Series 1998-1 Subordinated Interest Reduction Amount, a distribution shall be made to the owner of the Series 1998-1 Subordinated Interest out of remaining funds on deposit in the Series 1998-1 Principal Collection Sub-subaccount in an amount equal to the lesser of (x) the Series 1998-1 Subordinated Interest Reduction Amount and (y) the amount of such remaining funds on deposit in the Series 1998-1 Principal Collection Sub-subaccount.

(c) On or after the APA Bank Purchase Date, any reduction in the Series 1998-1 Invested Amount on any Business Day shall be allocated first to reduce the Unallocated Balance and then to reduce the portion of the Series 1998-1 Invested Amount allocated to Eurodollar Tranches in such order as the Company may select in order to minimize costs payable pursuant to Section 7.4.

(d) (i) On any Business Day unless the Scheduled Revolving Termination Date, an Early Amortization Event or a Potential Early Amortization Event shall have occurred and be continuing, the Company shall have the right to deliver an irrevocable written notice (an "Optional Termination Notice") to the Trustee, the Servicer and the Rating Agencies in which the Company declares that the Series 1998-1 Revolving Period shall terminate on the date (the "Optional Termination Date") set forth in such notice (which date, in any event, shall be the last day of a Settlement Period which is not less than 10 days from the date on which such notice is delivered).

(ii) From and after the Optional Termination Date, the Series 1998-1 Amortization Period shall commence for all purposes under this Agreement and the other Transaction Documents. The Trustee shall give prompt written notice of its receipt of an Optional Termination Notice to the Purchasers and each Rating Agency.

SECTION 2.8. Reductions of the Commitments. (a) On any Business Day during the Series 1998-1 Revolving Period, the Company, on behalf of the Trust, may, upon three Business Days' prior written notice to the Funding Agent (effective upon receipt) (with copies to the Servicer and the Trustee) reduce or terminate the Commitments (a "Commitment Reduction") in an aggregate amount equal to $5,000,000 or a whole multiple of $1,000,000 in excess thereof; provided that no such termination or reduction shall be permitted if, after giving

effect thereto and to any reduction in the Series 1998-1 Invested Amount on such date, the Series 1998-1 Invested Amount would exceed the Aggregate Commitment Amount then in effect. Each APA Banks's Commitment shall be reduced by such APA Bank's Commitment Percentage of the amount of such Commitment Reduction.

(b) On any Business Day subsequent to the APA Bank Purchase Date, if an Early Amortization Period has commenced, the Aggregate Commitment Amount shall be reduced to the Series 1998-1 Invested Amount. Each APA Bank's Commitment shall be reduced by an amount equal to such APA Bank's Commitment Percentage times the amount of such reduction.

(c) Once reduced, the Commitments may not be subsequently reinstated. Upon effectiveness of any such reduction, the Funding Agent shall prepare a revised Schedule 1 to reflect the reduced Commitment of each APA Bank and Schedule 1 of this Supplement shall be deemed to be automatically superseded by such revised Schedule 1. The Funding Agent shall distribute such revised Schedule 1 to the Company, the Servicer, the Trustee and each APA Bank.

SECTION 2.9. Interest; Fees. (a) Interest shall be payable on the VFC Certificates on each Distribution Date pursuant to subsection 3A.6(a).

(b) The Trustee (acting at the written direction of the Servicer upon which the Trustee may conclusively rely) shall distribute pursuant to subsection 3A.6(b), from amounts on deposit in the Series 1998-1 Non-Principal Collection Sub-subaccount, to the Funding Agent, for the pro rata account of the APA Banks in accordance with their respective Commitment Percentages, on each Distribution Date, a commitment fee with respect to each Accrual Period ending on such date (the "Commitment Fee") (i) during the Series 1998-1 Revolving Period at the Commitment Fee Rate of the average daily excess of the Aggregate Commitment Amount over the average aggregate Series 1998-1 Purchaser Invested Amounts of the APA Banks during such Accrual Period and (ii) during the Series 1998-1 Amortization Period at the Commitment Fee Rate of the average daily Series 1998-1 Invested Amount during such Accrual Period; provided however, that no Commitment Fee will be payable hereunder for any Accrual Period or portion thereof during the Series 1998-1 Amortization Period that commences on or after the APA Bank Purchase Date. The Commitment Fee shall be payable (i) monthly in arrears on each Distribution Date and (ii) on the Commitment Termination Date. To the extent that funds on deposit in the Series 1998-1 Non-Principal Collection Sub-subaccount at any such date are insufficient to pay the Commitment Fee due on such date, the Servicer shall so notify the Company and the Company shall immediately pay the Funding Agent the amount of any such deficiency.

(c) The Trustee (acting at the written direction of the Servicer upon which the Trustee may conclusively rely) shall distribute pursuant to subsection 3A.6(b), from amounts on deposit in the Series 1998-1 Non-Principal Collection Sub-subaccount, to the Funding Agent, for the account of the Initial Purchaser, on each Distribution Date prior to the APA Bank Purchase Date and on the Distribution Date immediately succeeding the APA Bank Purchase Date, a facility fee (the "Facility Fee") with respect to each Accrual Period ending on such date (or, in the case of the Distribution Date immediately succeeding the APA Bank Purchase Date, the period from and including the immediately preceding Distribution Date to but excluding the APA Bank Purchase Date) (i) during the Series 1998-1 Revolving Period, at the Facility Fee Rate of the average daily Aggregate Commitment Amount during such period and (ii) during the Series 1998-1 Amortization Period, at the Facility Fee Rate of the average daily Series 1998-1

Invested Amount during such period. The Facility Fee shall be payable (i) monthly in arrears on each Distribution Date prior to the APA Bank Purchase Date and (ii) on the Distribution Date immediately succeeding the APA Bank Purchase Date. To the extent that funds on deposit in the Series 1998-1 Non-Principal Collection Sub-subaccount at any such date are insufficient to pay the Facility Fee due on such date, the Servicer shall so notify the Company and the Company shall immediately pay the Funding Agent the amount of any such deficiency.

(d) Calculations of per annum rates and fees under this Supplement shall be made on the basis of a 360- (or 365-/366-, in the case of interest on the Floating Tranche based on the ABR) day year with respect to Commitment Fees, Facility Fees and interest rates. Each determination of the Eurodollar Rate by the Funding Agent shall be conclusive and binding upon each of the parties hereto in the absence of manifest error.

SECTION 2.10. Indemnification by the Company and the Servicer. (a) The Company agrees to indemnify and hold harmless the Trustee, the Funding Agent, each Purchaser and each of their respective officers, directors, agents and employees (each, a "Company indemnified person") from and against any loss, liability, expense, damage or injury suffered or sustained by (a "Claim") such Company indemnified person by reason of (i) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Company pursuant to any Pooling and Servicing Agreement or the other Transaction Documents to which it is a party, (ii) a breach of any representation or warranty made or deemed made by the Company (or any of its officers) in any Pooling and Servicing Agreement or other Transaction Documents or (iii) a failure by the Company to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of any Pooling and Servicing Agreement or the other Transaction Documents, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury (A) resulted from the gross negligence, bad faith or wilful misconduct of such Company indemnified person or its officers, directors, agents, principals, employees or employers, (B) resulted solely from a default by an Obligor with respect to any Receivable or (C) include any income or franchise taxes imposed on (or measured by) any Company indemnified person's net income; provided that any payments made by the Company pursuant to this subsection shall be made solely from funds available to the Company which are not otherwise required to be applied to the payment of any amounts (other than amounts payable to the Company) pursuant to any Pooling and Servicing Agreements, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Company to the extent that insufficient funds exist to make such payment.

(b) The Servicer agrees to indemnify and hold harmless the Trustee, the Funding Agent, each Purchaser and each of their respective officers, directors, agents and employees (each, a "Servicer Indemnified Person") from and against any Claim by reason of (i) any Claims by third parties against any Seller Indemnified Person resulting from any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Servicer pursuant to any Pooling and Servicing Agreement or the other Transaction Documents to which it is a party, (ii) a breach of any representation or warranty made or deemed made by the Servicer (or any of its officers) in any Pooling and Servicing Agreement or other Transaction Document or (iii) a failure by the Servicer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of any Pooling and Servicing Agreement or the other Transaction

Documents, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or wilful misconduct of such Servicer Indemnified Person or its officers, directors, agents, principals, employees or employers.

ARTICLE III

ARTICLE III OF THE AGREEMENT

Section 3.1 of the Agreement and each other section of Article III of the Agreement relating to another Series shall read in their entirety as provided in the Agreement. Article III of the Agreement (except for Section 3.1 thereof and any portion thereof relating to another Series) shall read in its entirety as follows and shall be exclusively applicable to the Series 1998-1 Interests:

SECTION 3A.2. Establishment of Trust Accounts. (a) The Trustee shall cause to be established and maintained in the name of the Trustee, on behalf of the Trust, (i) for the benefit of the Purchasers and (ii) in the case of clauses (A) and (B) below, for the benefit, subject to the prior and senior interest of the Purchasers, of the owner of the Series 1998-1 Subordinated Interest, (A) a subaccount of the U.S. Dollar Collection Account (the "Series 1998-1 Collection Subaccount"), which subaccount is the Series Collection Subaccount with respect to Series 1998-1; (B) two subaccounts of the Series 1998-1 Collection Subaccount: (1) the Series 1998-1 Principal Collection Sub-subaccount and (2) the Series 1998-1 Non-Principal Collection Sub-subaccount (respectively, the "Series 1998-1 Principal Collection Sub-subaccount" and the "Series 1998-1 Non-Principal Collection Sub-subaccount"); (C) a subaccount of the Canada/Canadian Dollar Collection Account (the "Series 1998-1 Canada/Canadian Dollar Collection Subaccount") and a subaccount of the Canada/U.S. Dollar Collection Account (the "Series 1998-1 Canada/U.S. Dollar Collection Subaccount") and (D) a subaccount of the Series 1998-1 Non-Principal Collection Sub-subaccount (the "Series 1998-1 Accrued Interest Sub-subaccount"; all accounts established pursuant to this subsection 3A.2(a) and listed on Schedule 2, collectively, the "Trust Accounts"), each Trust Account to bear a designation indicating that the funds deposited therein are held for the benefit of the Persons (and, for each such Person, to the extent) set forth in clauses (i) and (ii) above. The Trustee shall possess all right, title and interest in all funds from time to time on deposit in, and all Eligible Investments credited to, the Trust Accounts and in all proceeds thereof. The Trust Accounts shall be under the sole dominion and control of the Trustee for the exclusive benefit of the Persons (and, for each such Person, to the extent) set forth in clauses (i) and (ii) above.

(b) All Eligible Investments in the Trust Accounts shall be held by the Trustee, on behalf of the Certificateholders, for the exclusive benefit of the Purchasers and, subject to the prior interest of the Purchasers, the owner of the Series 1998-1 Subordinated Interest; provided, however, that funds on deposit in a Trust Account which is a Sub-subaccount of a Collection Account may, at the direction of the Company, be invested together with funds held in other Sub-subaccounts of the Collection Account. In the absence of written direction from the Company all funds held in any Trust Account will remain uninvested. After giving effect to any distribution to the Company pursuant to subsection 3A.3(b), amounts on deposit and available for investment in the Series 1998-1 Principal Collection Sub-subaccount, the Series 1998-1

Canada/U.S. Dollar Collection Subaccount and the Series 1998-1 Canada/Canadian Dollar Collection Subaccount shall be invested by the Trustee at the written direction of the Company in Eligible Investments that mature, or that are payable or redeemable upon demand of the holder thereof, (i) in the case of any such investment made during the Series 1998-1 Revolving Period, on or prior to the next Business Day and (ii) in the case of any such investment made during the Series 1998-1 Amortization Period, on or prior to the Business Day immediately preceding the next Distribution Date. Amounts on deposit and available for investment in the Series 1998-1 Non-Principal Collection Sub-subaccount and the Series 1998-1 Accrued Interest Sub-subaccount shall be invested by the Trustee at the written direction of the Company in Eligible Investments that mature, or that are payable or redeemable upon demand of the holder thereof, on or prior to the Business Day immediately preceding the next Distribution Date. As of the Business Day immediately preceding such next Distribution Date, (x) all interest and other investment earnings (net of losses and investment expenses) on funds deposited in the Series 1998-1 Accrued Interest Sub-subaccount shall be deposited in the Series 1998-1 Non-Principal Collection Sub-subaccount and (y) all interest and investment earnings (net of losses and investment expenses) on funds deposited in the Series 1998-1 Principal Collection Sub-subaccount, the Series 1998-1 Canada/U.S. Dollar Collection Subaccount and the Series 1998-1 Canada/Canadian Dollar Collection Subaccount shall be deposited in the Series 1998-1 Non-Principal Collection Sub-subaccount. In the absence of written direction from the Company all funds held in any Trust Account will remain uninvested.

SECTION 3A.3. Daily Allocations. In accordance with the written direction of the Servicer, and based solely on the Daily Report upon which the Trustee may conclusively rely:

(a) The portion of the Aggregate Daily Collections allocated to the Series 1998-1 Interests pursuant to Article III of the Agreement shall be allocated and distributed on each Business Day as set forth in this Article III by the Trustee as follows:

(i) an amount equal to the Accrued Expense Amount for such day (or, during the Series 1998-1 Revolving Period, such greater amount as the Company may request in writing) shall be transferred from the Series 1998-1 Collection Subaccount; provided that if the amount on deposit in the Series 1998-1 Collection Subaccount is less than the Accrued Expense Amount required to be transferred to the Series 1998-1 Non-Principal Collection Sub-subaccount, then an amount equal to the shortfall shall be retained, first, in the Series 1998-1 Canada/U.S. Dollar Collection Subaccount and, second, to the extent of any remaining shortfall, in the Series 1998-1 Canada/Canadian Dollar Collection Subaccount; and provided further that, on each Distribution Date, such retained amounts shall be transferred to the Series 1998-1 Non-Principal Collection Sub-subaccount;

(ii) any remaining funds on deposit in the Series 1998-1 Collection Subaccount, the Series 1998-1 Canada/Canadian Dollar Collection Subaccount and the Series 1998-1 Canada/U.S. Dollar Collection Subaccount shall be transferred by the Trustee to the Series 1998-1 Principal Collection Sub-subaccount; provided that during the Series 1998-1 Revolving Period, amounts on deposit in the Series 1998-1 Canada/Canadian Dollar Collection Subaccount and the Series 1998-1 Canada/U.S. Dollar Collection Subaccount shall be transferred, in the order of priority set forth in subsection 3.1(d)(vii) of the Agreement, to the Series 1998-1 Principal Collection Sub-subaccount only to the extent such amounts are required to be distributed otherwise than to or upon the order of the Company as provided in subsection (b)(i) below; and provided further that on any day on which the principal amount of Commercial Paper

shall be payable by the Initial Purchaser, upon the request of the Servicer or, after the commencement of an Early Amortization Period, the Funding Agent, the Trustee shall distribute to the Funding Agent an amount equal to the principal amount of such maturing Commercial Paper, first, from amounts on deposit in the Series 1998-1 Collection Subaccount and second, if the amount on deposit in the Series 1998-1 Collection Subaccount is less than the principal amount of such maturing Commercial Paper, from amounts on deposit in the Series 1998-1 Canada/U.S. Dollar Collection Subaccount and the Series 1998-1 Canada/Canadian Dollar Collection Subaccount in the order of priority set forth in subsection 3.1(d)(vii) of the Agreement, up to the amount of the shortfall;

(b)(i) On each Business Day during the Series 1998-1 Revolving Period (including Distribution Dates), after giving effect to (x) all allocations, transfers and distributions of Aggregate Daily Collections on such Business Day and any retention of funds in the Series 1998-1 Canada/U.S. Dollar Collection Subaccount and the Series 1998-1 Canada/Canadian Dollar Collection Subaccount and (y) any deposit resulting from an Increase, if any, pursuant to subsection 2.5(c) on such Business Day, amounts on deposit in the Series 1998-1 Principal Collection Sub-subaccount, the Series 1998-1 Canada/U.S. Dollar Collection Subaccount and the Series 1998-1 Canada/Canadian Dollar Collection Subaccount shall be distributed by the Trustee to or upon the order of the Company (but only to the extent that the Trustee has received a Daily Report which reflects the receipt of the Collections on deposit therein) not later than 2:00 p.m., New York City time, in accordance with directions contained in the Daily Report; provided that such distribution shall be made only if no Early Amortization Event or Potential Early Amortization Event in each case set forth in Section 7.1 of the Agreement or in subsections (a), (d) (but only with respect to a Servicer Default set forth in subsection 6.1(e) of the Servicing Agreement), (g), (i) or (j) of Section 5.1 of this Supplement has occurred and is continuing and only to the extent that, if after giving effect to such distribution, the Series 1998-1 Target Receivables Amount would not exceed the Series 1998-1 Allocated Receivables Amount; provided further that if notice of any Liens of the type described in subsection (j) of Section 5.1 of this Supplement shall be filed against WESCO, the Company or the Trust that, in any one instance or in the aggregate secures an amount that is less than $1,000,000, the Trustee shall withhold from such distribution the aggregate amount secured by such Liens, until there shall have been delivered to the Trustee and each Rating Agency proof of the release of, or payment of the amounts secured by, such Liens; provided further that if the Company or the Servicer, on behalf of the Company, shall have given the Funding Agent irrevocable written notice (effective upon receipt) at least two Business Days prior to such day, in the case of any notice given prior to the APA Bank Purchase Date, on such day, in the case of any notice given on or after the APA Bank Purchase Date with respect to the Floating Tranche, or at least three Business Days prior to such day, in the case of any notice given on or after the APA Bank Purchase Date with respect to the Eurodollar Tranche, the Company or the Servicer may instruct the Trustee in writing (specifying the related amount) to withdraw all or a portion of such amounts on deposit in the Series 1998-1 Principal Collection Sub-subaccount and apply such withdrawn amounts toward the reduction of the Series 1998-1 Invested Amount and the Series 1998-1 Subordinated Interest Amount in accordance with Section 2.7. Amounts distributed to the Company hereunder shall be deemed to be paid first from Collections received directly by the Servicer and second from Collections received in the Lockboxes.

(ii) On each Business Day during the Series 1998-1 Amortization Period (including Distribution Dates), funds deposited in the Series 1998-1 Principal Collection Sub-subaccount shall be invested in Eligible Investments that mature on or prior to the Business Day

immediately preceding the next Distribution Date and shall be distributed on such Distribution Date in accordance with subsection 3A.6(c). Except as set forth in subsection 3A.6(c), no amounts on deposit in the Series 1998-1 Principal Collection Sub-subaccount shall be distributed by the Trustee to the Company or the owner of the Series 1998-1 Subordinated Interest during the Series 1998-1 Amortization Period.

(c) On each Business Day, an amount equal to the Daily Interest Deposit for such day shall be transferred by the Trustee from the Series 1998-1 Non-Principal Collection Sub-subaccount to the Series 1998-1 Accrued Interest Sub-subaccount.

(d) The allocations to be made pursuant to this Section 3A.3 are subject to the provisions of Sections 2.5, 2.7, 7.2 and 9.1 of the Agreement.

SECTION 3A.4. Determination of Interest. (a) (i) The amount of interest distributable with respect to the VFC Certificates ("Series 1998-1 Monthly Interest") on each Distribution Date shall be the amount of Daily Interest Expense accrued during the Accrual Period ending on such Distribution Date.

(ii) If a change in the CP Rate, the weighted average Eurodollar Rate or the ABR on or after any Settlement Report Date or any withdrawal pursuant to the proviso in subsection 3A.3(a)(ii) results in a change in Series 1998-1 Monthly Interest for the Accrual Period ending on the Distribution Date immediately succeeding such Settlement Report Date, the Servicer shall amend the Monthly Settlement Statement to reflect the adjustment in the Series 1998-1 Monthly Interest for such Accrual Period caused by such change or withdrawal and any consequent adjustments and the Servicer shall also provide written notification to the Trustee of any such change. Any amendment to the Monthly Settlement Statement pursuant to this subsection 3A.4(a)(ii) shall be completed by 1:00 p.m. on the day preceding the next Distribution Date.

(b) On each Distribution Date, the Servicer shall determine the excess, if any (the "Interest Shortfall"), of (i) the Series 1998-1 Monthly Interest for the Accrual Period ending on such Distribution Date over (ii) the amount which will be available to be distributed to the Purchasers on such Distribution Date in respect thereof pursuant to this Supplement. If the Interest Shortfall with respect to any Distribution Date is greater than zero, an additional amount ("Additional Interest") equal to the product of (A) the number of days until such Interest Shortfall shall be repaid divided by 365 (or 366, as the case may be), (B) the ABR plus 2.0% and (C) such Interest Shortfall (or the portion thereof which has not been paid to the Purchasers) shall be payable as provided herein with respect to the VFC Certificates on each Distribution Date following such Distribution Date, to but excluding the Distribution Date on which such Interest Shortfall is paid to the VFC Certificateholders.

(c) On any Business Day, the Company may, subject to subsection 3A.4(e), elect to allocate all or any portion of the Available Pricing Amount (i), prior to the APA Bank Purchase Date, to one or more CP Tranches with CP Rate Periods commencing on such Business Day by giving the Funding Agent irrevocable written or telephonic (confirmed in writing) notice thereof, which notice must be received by the Funding Agent prior to 1:00 p.m., New York City time, two Business Days prior to such Business Day or (ii) on or after the APA Bank Purchase Date, to one or more Eurodollar Tranches with Eurodollar Periods commencing on such Business Day by giving the Funding Agent irrevocable written or telephonic (confirmed in writing) notice thereof, which notice must be received by the Funding Agent prior to 1:00 p.m.,

New York City time, three Business Days prior to such Business Day. Such notice shall specify (i) the applicable Business Day, (ii) the CP Rate Period for each CP Tranche or the Eurodollar Period for each Eurodollar Tranche, as the case may be, to which a portion of the Available Pricing Amount is to be allocated and (iii) the portion of the Available Pricing Amount being allocated to each such CP Tranche or Eurodollar Tranche, as the case may be. On or after the APA Bank Purchase Date, the Funding Agent shall notify each APA Bank of the contents of each such notice promptly upon receipt thereof. Prior to the APA Bank Purchase Date, the Company shall allocate the Series 1998-1 Invested Amount so that the aggregate amounts allocated to outstanding CP Rate Periods at all times equal the Series 1998-1 Invested Amount.

(d) Any reduction in the Series 1998-1 Invested Amount on any Business Day shall be allocated in the following order of priority:

First, to reduce the Unallocated Balance, as appropriate; and

Second, to reduce the portion of the Series 1998-1 Invested Amount allocated to Eurodollar Tranches in such order as the Company may select in order to minimize costs payable pursuant to Section 7.4.

(e) Notwithstanding anything to the contrary contained in this Section 3A.4, (i) prior to the APA Bank Purchase Date, (A) the Initial Purchaser shall approve the length of each CP Rate Period and the portion of the Series 1998-1 Invested Amount allocated to such CP Rate Period, (B) the Initial Purchaser may select, in its sole discretion, any new CP Rate Period if (x) the Company fails to provide notice of a new CP Rate Period on a timely basis or (y) the Funding Agent, on behalf of the Initial Purchaser, determines, in its sole discretion, that the CP Rate Period requested by the Company is unavailable or for any reason commercially undesirable, (C) the portion of the Series 1998-1 Invested Amount allocable to each CP Tranche must be in an amount equal to $1,000,000 or an integral multiple of $100,000 in excess thereof and (D) no more than twenty CP Tranches shall be outstanding at any one time and (ii) on and after the APA Bank Purchase Date, (A) the portion of the Series 1998-1 Invested Amount allocable to each Eurodollar Tranche must be in an amount equal to $500,000 or an integral multiple of $500,000 in excess thereof, (B) no more than 20 Eurodollar Tranches shall be outstanding at any one time, (C) after the occurrence and during the continuance of any Early Amortization Event or Potential Early Amortization Event in each case set forth in Section 7.1 of the Agreement or in subsections (a), (d) (but only with respect to a Servicer Default set forth in subsection 6.1(e) of the Servicing Agreement), (g), (i), (j) or (k) of Section 5.1 of this Supplement, the Company may not elect to allocate any portion of the Available Pricing Amount to a Eurodollar Tranche and (D) after the end of the Series 1998-1 Revolving Period, the Company may not select any Eurodollar Period that does not end on or prior to the next succeeding Distribution Date.

SECTION 3A.5. Determination of Series 1998-1 Monthly Principal. (a) Payments of Series 1998-1 Principal. The amount (the "Series 1998-1 Monthly Principal Payment") distributable from the Series 1998-1 Principal Collection Sub-subaccount on each Distribution Date during the Series 1998-1 Amortization Period shall be equal to the amount on deposit in such account on the immediately preceding Settlement Report Date; provided, however, that the Series 1998-1 Monthly Principal Payment on any Distribution Date shall not exceed the Series 1998-1 Invested Amount on such Distribution Date after giving effect to the reductions and increases pursuant to paragraphs (b) and (c) below. In addition, on the last day of any Eurodollar Period that is not a Distribution Date, the Trustee, at the written direction of the

Servicer, shall distribute from amounts on deposit in the Series 1998-1 Accrued Interest Sub-subaccount an amount equal to the interest due on the Eurodollar Tranche on the last day of such Eurodollar Period.

(b) Reductions to Series 1998-1 Principal. If, on any Special Allocation Settlement Report Date, the Series 1998-1 Allocable Charged-Off Amount is greater than zero for the related Settlement Period, the Trustee shall (in accordance with written directions from the Servicer, upon which the Trustee may conclusively rely) make the following allocations of such amounts in the following order of priority:

(i) the Series 1998-1 Required Reserves shall be reduced (but not below zero) by an amount equal to the Series 1998-1 Allocable Charged-Off Amount (which shall also be reduced by the amount so applied); and

(ii) then, to the extent that the Series 1998-1 Allocable Charged-Off Amount is greater than zero following the application in clause (i) above, the Series 1998-1 Invested Amount shall be reduced (but not below zero) by such remaining Series 1998-1 Allocable Charged-Off Amount (which shall also be reduced by the amount so applied).

(c) Increases to Series 1998-1 Principal. If, on any Special Allocation Settlement Report Date, the Series 1998-1 Allocable Recoveries Amount is greater than zero for the related Settlement Period, the Trustee shall (in accordance with written directions from the Servicer upon which the Trustee may conclusively rely) make the following allocations (after giving effect to the applications in paragraph (b) of such amount in the following order of priority):

(i) the Series 1998-1 Invested Amount shall be increased (but only to the extent of any previous reductions of the Series 1998-1 Invested Amount pursuant to subsection 3A.5(b)(ii)) by the amount of the Series 1998-1 Allocable Recoveries Amount (which shall also be reduced by the amount so applied);

(ii) then, to the extent that the Series 1998-1 Allocable Recoveries Amount is greater than zero following the applications in clause (i) above, the Series 1998-1 Required Reserves shall be increased (but only to the extent of any previous reductions of the Series 1998-1 Required Reserves pursuant to subsection 3A.5(b)(i)) by such remaining Series 1998-1 Allocable Recoveries Amount (which shall also be reduced by the amount so applied).

SECTION 3A.6. Applications. (a) (i) On each Distribution Date, based solely on the Monthly Settlement Statement, the Trustee shall distribute to the Purchasers, from amounts on deposit in the Series 1998-1 Accrued Interest Sub-subaccount, an amount equal to the Series 1998-1 Monthly Interest payable on such Distribution Date (such amount, the "Monthly Interest Payment"), plus the amount of any Monthly Interest Payment previously due but not distributed to the Purchasers on a prior Distribution Date, plus the amount of any Additional Interest for such Distribution Date and any Additional Interest previously due but not distributed to the Purchasers on a prior Distribution Date, provided that the Monthly Interest Payment will be reduced by distributions made pursuant to clause (ii);

(ii) on any day during an Accrual Period, the Funding Agent may request the Trustee to distribute from the Series 1998-1 Accrued Interest Sub-subaccounts, an

amount sufficient to pay the discount component of Commercial Paper notes issued by PARCO to fund the Series 1998-1 Invested Amount and maturing on such day.

(b) On each Distribution Date, based solely on the Monthly Settlement Statement, the Trustee shall apply funds on deposit in the Series 1998-1 Non-Principal Collection Sub-subaccount in the following order of priority to the extent funds are available:

(i) an amount equal to the Series 1998-1 Monthly Servicing Fee for the Accrual Period ending on such Distribution Date shall be withdrawn from the Series 1998-1 Non-Principal Collection Sub-subaccount by the Trustee and paid to the Servicer or, if WESCO or any Affiliate thereof is not the Servicer, an amount equal to the Series 1998-1 Monthly Servicing Fee shall be paid to the Person acting as Successor Servicer (less, in each case, any amounts payable to the Trustee pursuant to Section 8.5 of the Agreement, which shall be paid to the Trustee);

(ii) an amount equal to the Facility Fee for the Accrual Period ending on such Distribution Date shall be withdrawn from the Series 1998-1 Non-Principal Collection Sub-subaccount by the Trustee and paid to the Funding Agent, for the account of the Initial Purchaser;

(iii) an amount equal to the Commitment Fee for the Accrual Period ending on such Distribution Date shall be withdrawn from the Series 1998-1 Non-Principal Collection Sub-subaccount by the Trustee and paid to the Funding Agent, for the pro rata account of the APA Banks, in accordance with their respective Commitment Percentages; and

(iv) an amount equal to any unpaid Program Costs due and payable shall be withdrawn from the Series 1998-1 Non-Principal Collection Sub-subaccount by the Trustee and paid to the Persons owed such amounts.

Any remaining amounts on deposit in the Series 1998-1 Non-Principal Collection Sub-subaccount (in excess of the Accrued Expense Amount as of such day) not allocated pursuant to clauses (i) through (v) above shall be paid to the owner of the Series 1998-1 Subordinated Interest; provided, however, that during the Series 1998-1 Amortization Period, such remaining amounts shall be deposited in the Series 1998-1 Principal Collection Sub-subaccount for distribution in accordance with subsection 3A.6(c).

(c) During the Series 1998-1 Amortization Period, the Trustee shall apply, on each Distribution Date, amounts on deposit in the Series 1998-1 Principal Collection Sub-subaccount in the following order of priority:

(i) an amount equal to the Series 1998-1 Monthly Principal Payment for such Distribution Date shall be distributed from the Series 1998-1 Principal Collection Sub-subaccount to the Purchasers; and

(ii) if, following the repayment in full of the Series 1998-1 Invested Amount, and the PARCO Residual Amount, if any, any amounts are owed to the Trustee, the Purchasers or any other Person hereunder, such amounts shall be transferred from the Series 1998-1 Principal Collection Sub-subaccount and paid to the Trustee, the Purchasers or such other Person; and

(iii) following the repayment in full of the Series 1998-1 Invested Amount and the PARCO Residual Amount, if any, and of all of the amounts set forth in clause (ii), the remaining amount on deposit in the Series 1998-1 Principal Collection Sub-subaccount on such Distribution Date, if any, shall be distributed to the owner of the Series 1998-1 Subordinated Interest;

(iv) following the APA Bank Purchase Date, to the extent that funds received as the Purchase Price are not used to repay Commercial Paper, the Initial Purchaser shall invest such funds in Eligible Investments which mature on or prior to the day prior to the maturity of its Commercial Paper and any funds resulting from earnings on such Eligible Investments shall be distributed to the Series 1998-1 Non-Principal Collection Sub-subaccount.

Further, on any other Business Day during the Series 1998-1 Amortization Period, funds may be distributed from the Series 1998-1 Principal Collection Sub-subaccount to the Purchasers in accordance with Section 2.7(a) of this Supplement.

ARTICLE IV

DISTRIBUTIONS AND REPORTS

Article IV of the Agreement (except for any portion thereof relating to another Series) shall read in its entirety as follows and the following shall be exclusively applicable to the VFC Certificates:

SECTION 4A.1. Distributions. (a) On each Distribution Date, the Trustee shall distribute to each Purchaser its applicable pro rata share (based on each such Purchaser's Series 1998-1 Invested Amount) of the amount to be distributed to the Purchasers pursuant to Article III.

(b) All allocations and distributions hereunder shall be in accordance with the Daily Report and the Monthly Settlement Statement and shall be made in accordance with the provisions of Section 11.4 hereof and subject to Section 3.1(g) of the Agreement.

SECTION 4A.2. Reports. The Servicer shall provide the Funding Agent and the Trustee with a Daily Report in accordance with subsection 4.1 of the Servicing Agreement. The Funding Agent shall make copies of the Daily Report available to the Purchaser at its reasonable request at the Funding Agent's office in New York, New York.

SECTION 4A.3. Statements and Notices. (a) Monthly Settlement Statements. On each Settlement Report Date, the Servicer shall deliver to the Trustee and the Funding Agent (commencing with the Settlement Report Date occurring on June 15, 1998) a Monthly Settlement Statement in the Form of Exhibit E setting forth, among other things, the Loss Reserve Ratio, the Dilution Reserve Ratio, the Minimum Ratio, the Carrying Cost Reserve Ratio, the Servicing Reserve Ratio and the components of the calculation thereof, the Series 1998-1 Monthly Interest, the Additional Interest, the Series 1998-1 Monthly Servicing Fee, the Commitment Fee and the Series 1998-1 Monthly Principal Payment, each as recalculated for the period until the next succeeding Settlement Report Date. The Funding Agent shall forward a copy of each Monthly Settlement Statement to any Purchaser upon request by such Purchaser. The Company and the Servicer will deliver copies of all notices, reports, statements and other

documents delivered by it pursuant to the Pooling and Servicing Agreements to each Rating Agency. A copy of any such items may be obtained by any Certificateholder upon a written request delivered to the Trustee at the Corporate Trust Office.

(b) Annual Certificateholders' Tax Statement. On or before January 31 of each calendar year (or such earlier date as required by applicable law), beginning with calendar year 1999, the Trustee shall furnish, or cause to be furnished, to each Person who at any time during the preceding calendar year was a Purchaser, a statement prepared by the Company containing the aggregate amount distributed to such Person for such calendar year or the applicable portion thereof during which such Person was a Purchaser, together with such other information as is required to be provided by an issuer of indebtedness under the Internal Revenue Code and such other customary information as the Company deems necessary or desirable to enable the Purchasers to prepare their tax returns. Such obligation of the Trustee shall be deemed to have been satisfied to the extent that substantially comparable information shall have been prepared by the Servicer and provided to the Trustee or the Funding Agent and to the Purchasers, in each case pursuant to any requirements of the Internal Revenue Code as from time to time in effect.

(c) Early Amortization Event/Distribution of Principal Notices. Upon the occurrence of an Early Amortization Event or Potential Early Amortization Event with respect to Series 1998-1, the Company or the Servicer, as the case may be, shall give prompt written notice thereof to the Trustee and the Funding Agent. As promptly as reasonably practicable after its receipt of notice of the occurrence of an Early Amortization Event with respect to Series 1998-1, the Trustee shall give notice thereof (i) to each Rating Agency (which notice shall be given in writing not later than the second Business Day after such receipt) and (ii) to the Funding Agent, who in turn shall give notice to each Purchaser. In addition, on the Business Day preceding each day on which a distribution of principal is to be made during the Series 1998-1 Amortization Period, the Servicer shall direct the Funding Agent to send notice to each Purchaser, which notice shall set forth the amount of principal to be distributed on the related date to the Purchasers with respect to the outstanding VFC Certificates.

ARTICLE V

ADDITIONAL EARLY AMORTIZATION EVENTS

SECTION 5.1. Additional Early Amortization Events. If any one of the events specified in Section 7.1 of the Agreement (after any grace periods or consents applicable thereto) or any one of the following events (each, an "Early Amortization Event") shall occur during the Series 1998-1 Revolving Period with respect to the Series 1998-1 Interests:

(a) (i) failure on the part of the Servicer to direct any payment or deposit to be made or failure of any payment or deposit to be made in respect of interest owing on any VFC Certificates or the Commitment Fee within two Business Days of the date such interest or Commitment Fee is due, (ii) failure on the part of the Servicer to direct any payment or deposit to be made in respect of principal owing on any VFC Certificates on the date such principal is due or (iii) failure on the part of the Servicer to direct any payment or deposit to be made, or of the Company to make any payment or deposit in respect of any other amounts owing by the Company, under any Pooling and Servicing Agreement within two Business Days of the date such other amount is due or such deposit is required to be made;

(b) (i) failure on the part of the Company to duly observe or perform in any material respect any of the covenants or agreements of the Company set forth in Sections 2.7(b) or (l) or Section 2.8 of the Agreement or (ii) failure on the part of the Company to duly observe or perform in any material respect any other covenants or agreements of the Company set forth in any Pooling and Servicing Agreement, which failure continues unremedied 30 days after the earlier of the date on which a Responsible Officer of the Company or the Servicer has knowledge thereof and the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Company by the Trustee, or to the Company and the Trustee by the Funding Agent or Purchasers representing 25% or more of the Series 1998-1 Invested Amount.

(c) any representation or warranty made or deemed made by the Company in any Pooling and Servicing Agreement to or for the benefit of the Purchasers (i) proves to have been incorrect in any material respect when made or when deemed made and (ii) continues to be incorrect until 30 days after the earlier of the date on which a Responsible Officer of the Company or the Servicer has knowledge thereof and the date on which notice of such failure, requiring the same to be remedied, has been given by the Trustee to the Company or by Purchasers representing 25% or more of the Series 1998-1 Invested Amount to the Company and the Trustee; provided, however, that an Early Amortization Event with respect to the Series 1998-1 Interests shall not be deemed to have occurred under this paragraph if the incorrectness of such representation or warranty gives rise to an obligation to repurchase the related Receivables and the Company has repurchased the related Receivable or all such Receivables, if applicable, in accordance with the provisions of any Pooling and Servicing Agreement within two Business Days of the day on which the Company was obligated to do so;

(d) a Servicer Default with respect to the Servicer shall have occurred and be continuing;

(e) a Purchase Termination Event (as defined in the Receivables Sale Agreement) shall have occurred with respect to WESCO and be continuing under the Receivables Sale Agreement;

(f) a Change in Control shall have occurred;

(g) the Series 1998-1 Allocated Receivables Amount shall be less than the Series 1998-1 Target Receivables Amount for more than five Business Days;

(h) any of the Agreement, the Servicing Agreement, this Supplement or the Receivables Sale Agreements shall cease, for any reason, to be in full force and effect in any material respect, or the Company, any Seller, the Servicer, any Sub-Servicer or any Affiliate of any thereof shall so assert in writing;

(i) the Trust shall for any reason cease to have a valid and perfected first priority undivided ownership or security interest in substantially all of the Filing Trust Assets (subject to no other Liens other than Permitted Liens described in clause (i) of the definition thereof), or any of WESCO, the Company or any Affiliate of either thereof shall so assert; or

(j) 15 days shall have elapsed after there shall have been filed against WESCO, the Company or the Trust (i) a notice of federal tax Lien from the Internal Revenue Service or (ii) a notice of Lien from the PBGC under Section 412(n) of the Internal Revenue code or Section 302(f) of ERISA for a failure to make a required installment or other payment to a plan to which either of such sections applies and, in any one instance or in the aggregate, the amount secured by such Liens exceeds $1,000,000, unless in each case there shall have been delivered to the Trustee and each Rating Agency proof of the release of, or payment of amounts secured by, such Lien;

(k) there shall have been filed against WESCO, the Company or the Trust a notice of any other Lien the existence of which could reasonably be expected to have a material adverse effect on the business, operations or financial condition of such Person, unless in each case there shall have been delivered to the Trustee and each Rating Agency proof of the release of, or payment of amounts secured by, such Lien;

(l) (i) WESCO or any of its Subsidiaries shall default in the payment of any of its outstanding Indebtedness (including, without limitation, Indebtedness outstanding under the Credit Agreement) or in the observance or performance of any agreement or condition relating to such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause such Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance of such Indebtedness, prior to its stated maturity; or (ii) after the occurrence of either of the events described in paragraphs (v) or (vi) of the definition of PARCO Wind-Down Event, WESCO or any of its subsidiaries shall default in the observance or performance of any of the Financial Covenants, the effect of which default or other event or condition is to cause, or to permit the holder or holders of the Indebtedness outstanding under the Credit Agreement or any trustee or agent on its or their behalf to cause, such Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance of such Indebtedness, prior to its stated maturity; provided, however, that no Early Amortization Event with respect to any Indebtedness other than Indebtedness outstanding under the Credit Agreement shall be deemed to occur under this paragraph unless the aggregate amount of such Indebtedness in respect of which any default or other event or condition referred to in this paragraph shall have occurred shall be equal to at least $20,000,000;

(m) any action, suit, investigation or proceeding at law or in equity (including, without limitation, injunctions, writs or restraining orders) shall be brought or commenced or filed by or before any arbitrator, court or Governmental Authority against the Company or the Servicer or any properties, revenues or rights of either thereof which could reasonably be expected to have a Material Adverse Effect;

(n) one or more judgments or decrees shall be entered against the Servicer or the Company involving in the aggregate a liability (not paid or fully covered by insurance) of (i) in the case of the Servicer, $20,000,000 or (ii) in the case of the Company, $25,000, or more and such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(o) any event of the type described in Section 7.1(a) of the Agreement shall occur with respect to the Servicer of any Sub-Servicer;

then, in the case of (x) any event described in Section 7.1 of the Agreement and paragraphs (h), (i) and (o) above, automatically without any notice or action on the part of the Trustee or Purchasers, an early amortization period shall immediately commence or (y) any other event described above, after the applicable grace period (if any) set forth in such subsections, the Trustee may, and at the written direction of the Required APA Banks shall, by written notice then given to the Company and the Servicer, declare that an early amortization period has commenced as of the date of such notice with respect to Series 1998-1 (any such period under clause (x) or (y) above, an "Early Amortization Period"); provided however, that in the case of the event described in clause (g) above, if an Early Amortization Period has not been declared within ten Business Days after the occurrence of such event, then an Early Amortization Period shall occur automatically unless, (i) prior to the end of such ten Business Day period, the Series 1998-1 Allocated Receivables Amount shall no longer be less than the Series 1998-1 Target Receivables Amount and (ii) so long as the Series 1998-1 Allocated Receivables Amount continues to be equal to or greater than the Series 1998-1 Target Receivables Amount, the Majority Purchasers shall have waived the occurrence of such event.

ARTICLE VI

SERVICING FEE

SECTION 6.1. Servicing Compensation. A monthly servicing fee (the "Series 1998-1 Monthly Servicing Fee") shall be payable to the Servicer on each Distribution Date for the preceding Settlement Period in an amount equal to the product of (a) the Servicing Fee and (b) a fraction the numerator of which is the daily average Aggregate Commitment Amount for such Settlement Period and the denominator of which is the sum of (i) the Aggregate Invested Amounts (other than the Series 1998-1 Invested Amount and the Invested Amount in respect of any variable funding certificate of any other Outstanding Series) on the first day of such Settlement Period and (ii) the Aggregate Commitment Amount on the first day of such Settlement Period plus the Aggregate Commitment amount for any variable funding certificate of any other Outstanding Series.

ARTICLE VII

CHANGE IN CIRCUMSTANCES

SECTION 7.1. Illegality. Notwithstanding any other provision herein, if, after the Issuance Date, the adoption of or any change in any Requirement of Law or in the interpretation, administration or application thereof shall make it unlawful for any APA Bank to make or maintain its portion of the VFC Certificateholders' Interest in any Eurodollar Tranche and such APA Bank shall notify in writing the Funding Agent, the Trustee and the Company, then the portion of each Eurodollar Tranche applicable to such APA Bank shall thereafter be calculated by reference to the ABR. If any such change in the method of calculating interest occurs on a day which is not the last day of the Eurodollar Period with respect to any Eurodollar Tranche, the Company shall pay to the Funding Agent for the account of such APA Bank the amounts, if any, as may be required pursuant to Section 7.4.

SECTION 7.2. Increased Costs. (a) If any Change in Law (except with respect to Taxes which shall be governed by Section 7.3) shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any APA Bank (except any such reserve requirement reflected in the Eurodollar Rate); or

(ii) impose on any APA Bank or the London interbank market any other condition affecting the Transaction Documents or the funding of Eurodollar Tranches by such APA Bank;

and the result of any of the foregoing shall be to increase the cost to such APA Bank of making, converting into, continuing or maintaining Eurodollar Tranches (or maintaining its obligation to do so) or to reduce any amount received or receivable by such APA Bank hereunder (whether principal, interest or otherwise), then the Company will pay to such APA Bank such additional amount or amounts as will compensate such APA Bank for such additional costs incurred or reduction suffered.

(b) If any APA Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such APA Bank's capital or the capital of any corporation controlling such APA Bank as a consequence of its obligations hereunder to a level below that which such APA Bank or such corporation could have achieved but for such Change in Law (taking into consideration such APA Bank's or such corporation's policies with respect to capital adequacy), then from time to time, the Company shall pay to such APA Bank such additional amount or amounts as will compensate such APA Bank for any such reduction suffered.

(c) A certificate of an APA Bank setting forth the amount or amounts necessary to compensate such APA Bank as specified in subsections (a) and (b) of this Section 7.2 shall be delivered to the Company (with a copy to the Funding Agent) and shall be conclusive absent manifest error. The agreements in this Section shall survive the termination of this Supplement and the Agreement and the payment of all amounts payable hereunder and thereunder.

(d) Failure or delay on the part of any APA Bank to demand compensation pursuant to this Section 7.2 shall not constitute a waiver of such APA Bank's right to demand such compensation; provided, however, that the Company shall not be required to compensate an APA Bank pursuant to this Section 7.2 for any increased costs or reductions incurred more than 270 days prior to the date that such APA Bank notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such APA Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 7.3. Taxes. (a) Any and all payments made by the Company to the Funding Agent or the APA Banks (including any Acquiring APA Bank) hereunder or under the other Transaction Documents shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding (i) in the case of the Funding Agent or any APA Bank, taxes that would not be imposed but for a connection between such APA Bank or the Funding Agent (as the case may be) and the jurisdiction imposing such tax, other than a connection arising solely by virtue of the activities of such APA Bank or the Funding Agent (as the case may be) pursuant to or in respect of this Agreement or under any other Transaction Document or any transaction

contemplated hereunder or thereunder; (ii) any taxes imposed on the Funding Agent or such APA Bank as a result of payments not related to the VFC Certificates or this Supplement; (iii) any taxes that would not have been imposed but for the failure of the Funding Agent or such APA Bank, as applicable, to provide and keep current to the extent required by law any certification or other documentation required to be furnished by the Funding Agent or such APA Bank under Subsection 7.3(f) of this Supplement; (iv) any taxes imposed as a result of a change (other than a change mandated by law or this Agreement) by the Funding Agent or any APA Bank of the office in which any VFC Certificate is held, accounted for or booked; and (v) any Withholding Taxes (as defined in Subsection 7.3(g) below) except to the extent provided in Subsection 7.3(g) below (all such excluded taxes being referred to hereinafter as "Excluded Taxes" and all such taxes, levies, imposts, deductions, charges, withholdings and liabilities other than Excluded Taxes being hereinafter referred to as "Taxes"). If any Taxes shall be required by law to be deducted from or in respect of any sum payable hereunder or under any other Transaction Document to any APA Bank or the Funding Agent, (i) the sum payable by the Company shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 7.3) such APA Bank or the Funding Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Company shall make such deductions and (iii) the Company shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable law.

(b) In addition, the Company agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Transaction Document (hereinafter referred to as "Other Taxes").

(c) The Company will indemnify each APA Bank and the Funding Agent for the full amount of Taxes and Other Taxes (including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 7.3) paid by such APA Bank or the Funding Agent, as the case may be, and any liability (including penalties, interest and expenses including reasonable attorney's fees and expenses) arising therefrom or with respect thereto whether or not such Taxes or Other Taxes were correctly or legally asserted. A certificate as to the amount of such payment or liability prepared by a APA Bank or the Funding Agent, absent manifest error, shall be final, conclusive and binding for all purposes, provided that if the Company reasonably believes that such Taxes were not correctly or legally asserted, such APA Bank or the Funding Agent, as the case may be shall use reasonable efforts to cooperate with the Company to obtain a refund of such Taxes or Other Taxes. Such indemnification shall be made within 10 days after the date any APA Bank or the Funding Agent, as the case may be, makes written demand therefor. If a APA Bank or the Funding Agent shall become aware that it is entitled to receive a refund in respect of Taxes or Other Taxes, it shall promptly notify the Company of the availability of such refund and shall, within 30 days after receipt of a request by the Company, pursue or timely claim such refund at the Company's expense. If any APA Bank or the Funding Agent receives a refund in respect of any Taxes or Other Taxes for which such APA Bank or the Funding Agent has received payment from the Company hereunder, it shall promptly repay such refund (plus any interest received) to the Company (but only to the extent of indemnity payments made, or additional amounts paid, by the Company under this Section 7.3 with respect to the Taxes or Other Taxes giving rise to such refund), provided that the Company, upon the request of such APA Bank or Funding Agent, agrees to return such refund (plus any penalties, interest or other charges required to be paid) to such APA Bank or the Funding Agent in the event such APA Bank or the Funding Agent is required to repay such refund to the relevant

taxing authority. Nothing contained herein shall require the Funding Agent or an APA Bank (or Transferee) to make its tax returns (or any other information relating to its taxes which it deems confidential) available to the Company or any other Person.

(d) Within 30 days after the date of any payment of Taxes or Other Taxes withheld by the Company in respect of any payment to any APA Bank or the Funding Agent, the Company will furnish to the Funding Agent at its address referred to in Section 11.9, the original or a certified copy of a receipt evidencing payment thereof.

(e) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 7.3 shall survive the payment in full of principal and interest hereunder and the termination of the Trust.

(f) The Funding Agent and each of the APA Banks (or Transferees) agrees that, prior to the date on which the first interest payment on a VFC Certificate is due hereunder, it will deliver to the Servicer and the Trustee (i) if the Funding Agent or such APA Bank is not incorporated under the laws of the United States or any State thereof (a "Non-U.S. Person"), two duly completed copies of the United States Internal Revenue Service Form 4224 or successor applicable or required form and (ii) an Internal Revenue Service Form W-8 or W-9 or successor applicable or required form. The Funding Agent and each APA Bank also agrees to deliver to the Servicer and the Trustee two further copies of the said Form 4224 and Form W-8 or W-9, or successor applicable forms or other manner of certification, as the case may be, on or before the date that any such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Servicer and the Trustee and such extensions or renewals thereof as may reasonably be requested by the Servicer or the Trustee, unless in any such case the Funding Agent or such APA Bank is unable to deliver any such form due to a change in law prior to the date on which any such delivery would otherwise be required which renders any such form inapplicable. Notwithstanding any provision of this Supplement or the Agreement to the contrary, the Servicer and the Trustee shall be entitled to withhold or cause such withholding, and additional amounts in respect of Taxes need not be paid under this Section 7.03, with respect to the Funding Agent, a APA Bank, a Participant or an Acquiring APA Bank in the event that such Person fails to provide all of the forms and statements required pursuant to this paragraph (f) to the Servicer and the Trustee.

(g) None of the Trustee, the Servicer or the Company shall withhold with respect to any payments to the Funding Agent or the APA Banks pursuant to Section 1446 of the Code (a "Withholding Tax") unless such withholding is required pursuant to a written determination received by the Trustee, the Servicer or the Company from the Internal Revenue Service. Following such determination, notwithstanding anything to the contrary in this Section 7.3, each APA Bank or Participant which is not created or organized under the laws of the United States or any State thereof (including the District of Columbia) agrees that, upon written notice by the Trustee or the Company to such APA Bank or Participant, as the case may be, that the Trustee, the Servicer or the Company intends to withhold Withholding Tax (such determination being a "Withholding Event"):

(i) such APA Bank or Participant shall for tax years for which the APA Bank or Participant has already filed United States federal income tax returns (each a "Prior Tax Year") prior to proper notice of such Withholding Event and as a condition to the obligations of the Servicer and the Trustee pursuant to Subsection 7.3(a), provide (A) a signed Officer's Certificate of such APA Bank or Participant stating that amounts paid

hereunder have been included in such APA Bank's or Participant's United States federal income tax returns for each such Prior Tax Year, which certificate may be relied on by the Trustee and Company in asserting to the Internal Revenue Service the applicability of Section 1463 of the Code with respect to its liability for any Withholding Tax for each such Prior Tax Year and (B) provide information to the Trustee and the Company or, at the option of such APA Bank or Participant, to the Internal Revenue Service in support of the application of Section 1463 of the Code for each such Prior Tax Year; and

(ii) if Section 1463 of the Code is not applicable for any prior Tax Year of such APA Bank or Participant because such APA Bank or Participant did not properly pay the United States federal income tax due on amounts payable on its VFC Certificates or hereunder during such Prior Tax Year, the APA Bank or Participant shall indemnify the Trust, the Trustee and the Company for any Withholding Tax (and any interest and penalties thereon) payable by the Trustee, the Company, the Servicer or the Trust on such amounts that are attributable to such Prior Tax Year and with respect to which such APA Bank or Participant did not properly pay such United States federal income tax.

(h) Any payments made by the Company pursuant to this Section 7.3 shall be made solely from funds available to the Company which are not otherwise required to be applied to the payment of any amounts (other than amounts payable to the Company) pursuant to any Pooling and Servicing Agreements, shall be non-recourse other than with respect to funds in excess of the funds needed to make such payment, and shall not constitute a claim against the Company to the extent that insufficient funds exist to make such payment.

SECTION 7.4. Break Funding Payments. The Company agrees to indemnify each APA Bank and to hold each APA Bank harmless from any loss or expense which such APA Bank may sustain or incur as a consequence of (a) default by the Company in making a borrowing of, conversion into or continuation of a Eurodollar Tranche after the Company has given irrevocable notice requesting the same in accordance with the provisions of this Supplement, or (b) default by the Company in making any prepayment in connection with a Decrease after the Company has given irrevocable notice thereof in accordance with the provisions of Section 2.7 of this Supplement or (c) the making of a prepayment of a Eurodollar Tranche prior to the termination of the Eurodollar Period for such Eurodollar Tranche. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the amount so prepaid or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of the Eurodollar Period (or in the case of a failure to borrow, convert or continue, the Eurodollar Period that would have commenced on the date of such prepayment or of such failure) in each case at the Eurodollar Rate for such Eurodollar Tranche provided for herein over (ii) the amount of interest (as reasonably determined by such APA Bank) which would have accrued to such APA Bank on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market; provided that any payments made by the Company pursuant to this subsection shall be made solely from funds available to the Company which are not otherwise required to be applied to the payment of any amounts (other than amounts payable to the Company) pursuant to any Pooling and Servicing Agreements, shall be non-recourse other than with respect to funds in excess of the funds needed to make such payment, and shall not constitute a claim against the Company to the extent that insufficient funds exist to make such payment. This covenant shall survive the termination of this Supplement and the Agreement and the payment of all amounts payable hereunder and

thereunder. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by any APA Bank to the Company shall be conclusive absent manifest error.

SECTION 7.5. Alternate Rate of Interest. If prior to the commencement of any Eurodollar Period:

(a) the Funding Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Eurodollar Period, or

(b) the Funding Agent is advised by the Majority Purchasers that the Eurodollar Rate for such Eurodollar Period will not adequately and fairly reflect the cost to such Purchasers of making or maintaining the Eurodollar Tranches during such Eurodollar Period,

then the Funding Agent shall forthwith give telecopy or telephonic notice thereof to the Company, the Trustee and the Purchasers, whereupon until the Funding Agent notifies the Company and the Trustee that the circumstances giving rise to such notice no longer exist, the Available Pricing Amount shall not be allocated to any Eurodollar Tranche.

SECTION 7.6. Mitigation Obligations. (a) If any APA Bank requests compensation under Section 7.2, or if the Company is required to pay any additional amount to any APA Bank or any Governmental Authority for the account of any APA Bank pursuant to Section 7.3, then such APA Bank shall use reasonable efforts to designate a different lending office for funding or booking its obligations under this Supplement and the Agreement or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such APA Bank, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 7.2 or 7.3, as the case may be, in the future and (ii) would not subject such APA Bank to any unreimbursed cost or expense and would not otherwise be disadvantageous to such APA Bank. The Company hereby agrees to pay all reasonable costs and expenses incurred by any APA Bank in connection with any such designation or assignment.

(b) If any APA Bank requests compensation under Section 7.2, or if the Company is required to pay any additional amount to any APA Bank or any Governmental Authority for the account of any APA Bank pursuant to Section 7.3, or if any APA Bank defaults in its obligations hereunder, then the Company may, at its sole expense and effort, upon notice to such APA Bank and the Funding Agent, require such APA Bank to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 11.11), all its interests, rights and obligations under this Supplement to an assignee that shall assume such obligations (which assignee may be another APA Bank, if an APA Bank accepts such assignment); provided that (i) the Company shall have received the prior written consent of the Funding Agent, which consent shall not unreasonably be withheld, (ii) such APA Bank shall have received payment of an amount equal to its Series 1998-1 Purchaser Invested Amount, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such Series 1998-1 Purchaser Invested Amount and accrued interest and fees) or the Company (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 7.2 or payments required to be made pursuant to Section 7.3, such assignment will result in a reduction in such compensation or payments. An APA Bank shall not be required to make any such assignment

and delegation if, prior thereto, as a result of a waiver by such APA Bank or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES, COVENANTS

SECTION 8.1. Representations and Warranties of the Company and the Servicer. The Company and the Servicer each hereby represents and warrants to the Trustee, the Funding Agent and each of the Purchasers that each and every of their respective representations and warranties contained in the Agreement is true and correct in all material respects as of the Issuance Date and as of the date of each Increase.

SECTION 8.2. Covenants of the Company and the Servicer. The Company and the Servicer hereby agree, in addition to their obligations under the Agreement and the Servicing Agreement, that:

(a) they shall not terminate the Agreement unless in compliance with the terms of the Agreement and each Supplement relating to an Outstanding Series;

(b) within 60 days of the date hereof, they will (i) deliver to the Trustee executed copies of software licenses or sublicenses, in a form reasonably acceptable to the Trustee, which grant to the Trustee the right to utilize any of the software owned or licensed by the Servicer that is necessary to perform the collection and administrative functions to be performed by the Trustee under the Transaction Documents, (ii) deliver to the Trustee executed copies of any landlord waivers, in a form reasonably acceptable to the Trustee, that may be necessary to grant to the Trustee access to the leased premises of the Servicer for which the Trustee may require access to perform the collection and administrative functions to be performed by the Trustee under the Transaction Documents, except to the extent the Company or the Servicer, as the case may be, owns such property and (iii) have taken all actions reasonably requested by the Trustee in connection with, and to ensure completion of, each of the Servicer Site Review and the Standby Liquidation System;

(c) they shall afford the Funding Agent or any representatives of the Funding Agent access to all records relating to the Receivables at any reasonable time during regular business hours, upon reasonable prior notice (and without prior notice if an Early Amortization Event has occurred), according to the Servicer's normal security and confidentiality requirements, for purposes of inspection and shall permit the Funding Agent or any representative of the Funding Agent to visit any of the Company's or the Servicer's, as the case may be, offices or properties during regular business hours and as often as may reasonably be desired to discuss the business, operations, properties, financial and other conditions of the Company or the Servicer with their respective officers and employees and with their independent certified public accountants; provided that Funding Agent shall notify the Company or the Servicer, as the case may be, prior to any contact with such accountants and shall give the Company or the Servicer the opportunity to participate in such discussions;

(d) neither the Company nor the Servicer shall take any action, nor permit any Seller to take any action, requiring the satisfaction of the Rating Agency Condition pursuant to any Transaction Document without the prior written consent of the Majority Purchasers; and

(e) it shall cooperate in good faith to allow the Trustee to use the Servicer's available facilities and expertise upon the Servicer's termination or default.

SECTION 8.3. Covenants of the Servicer. The Servicer hereby agrees that:

(a) it shall provide to the Funding Agent on the Initial Closing Date and in the case of an addition of a Seller, prior to the related Seller Addition Date (as defined in the Receivables Sale Agreement), evidence that each Seller, or such Seller, as the case may be, maintains disaster recovery systems and back-up computer and other information management systems that are reasonably satisfactory to the Funding Agent;

(b) it shall provide to the Funding Agent, simultaneously with delivery to the Trustee or the Rating Agencies, all reports, notices, certificates, statements and other documents required to be delivered to the Trustee or the Rating Agencies pursuant to the Agreement, the Servicing Agreement and the other Transaction Documents and furnish to the Funding Agent promptly after receipt thereof a copy of each material notice, material demand or other material communication (excluding routine communications) received by or on behalf of the Company or the Servicer with respect to the Transaction Documents; and

(c) it shall provide notice to the Funding Agent of the appointment of a Successor Servicer pursuant to Section 6.2 of the Servicing Agreement.

SECTION 8.4. Representations and Warranties of the APA Banks and any Acquiring APA Bank. Each APA Bank and any Acquiring APA Bank represents, warrants and covenants to the Company that:

(a) it is not a trust, estate, partnership or "S Corporation" (within the meaning of Section 1361(a) of the Code) for United States federal income tax purposes, or if it is such an entity, the value of the entity's interest in the VFC Certificates is less than 50% of the total value of all the entity's assets;

(b) it has not acquired and agrees that it will not sell, trade or transfer any interest in a VFC Certificate or cause a Participation or any other interest in a VFC Certificate or this Supplement, to be marketed on or through an "established securities market" within the meaning of Section 7704(b)(1) of the Code (and the Treasury regulations promulgated thereunder) including, without limitation, an over-the-counter market or an interdealer quotation system that regularly disseminates firm buy or sell quotations;

(c) it is the sole beneficial owner of its VFC Certificates and it will remain the sole beneficial owner of such VFC Certificates until such time as such VFC Certificates, or any Participation or other interest therein, are sold, assigned or otherwise transferred in accordance with Section 11.11 of this Supplement; and

(d) it will not sell, assign or transfer any VFC Certificate, or any Participation or other interest therein, except as allowed and to the extent permitted under Section 11.11 of this Supplement.

SECTION 8.5. Obligations Unaffected. The obligations of the Company and the Servicer to the Funding Agent and the Purchasers under this Supplement shall not be affected by reason of any invalidity, illegality or irregularity of any of the Receivables or any sale of any of the Receivables.

ARTICLE IX

CONDITIONS PRECEDENT

SECTION 9.1. Conditions Precedent to Effectiveness of Supplement. This Supplement shall become effective on the date (the "Effective Date") on which the following conditions precedent have been satisfied:

(a) Documents. The Funding Agent shall have received an original copy for the Initial Purchaser and each APA Bank, each executed and delivered in form and substance satisfactory to it of (i) the Agreement, executed by a duly authorized officer of each of the Company, the Servicer and the Trustee, (ii) this Supplement, executed by a duly authorized officer of each of the Company, the Servicer, the Trustee, the Funding Agent, the Initial Purchaser and the APA Banks and (iii) the other Transaction Documents, each duly executed by the parties thereto.

(b) Corporate Documents; Corporate Proceedings of the Company and Servicer. The Funding Agent shall have received, with a copy for the Initial Purchaser and each APA Bank, from the Company, each Seller and the Servicer, true and complete copies of:

(i) the certificate of incorporation, including all amendments thereto, of such Person, certified as of a recent date by the Secretary of State or other appropriate authority of the state of incorporation, as the case may be, and a certificate of compliance, of status or of good standing, as and to the extent applicable, of each such Person as of a recent date, from the Secretary of State or other appropriate authority of such jurisdiction;

(ii) a certificate of the Secretary of such Person, dated the Effective Date and certifying (A) that attached thereto is a true and complete copy of the by-laws of such Person, as in effect on the Effective Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of the resolutions, in form and substance reasonably satisfactory to the Funding Agent, of the Board of Directors of such Person or committees thereof authorizing the execution, delivery and performance of the Transaction Documents to which it is a party and the transactions contemplated thereby, and that such resolutions have not been amended, modified, revoked or rescinded and are in full force and effect, (C) that the certificate of incorporation of such Person has not been amended since the date of the last amendment thereto shown on the certificate of good standing (or

its equivalent) furnished pursuant to clause (i) above and (D) as to the incumbency and specimen signature of each officer executing any Transaction Documents or any other document delivered in connection herewith or therewith on behalf of such Person; and

(iii) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to clause (ii) above.

(c) Good Standing Certificates. The Funding Agent shall have received copies of certificates of compliance, of status or of good standing, dated as of a recent date, from the Secretary of State or other appropriate authority of such jurisdiction, with respect to the Company, the Servicer and each Seller, in each State where the ownership, lease or operation of property or the conduct of business requires it to qualify as a foreign corporation, except where the failure to so qualify would not have a material adverse effect on the business, operations, properties or condition (financial or otherwise) of the Company, the Servicer or such Seller, as the case may be.

(d) Consents, Licenses, Approvals, Etc. The Funding Agent shall have received, with a counterpart for the Initial Purchaser and each APA Bank, certificates dated the date hereof of a Responsible Officer of the Company, the Servicer and each Seller either (i) attaching copies of all material consents, licenses and approvals required in connection with the execution, delivery and performance by the Company, the Servicer or such Seller, as the case may be, of this Supplement or the Receivables Sale Agreements, as the case may be, and the validity and enforceability of this Supplement and the Agreement against the Company and the Servicer and the Receivables Sale Agreements against such Seller, and such consents, licenses and approvals shall be in full force and effect or (ii) stating that no such consents, licenses or approvals are so required.

(e) No Litigation. The Funding Agent shall have received confirmation that there is no pending or, to their knowledge after due inquiry, threatened action or proceeding affecting WESCO or any of its Subsidiaries before any Governmental Authority that could reasonably be expected to have a Material Adverse Effect with respect to WESCO and its Subsidiaries taken as a whole.

(f) Lien Searches. The Funding Agent shall have received a written search report listing all effective financing statements that name the applicable Seller or the Company as debtor or assignor and that are filed in the jurisdictions in which filings were made pursuant to paragraph (h) below and in any other jurisdictions that the Funding Agent determines are necessary or appropriate, together with copies of such financing statements (none of which, except for those described in paragraph (g) below shall cover any Receivables or Receivables Property), and tax and judgment lien searches showing no such liens that are not permitted by the Transaction Documents

(g) UCC Certificate. The Funding Agent shall have received from each Seller and the Company a UCC Certificate, completed in a manner satisfactory to the Funding Agent, duly executed by a Responsible Officer of such Seller or the Company, as the case may be, and dated the Issuance Date.

(h) Filings, Registrations and Recordings. Any documents (including, without limitation, financing statements) required to be filed in order (i) to perfect the sale of the Receivables by each Seller to the Company pursuant to the Receivables Sale Agreements and (ii) to create, in favor of the Trustee, a perfected ownership/security interest in the Trust Assets under the Agreement with respect to which an ownership/security interest may be perfected by a filing under the UCC or other comparable statute, shall, in each case, have been properly prepared and executed for immediate filing in each office in each jurisdiction listed in the Agreement or the Receivables Sale Agreements, as the case may be, and such filings are the only filings required in order to perfect the sale of the Receivables to the Company under the Receivables Sale Agreements or to the Trust, under the Agreement, as the case may be, in the jurisdictions listed therein. The Funding Agent shall have received evidence reasonably satisfactory to it of each such filing, registration or recordation and reasonably satisfactory evidence of the payment of any necessary fee, tax or expense relating thereto.

(i) Legal Opinions. The Funding Agent shall have received, with a counterpart for the Initial Purchaser and each APA Bank and the Trustee, opinions of counsel to the Company and the Servicer, dated the Issuance Date, as to corporate, tax, bankruptcy ("true sale" and "non-substantive consolidation"), perfection and priority of security and/or ownership interests and other matters in form and substance acceptable to the Funding Agent and their counsel.

(j) Fees. The Funding Agent shall have received payment of all fees and other amounts due and payable to it, the Initial Purchaser or the APA Banks on or before the Effective Date, pursuant to the Fee Letter.

(k) Establishment of Accounts. The Funding Agent (x) shall have received evidence reasonably satisfactory to it that the Collection Accounts, the Collection Concentration Accounts, the Lockbox Accounts, the Eligible Segregated Account and all other Trust Accounts shall have been established in accordance with the terms and provisions of the Pooling and Servicing Agreements, and (y) shall otherwise be satisfied with the arrangements for collection of the Receivables pursuant thereto.

(l) Policies. The Funding Agent shall have received, with sufficient copies for the Initial Purchaser and each APA Bank, a copy of the Policies of each Seller, which shall be satisfactory in form and substance to the Funding Agent.

(m) Financial Statements. The Funding Agent shall have received, with a counterpart for the Initial Purchaser, each APA Bank and the Trustee, on or prior to the Effective Date consolidated balance sheets, consolidated statements of income, consolidated and consolidating statements of shareholders' equity and consolidated statements of cash flows of WESCO and its consolidated Subsidiaries as of and for the Fiscal Years ended December 31, 1995, and December 31, 1996 and December 31, 1997, in each case audited by and accompanied by the opinion of Coopers & Lybrand L.L.P., which shall be satisfactory in form and substance to the Funding Agent, the Initial Purchaser and the Trustee.

(n) Execution of the Credit Agreement. The Credit Agreement shall have been executed prior to or on the date hereof.

(o) Insurance. The Funding Agent shall have received, with a counterpart for each Purchaser and the Trustee, on or prior to the Effective Date a schedule listing all policies of product liability insurance maintained by each Seller and certification by a Responsible Officer of such Seller with respect thereto.

(p) Back-up Servicing Arrangements. The Funding Agent shall have received evidence that each Seller maintains disaster recovery systems and back-up computer and other information management systems that, in the Funding Agent's reasonable judgment, are sufficient to protect such Seller's business against material interruption or loss or destruction of its primary computer and information management systems.

(q) Representations and Warranties. The representations and warranties of the Company and the Servicer in the Agreement and this Supplement shall be true and correct in all material respects.

ARTICLE X

THE FUNDING AGENT

SECTION 10.1. Appointment. Each Purchaser hereby irrevocably designates and appoints the Funding Agent as the agent of such Purchaser under this Supplement and each such Purchaser irrevocably authorizes the Funding Agent, in such capacity, to take such action on its behalf under the provisions of this Supplement and to exercise such powers and perform such duties as are expressly delegated to the Funding Agent by the terms of this Supplement, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Supplement, the Funding Agent shall not have any duties or responsibilities except those expressly set forth herein, or any fiduciary relationship with any Purchaser, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Supplement or otherwise exist against the Funding Agent.

SECTION 10.2. Delegation of Duties. The Funding Agent may execute any of its duties under this Supplement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel (who may be counsel for the Company or the Servicer), independent public accountants and other experts selected by it concerning all matters pertaining to such duties. The Funding Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

SECTION 10.3. Exculpatory Provisions. Neither the Funding Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Agreement or this Supplement (x) with the consent or at the request of the Majority Purchasers or (y) in the absence of its own gross negligence or willful misconduct or (ii) responsible in any manner to any of the Purchasers for any recitals, statements, representations or warranties made by the Company or any officer thereof contained in this Supplement or any other Transaction Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Funding Agent under or in connection with, this Supplement or any other Transaction Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Supplement or any other Transaction Document or for any failure of the Company to perform its obligations hereunder or thereunder. The Funding Agent shall not be

under any obligation to any Purchaser to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Supplement or any other Transaction Document, or to inspect the properties, books or records of the Company.

SECTION 10.4. Reliance by Funding Agent. The Funding Agent shall be entitled to rely, and shall be fully protected in relying, upon any Certificate, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Company or the Servicer), independent accountants and other experts selected by the Funding Agent and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts. The Funding Agent may deem and treat the payee of any Certificate as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Funding Agent. The Funding Agent shall be fully justified in failing or refusing to take any action under this Supplement or any other Transaction Document unless it shall first receive such advice or concurrence of the Majority Purchasers as it deems appropriate or it shall first be indemnified to its satisfaction by the Purchasers against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Funding Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Supplement and the other Transaction Documents in accordance with a request of the Majority Purchasers, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Purchasers.

SECTION 10.5. Notice of Servicer Default or Early Amortization Event or Potential Early Amortization Event. The Funding Agent shall not be deemed to have knowledge or notice of the occurrence of any Servicer Default with respect to the Servicer or any Early Amortization Event or Potential Early Amortization Event hereunder unless the Funding Agent has received notice from a Purchaser, the Company or the Servicer referring to the Agreement or this Supplement, describing such Servicer Default or Early Amortization Event or Potential Early Amortization Event and stating that such notice is a "notice of a Servicer Default with respect to the Servicer" or a "notice of an Early Amortization Event or Potential Early Amortization Event", as the case may be. In the event that the Funding Agent receives such a notice, the Funding Agent shall give notice thereof to the Purchasers, the Trustee, the Company and the Servicer. The Funding Agent shall take such action with respect to such Servicer Default or Early Amortization Event or Potential Early Amortization Event as shall be reasonably directed by the Majority Purchasers, provided that unless and until the Funding Agent shall have received such directions, the Funding Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Servicer Default or Early Amortization Event or Potential Early Amortization Event as it shall deem advisable in the best interests of the Purchasers.

SECTION 10.6. Non-Reliance on the Funding Agent and Other Purchasers. Each Purchaser expressly acknowledges that neither the Funding Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Funding Agent hereinafter taken, including any review of the affairs of the Company, shall be deemed to constitute any representation or warranty by the Funding Agent to any Purchaser. Each Purchaser represents to the Funding Agent that it has, independently and without reliance upon the Funding Agent or any other Purchaser, and based

on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Company and made its own decision to enter into this Supplement. Each Purchaser also represents that it will, independently and without reliance upon the Funding Agent or any other Purchaser, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Supplement and the other Transaction Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Company. Except for notices, reports and other documents expressly required to be furnished to the Purchasers by the Funding Agent hereunder, the Funding Agent shall not have any duty or responsibility to provide any Purchaser with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Company which may come into the possession of the Funding Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

SECTION 10.7. Indemnification. The Purchasers agree to indemnify the Funding Agent in its capacity as such (to the extent not reimbursed by the Company and the Servicer and without limiting the obligation of the Company and the Servicer to do so), ratably according to their respective Series 1998-1 Purchaser Invested Amounts in effect on the date on which indemnification is sought, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time be imposed on, incurred by or asserted against the Funding Agent in any way relating to or arising out of the Commitments, this Supplement, any of the other Transaction Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Funding Agent under or in connection with any of the foregoing; provided that no Purchaser shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the Funding Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of all amounts payable hereunder.

SECTION 10.8. The Funding Agent in Its Individual Capacity. The Funding Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Company, the Servicer or any of their Affiliates as though the Funding Agent were not the Funding Agent hereunder. With respect to any VFC Certificate held by the Funding Agent, the Funding Agent shall have the same rights and powers under this Supplement and the other Transaction Documents as any Purchaser and may exercise the same as though it were not the Funding Agent, and the terms "APA Bank" and "Purchaser" shall include the Funding Agent in its individual capacity.

SECTION 10.9. Successor Funding Agent. The Funding Agent may resign as Funding Agent upon 10 days' notice to the Purchaser and the Company, such resignation not to be effective until a successor funding agent is appointed. If the Funding Agent shall resign as Funding Agent under this Supplement, then the Majority Purchasers shall appoint from among the Purchasers a successor administrative agent for the Purchasers, which successor administrative agent shall be approved by the Company and the Servicer (which approval shall not be unreasonably withheld), whereupon such successor administrative agent shall succeed to the rights, powers and duties of the Funding Agent, and the term "Funding Agent" shall mean such successor administrative agent effective upon such appointment and approval, and the

former Funding Agent's rights, powers and duties as Funding Agent shall be terminated, without any other or further act or deed on the part of such former Funding Agent or any of the parties to this Supplement. After any retiring Funding Agent's resignation as Funding Agent, the provisions of this Article 10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Funding Agent under this Supplement.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. Ratification of Agreement. As supplemented by this Supplement, the Agreement is in all respects ratified and confirmed and the Agreement as so supplemented by this Supplement shall be read, taken and construed as one and the same instrument.

SECTION 11.2. Governing Law. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 11.3. Further Assurances. Each of the Company, the Servicer and the Trustee agrees, from time to time, to do and perform any and all acts and to execute any and all further instruments required or reasonably requested by the Funding Agent or the Majority Purchasers more fully to effect the purposes of this Supplement and the sale of the VFC Certificates hereunder, including, without limitation, in the case of the Company and the Servicer, the execution of any financing or registration statements or similar documents or notices or continuation statements relating to the Receivables and the other Trust Assets for filing or registration under the provisions of the U.C.C. or similar legislation of any applicable jurisdiction.

SECTION 11.4. Payments. Each payment to be made hereunder shall be made on the required payment date in lawful money of the United States and in immediately available funds, if to the Purchasers, at the office of the Funding Agent set forth in Section 11.9. Except in the circumstances described in subsection 2.6(c), then on each Distribution Date, the Funding Agent shall remit in like funds to each Purchaser its applicable pro rata share (based on each such Purchaser's Series 1998-1 Purchaser Invested Amount) of each such payment received by the Funding Agent for the account of the Purchasers.

SECTION 11.5. Costs and Expenses. The Company agrees to pay all reasonable out-of-pocket costs and expenses of the Funding Agent (including, without limitation, reasonable fees and disbursements of one counsel to the Funding Agent) in connection with (i) the preparation, execution and delivery of this Supplement, the Agreement and the other Transaction Documents and amendments or waivers of any such documents and (ii) the enforcement by the Funding Agent of the obligations and liabilities of the Company and the Servicer under the Agreement, this Supplement, the other Transaction Documents or any related document; provided that any payments made by the Company pursuant to this subsection shall be made solely from funds available to the Company which are not otherwise required to be applied to the payment of any amounts (other than amounts payable to the Company) pursuant to

any Pooling and Servicing Agreements, shall be non-recourse other than with respect to funds in excess of the funds needed to make such payment, and shall not constitute a claim against the Company to the extent that insufficient proceeds exist to make such payment.

SECTION 11.6. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Trustee, the Funding Agent or any Purchaser, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

SECTION 11.7. Amendments. (a) Subject to subsection (c) of this Section 11.7, this Supplement may be amended in writing from time to time by the Servicer, the Company and the Trustee, with the consent of the Funding Agent but without the consent of any holder of any outstanding VFC Certificate, to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provisions herein or to add any other provisions to or change in any manner or eliminate any of the provisions with respect to matters or questions raised under this Supplement which shall not be inconsistent with the provisions of any Pooling and Servicing Agreement; provided, however, that such action shall not, as evidenced by an Officer's Certificate or, to the extent in the reasonable view of the Company, a question of law exists, an Opinion of Counsel delivered to the Trustee, adversely affect in any material respect the interests of the VFC Certificateholders. The Trustee may, but shall not be obligated to, enter into any such amendment pursuant to this paragraph or paragraph (b) below which affects the Trustee's rights, duties or immunities under any Pooling and Servicing Agreement or otherwise.

(b) Subject to subsection (c) of this Section 11.7, this Supplement may also be amended in writing from time to time by the Servicer, the Company and the Trustee with the consent of the Majority Purchasers for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Supplement or of modifying in any manner the rights of the VFC Certificateholders (including, without limitation, the acceleration of the payment of sums payable to or for the account of the Purchasers under any provision of this Supplement); provided, however, that no such amendment shall, unless signed or consented to in writing by all Purchasers, (i) extend the time for payment, or reduce the amount, of any sum payable to or for the account of any Purchaser under any provision of this Supplement or extend the Series 1998-1 Termination Date, (ii) subject any Purchaser to any additional obligation (including, without limitation, any change in the determination of any amount payable by any Purchaser) or (iii) change the Aggregate Commitment Amount, the amount of any interest or fees or the percentage of Purchasers which shall be required for any action under this subsection or any other provision of this Supplement.

(c) Any amendment hereof can be effected without the Funding Agent's being party thereto; provided, however, that no such amendment, modification or waiver of this Supplement that affects rights or duties of the Funding Agent shall be effective unless the Funding Agent shall have given its prior written consent thereto.

(d) No amendment hereof shall be effective until the Rating Agency Condition has been satisfied (unless Series 1998-1 has not been rated, in which case this subsection 11.7(d) shall not apply).

SECTION 11.8. Severability. If any provision hereof is void or unenforceable in any jurisdiction, such voidness or unenforceability shall not affect the validity or enforceability of (i) such provision in any other jurisdiction or (ii) any other provision hereof in such or any other jurisdiction.

SECTION 11.9. Notices. All notices, requests and demands to or upon any party hereto to be effective shall be given (i) in the case of the Company, the Servicer and the Trustee, in the manner set forth in Section 10.5 of the Agreement and (ii) in the case of the Funding Agent, the Initial Purchaser, each APA Bank and the Rating Agencies (if the Series 1998-1 has been rated), in writing, and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand or three days after being deposited in the mail, postage prepaid, or, in the case of facsimile notice, when received, (A) in the case of each APA Bank, at its address set forth on Schedule 1 hereto, (B) addressed as follows in the case of the Funding Agent and (C) addressed to the Rating Agencies (if the Series 1998-1 has been rated) as notified by such Rating Agencies; or to such other address as may be hereafter notified by the respective parties hereto:

Funding Agent:	The Chase Manhattan Bank 450 West 33rd Street New York, New York 10001 Attention: Andrew Taylor Fax: 212-946-7776
S&P:	Standard & Poor's Ratings Service 25 Broadway New York, New York 10004 Attention: Asset-Backed Surveillance Group Fax: 212-412-0225
Moody's:	Moody's Investors Service 99 Church Street New York, New York 10007 Attention: Sam Pilcer Fax: 212-553-3850
Initial Purchaser:	Park Avenue Receivables Corporation 25 West 43rd Street, Suite 704 New York, New York 10036 Attention: Andy Stidd Fax: 212-302-8767

SECTION 11.10. Successors and Assigns. This Supplement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Company may not assign or transfer any of its rights under this Supplement without the prior written consent of all of the Purchasers, the Initial Purchaser may not assign or transfer any of its rights under this Supplement except as set forth in Section 2.6 and each APA

Bank may not assign or transfer any of its rights under this Supplement except as set forth in Section 11.11.

SECTION 11.11. Participations; Assignments. (a) Any APA Bank may, upon prior written notice to the Funding Agent and the Rating Agencies and the satisfaction of all applicable requirements under Section 5.3 of the Agreement and in accordance with applicable law, assign to one or more assignees (any such assignee shall be referred to herein as an "Acquiring APA Bank") all or a portion of its interests, rights and obligations under this Supplement and the Transaction Documents; provided, however, that no such assignment shall be permitted (i) except in the case of an assignment to another APA Bank, without the Company's prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed), (ii) if such assignment is not otherwise permitted under subsection 5.3(e) of the Agreement, (iii) if such assignment is for any amount less than $5,000,000, (iv) if such Acquiring APA Bank is not an Eligible Assignee, (iv) if such assignment would cause there to be more than 30 Targeted Holders of the VFC Certificates at any time, and (v) unless the parties to each such assignment shall execute and deliver to the Funding Agent a commitment transfer supplement (each, a "Commitment Transfer Supplement"), substantially in the form of Exhibit C, together with a processing and recordation fee of $3,500, and the Acquiring APA Bank, if it shall not be a APA Bank, shall deliver to the Funding Agent an administrative questionnaire in the form provided by the Funding Agent. Upon acceptance and recording pursuant to paragraph (e) of this Section 11.11, from and after the effective date specified in each Commitment Transfer Supplement, which effective date shall be at least five Business Days after the execution thereof, (A) the Acquiring APA Bank thereunder shall be a party hereto and, to the extent of the interest assigned by such Commitment Transfer Supplement, have the rights and obligations of an APA Bank under this Supplement and (B) the assigning APA Bank thereunder shall, to the extent of the interest assigned by such Commitment Transfer Supplement, be released from its obligations under this Supplement and the other Transaction Documents (and, in the case of a Commitment Transfer Supplement covering all or the remaining portion of an assigning APA Bank's rights and obligations under this Supplement and the other Transaction Documents, such APA Bank shall cease to be a party hereto but shall continue to be entitled to receive Article VII Costs, as well as any fees accrued for its account and not yet paid).

(b) By executing and delivering a Commitment Transfer Supplement, the assigning APA Bank thereunder and the Acquiring APA Bank thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning APA Bank warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that its Commitment, and the outstanding balances of its VFC Certificates, in each case without giving effect to assignments thereof which have not become effective, are as set forth in such Commitment Transfer Supplement; (ii) except as set forth in (i) above, such assigning APA Bank makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Supplement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Supplement, any other Transaction Document or any other instrument or document furnished pursuant hereto or thereto, or the financial condition of the Seller, the Company or the Servicer, or the performance or observance by the Seller, the Company or the Servicer of any of its obligations under this Supplement, any other Transaction Document or any other instrument or document furnished pursuant hereto or thereto; (iii) such Acquiring APA Bank represents and warrants that it is legally authorized to enter into such Commitment Transfer Supplement; (iv) such Acquiring APA Bank confirms that it has received a copy of this Supplement and such other documents and information as it has deemed

appropriate to make its own credit analysis and decision to enter into such Commitment Transfer Supplement; (v) such Acquiring APA Bank will independently and without reliance upon the Funding Agent, the Trustee, the assigning APA Bank or any other APA Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Supplement or any other Transaction Document; (vi) such Acquiring APA Bank appoints and authorizes the Funding Agent and the Trustee to take such action as agent on its behalf and to exercise such powers under this Supplement as are delegated to the Funding Agent and the Trustee, respectively, by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such Acquiring APA Bank agrees that it will perform in accordance with their terms all the obligations which by the terms of this Supplement are required to be performed by it as a APA Bank.

(c) Notwithstanding and in addition to the provisions of Section 5.3 of the Agreement, the Funding Agent shall maintain at one of its offices in The City of New York a copy of each Commitment Transfer Supplement delivered to it and a register for the recordation of the names and addresses of the APA Banks, and the Commitments of, and the principal amount of the VFC Certificates issued to, each APA Bank pursuant to the terms hereof from time to time (the "Register"). Notwithstanding the provisions of Section 5.5 of the Agreement, the entries in the Register as provided in this subsection 11.11(c) shall be conclusive and the Company, the Servicer, the APA Banks, the Paying Funding Agent, the Transfer Funding Agent and Registrar, the Funding Agent and the Trustee shall treat each person whose name is recorded in the Register pursuant to the terms hereof as an APA Bank hereunder for all purposes of this Supplement, notwithstanding notice to the contrary. However, in accordance with Section 5.5 of the Agreement, in determining whether the holders of the requisite Fractional Undivided Interests have given any request, demand, authorization, direction, notice, consent or waiver hereunder, VFC Certificates owned by the Company, the Servicer or any Affiliate thereof, shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only VFC Certificates which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. VFC Certificates so owned by the Company, the Servicer or any Affiliate thereof which have been pledged in good faith shall not be disregarded and may be regarded as outstanding if the pledgee establishes to the satisfaction of the trustee the pledgee's right so to act with respect to such VFC Certificates and that the pledgee is not the Company, the Servicer or any Affiliate thereof. The Register shall be available for inspection by the Company, the Servicer, the APA Banks and the Trustee, at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a copy of the written consent of the Company (if required under Section 11.11(a) above) and a duly completed Commitment Transfer Supplement executed by an assigning APA Bank and an Acquiring APA Bank, an administrative questionnaire completed in respect of the Acquiring APA Bank (unless the Acquiring APA Bank shall already be a APA Bank hereunder) and the processing and recordation fee referred to in paragraph (a) above, the Funding Agent shall (i) accept such Commitment Transfer Supplement, (ii) record the information contained therein in the Register and (iii) give prompt written notice thereof to the APA Banks, the Company, the Servicer and the Trustee. No assignment shall be effective unless and until it has been recorded in the Register as provided in this paragraph (d).

(e) Any APA Bank may sell participations to one or more banks or other entities (the "Participants") in all or a portion of its rights and obligations under this Supplement and the other Transaction Documents (including all or a portion of its Commitment and VFC

Certificates); provided that any Participant shall, prior to entering into a Participation, execute and deliver to the Company and the Trustee an Assignment/Participation Certification; and provided further, that (i) such APA Bank's obligations under this Agreement shall remain unchanged, (ii) such APA Bank shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Participants shall be entitled to receive Article VII Costs, and shall be required to provide the tax forms and certifications described in Section 7.3(f), to the same extent as if they were APA Banks, provided that no such Participant shall be entitled to receive any greater amount of Article VIII Costs than an APA Bank would have been entitled to receive in respect of the amount of the Participation sold by such APA Bank to such Participant had no sale occurred, (iv) the Company, the Servicer, the other APA Banks, the Funding Agent and the Trustee, shall continue to deal solely and directly with such APA Bank in connection with such APA Bank's rights and obligations under this Supplement, and such APA Bank shall retain the sole right to enforce its rights under VFC Certificates and to approve any amendment, modification or waiver of any provision of this Supplement (other than amendments, modifications or waivers decreasing any fees payable hereunder or the amount of principal of or the rate at which interest is payable on the VFC Certificates, extending any scheduled principal payment date or date fixed for the payment of interest on the VFC Certificates or increasing or extending the Commitments) (v) the sum of the aggregate amount of any Commitment or portion thereof subject to each such Participation plus the portion of the Series 1998-1 Invested Amount represented by an VFC Certificates subject to such Participation shall not be less than $5,000,000 and (vi) such Participation shall not cause there to more than 30 Targeted Holders of the VFC at any time. Each APA Bank that grants a participation to a Non-U.S. Person pursuant to this Subsection shall provide the Company and the Trustee with appropriately executed copies of Internal Revenue Service Form 4224 with respect to each Participant (i) prior to any such disposition and (ii) upon the occurrence of any event which would require the amendment or resubmission of any such form previously provided hereunder. No Participant may grant a subparticipation in a VFC Certificate or this Supplement under any circumstances.

(f) Any APA Bank may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 11.11, disclose to the Acquiring APA Bank or Participant (each, a "Transferee") or proposed Acquiring APA Bank or Participant any information relating to the Seller, the Servicer, the Trust or the Company furnished to such APA Bank by or on behalf of such entities; provided that if any such information is subject to a confidentiality agreement between such APA Bank and the Company or the Servicer, the Transferee or prospective Transferee shall have agreed to be bound by the terms and conditions of such confidentiality agreement.

(g) The Company shall not assign or delegate any of its rights or duties hereunder other than to the Servicer without the prior written consent of the Funding Agent, the Trustee and each APA Bank, and any attempted assignment without such consent shall be null and void.

(h) If, pursuant to this Supplement, any interest in this Supplement or in a VFC Certificate is transferred to any Transferee which is a Non-U.S. Person, the APA Bank making such transfer shall cause such Transferee, concurrently with the effectiveness of such Transfer, (i) to furnish to the assigning APA Bank (and, in the case of any Acquiring APA Bank, the Funding Agent, the Company and the Trustee), with copies to the Servicer, United States Internal Revenue Service Form 4224 (or successor applicable forms) unless a change in law has occurred prior to the date on which such delivery would otherwise be required which renders such form inapplicable and (ii) to agree (for the benefit of the APA Banks, the Funding Agent,

the Servicer, the Company and the Trustee) to provide the assigning APA Bank (and, in the case of any Acquiring APA Bank, the Funding Agent, the Company and the Trustee) a new Form 4224 (or successor applicable forms) upon the expiration or obsolescence of any previously delivered form and comparable statements in accordance with applicable United States laws and regulations and amendments duly executed and completed by such Transferee unless a change in law has occurred prior to the date on which such form inapplicable, and to comply from time to time with all applicable United States laws and regulations with regard to such withholding tax exemption.

(i) Notwithstanding any other provisions herein, no transfer or assignment of any interests or obligations of any APA Bank hereunder or any grant of participations therein shall be permitted if such transfer, assignment or grant would result in a prohibited transaction under Section 4975 of the Internal Revenue Code or Section 406 of ERISA or cause the Trust Assets to be regarded as "plan assets" pursuant to 29 C.F.R. ss. 2510.3-101, or require the Company or the Seller to file a registration statement with the Securities and Exchange Commission or to qualify under the "blue sky" laws of any state.

SECTION 11.12. Adjustments; Set-off. (a) If any Purchaser (a "Benefitted Purchaser") shall at any time receive in respect of its Series 1998-1 Invested Amount any distribution of principal, interest, Commitment Fees or other fees, or any interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off or otherwise) in a greater proportion than any such distribution received by any other Purchaser, if any, in respect of such other Purchaser's Series 1998-1 Invested Amount, or interest thereon, such Benefitted Purchaser shall purchase for cash from the other Purchasers such portion of each such other Purchaser's interest in the VFC Certificates, or shall provide such other Purchasers with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefitted Purchaser to share the excess payment or benefits of such collateral or proceeds ratably with each of the Purchasers; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Purchaser, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. The Company agrees that each Purchaser so purchasing a portion of the VFC Certificateholders' Interest may exercise all rights of payment (including, without limitation, rights of set-off) with respect to such portion as fully as if such Purchaser were the direct holder of such portion.

(b) In addition to any rights and remedies of the Purchasers provided by law, each Purchaser shall have the right, without prior notice to the Company, any such notice being expressly waived by the Company to the extent permitted by applicable law, upon any amount becoming due and payable by the Company hereunder or under the VFC Certificates to set-off and appropriate and apply against any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Purchaser to or for the credit or the account of the Company. Each Purchaser agrees promptly to notify the Company and the Funding Agent after any such set-off and application made by such Purchaser; provided that the failure to give such notice shall not affect the validity of such set-off and application.

SECTION 11.13. Counterparts. This Supplement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of

which when so executed shall be deemed to be an original, and all of which taken together shall constitute one and the same agreement.

SECTION 11.14. No Bankruptcy Petition. (a) The Funding Agent and each Purchaser hereby covenants and agrees that, prior to the date which is one year and one day after the later of (i) the last day of the Series 1998-1 Amortization Period and (ii) the last day of the amortization period of any other Outstanding Series, it will not institute against, or join any other Person in instituting against, the Company any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other similar proceedings under any federal or state bankruptcy or similar law.

(b) The Company, the Servicer, the Trustee, the Funding Agent and each APA Bank hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all outstanding Commercial Paper, it will not institute against, or join any other Person in instituting against, the Initial Purchaser any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other similar proceedings under any federal or state bankruptcy or similar law.

SECTION 11.15. Limitation on Addition and Termination of Sellers. (a) Notwithstanding anything to the contrary contained in the Receivables Sale Agreements, no Seller or Seller Division shall be added thereunder unless each of the following conditions shall have been satisfied:

(i) (x) in the case of a proposed addition of a Seller, each of the conditions set forth in Section 3.02 of each of the Receivables Sale Agreements, and (y) in the case of a proposed addition of a Seller Division, the conditions set forth in subsections (c), (g), (h), (i), (j), (k) and (l) (in each case, applied to the applicable New Division as if it were a proposed additional Seller) of Section 3.02 of each of the Receivables Sale Agreements, shall have been satisfied.

(ii) The Company shall have received copies of the Policies of such additional Seller (or such Seller Division, as the case may be, if different from the Policies of the Seller of which it is a New Division), which Policies shall be in form and substance satisfactory to the Company.

(iii) The Company shall have received confirmation (A) that there is no pending or, to its knowledge after due inquiry, threatened action or proceeding affecting such additional Seller (or such Seller Division, as the case may be) before any Governmental Authority (I) that could reasonably be expected to have a Material Adverse Effect or (II) that purports to affect the legality, validity or enforceability of this Supplement, the Agreement or any other Transaction Document or any of the transactions contemplated hereby or thereby.

(iv) The Company and the Trustee shall have received evidence that the Rating Agency Condition shall have been satisfied with respect to the addition of such Seller (or addition of such Seller Division, as the case may be); provided that such satisfaction of the Rating Agency Condition (and such receipt of evidence thereof) shall not be required with respect to the addition of up to three Subsidiaries of WESCO (and/or New Divisions) as Sellers (or Seller Divisions) during any calendar year, each of which Subsidiaries (or New Divisions) meets the following criteria: (x) such Subsidiary

(or New Division) is in the same line of business as the existing Sellers as of the related Seller Addition Date (as defined in the Receivables Sale Agreements) and (y) as of such date, immediately prior to giving effect to such addition (the "Measurement Date"), the ratio (expressed as a percentage) of (A) the aggregate Principal Amount of what would constitute all Eligible Receivables of such Subsidiary (or New Division) at the end of the Business Day immediately preceding the Measurement Date if it were a Seller (or Seller Division) minus the amount which would constitute the Overconcentration Amount applicable to such Receivables on the Measurement Date if such Subsidiary (or New Division) were a Seller (or Seller Division) to (B) the sum of the Aggregate Receivables Amount as of the end of such day plus the amount described pursuant to clause (A) is less than 10 percent.

(v) The Trustee shall have received Opinions of Counsel of outside counsel addressed to the Trustee covering matters with respect to such Seller as were covered in the opinions delivered on the Issuance Date with respect to the original Sellers, including "true-sale" and non-substantive consolidation opinions (only in the case of the addition of an Additional Seller).

(vi) The Company and the Trustee shall have received a certificate prepared by a Responsible Officer of the Servicer certifying that after giving effect to the addition of such Seller (or such Seller Division, as the case may be), the Aggregate Target Receivables Amount shall equal the Aggregate Allocated Receivables Amount on the related Seller Addition Date.

(b) Notwithstanding anything to the contrary contained in the Receivables Sale Agreements, the Company shall not consent to any request made pursuant to Section 9.13 thereof, nor shall any Seller which is the subject of such request be terminated under the Receivables Sale Agreements, in each case unless (i) no Early Amortization Event, Potential Early Amortization Event or Potential Purchase Termination Event (as defined in the Receivables Sale Agreements) (other than with respect to the Seller to be so terminated) has occurred and is continuing (both before and after giving effect to such termination) and (ii) the Trustee shall have received prior notice of such termination (which notice shall be accompanied by a pro forma Daily Report confirming that the Aggregate Target Receivables Amount equals or exceeds the Aggregate Allocated Receivables Amount, each calculated after giving effect to such termination and excluding all Receivables originated by the Seller to be terminated).

(c) Upon the termination of a Seller pursuant to the applicable section of the Receivables Sale Agreements and the foregoing paragraph (b), all calculations for purposes of Series 1998-1 (including, without limitation, for purposes of the pro forma calculations pursuant to paragraph (b) above) shall exclude in each case the Receivables originated by such terminated Seller.

ARTICLE XII

FINAL DISTRIBUTIONS

SECTION 12.1. Certain Distributions. (a) Not later than 2:00 p.m., New York City time, on the Distribution Date following the date on which the proceeds from the disposition of the Receivables pursuant to subsection 7.2(b) of the Agreement are deposited into

the Series 1998-1 Non-Principal Collection Sub-subaccount and the Series 1998-1 Principal Collection Sub-subaccount, the Trustee shall distribute such amounts pursuant to Article III of this Supplement.

(b) Notwithstanding anything to the contrary in this Supplement or the Agreement, any distribution made pursuant to this Section shall be deemed to be a final distribution pursuant to Section 9.3 of the Agreement with respect to the VFC Certificates.

IN WITNESS WHEREOF, the Company, the Servicer, the Trustee, the Funding Agent and the Initial Purchasers have caused this Series 1998-1 Supplement to be duly executed by their respective officers as of the day and year first above written.

WESCO RECEIVABLES CORP.

By: /s/ [ILLEGIBEL]

Name:
Title:

WESCO DISTRIBUTION, INC., in its individual capacity and as Servicer

By: /s/ [ILLEGIBEL]

Name:
Title:

THE CHASE MANHATTAN BANK, as Funding Agent

By:

Name:
Title:

THE CHASE MANHATTAN BANK, not in its individual capacity but solely as Trustee

By: /s/ Ruth McKenna

Name: RUTH MCKENNA
Title: TRUST OFFICER

IN WITNESS WHEREOF, the Company, the Servicer, the Trustee, the Funding Agent and the Initial Purchasers have caused this Series 1998-1 Supplement to be duly executed by their respective officers as of the day and year first above written.

WESCO RECEIVABLES CORP.

By:

Name:
Title:

WESCO DISTRIBUTION, INC., in its individual capacity and as Servicer

By:

Name:
Title:

THE CHASE MANHATTAN BANK,
as Funding Agent

By: /s/ Andrew Taylor

Name: Andrew Taylor
Title: Vice President

THE CHASE MANHATTAN BANK, not in its individual capacity but solely as Trustee

By: /s/ Ruth McKenna

Name: RUTH MCKENNA
Title: TRUST OFFICER

PARK AVENUE RECEIVABLES CORPORATION,
as the Initial Purchaser

By: /s/ Andrew L. Stidd

Name: Andrew L. Stidd
Title: President

THE CHASE MANHATTAN BANK, as an APA Bank

By: /s/ Bradley S. Schwartz

Name: Bradley S. Schwartz
Title: Vice President

Schedule 1

Commitments

ABA Bank/Address	Commitment
The Chase Manhattan Bank 270 Park Avenue New York, New York 10017	$_____

Schedule 2

Trust Accounts

Account	Account Number
Series 1998-1 Canada/Canadian Dollar Collection Subaccount	06900397976
Series 1998-1 Canada/U.S. Dollar Collection Subaccount	06907331313
Series 1998-1 Collection Subaccount	507-895649
Series 1998-1 Principal Collection Sub-subaccount	507-895657
Series 1998-1 Non-Principal Collection Sub-subaccount	507-895665
Series 1998-1 Accrued Interest Sub-subaccount	507-895673

Schedule 3

The Default Ratio Trigger shall initially be 6.5%, provided however that at such time as the Servicer shall have delivered to the Funding Agent twelve months of historical aging data the Default Ratio Trigger shall be recalculated as follows:

Default Ratio Trigger = A + B + a Margin
Acceptable to the Funding Agent

where:

A= The average of the Default Ratio for the twelve month period ending with April 1998.

B= 2 times the standard deviation of the Default Ratio for such twelve month period.

WESCO INTERNATIONAL, INC.

AMENDED AND RESTATED

REGISTRATION AND PARTICIPATION AGREEMENT

Dated as of June 5, 1998

TABLE OF CONTENTS
(Not Part of Agreement)

AMENDED AND RESTATED
REGISTRATION AND PARTICIPATION AGREEMENT

AMENDED AND RESTATED REGISTRATION AND PARTICIPATION AGREEMENT, dated as of June 5, 1998 (this "Agreement"), among WESCO International, Inc. (formerly known as CDW Holding Corporation), a Delaware corporation (the "Company"), and the undersigned parties hereto.

1. Background. (a) The Company, CBS Corporation, formerly known as Westinghouse Electric Corporation ("CBS"), and The Clayton & Dubilier Private Equity Fund IV Limited Partnership (the "C&D Fund") have entered into the original Registration and Participation Agreement, dated as of February 28, 1994 (the "Original Registration Agreement").

(b) In connection with and following the execution and delivery of the Original Registration Agreement, the Company has issued and sold directly, or pursuant to options or other rights, shares of Class A Common Stock to certain directors, executive officers and key employees of the Company or one of its Subsidiaries (the "Management Purchasers"), and shares of Class A Common Stock to certain other investors or other purchasers (the "Subsequent Purchasers"), in each case, pursuant to stock subscription or purchase agreements the terms of which were not inconsistent with the terms of the Original Registration Agreement (the "Management Stock Subscription Agreements") or stock option or rights agreements, plans or arrangements the terms of which were not inconsistent with the terms of the Original Registration Agreement (the "Management Stock Option Agreements").

(c) The Company, the C&D Fund, CBS, the Subsequent Purchasers and the Management Purchasers are parties to the Recapitalization Agreement, dated as of March 27, 1998 (as amended, the "Recapitalization Agreement"), with Thor Acquisitions L.L.C. ("Thor Acquisitions"), a Delaware limited liability company organized by Cypress Merchant Banking Partners L.L.C. ("Cypress"), and, immediately prior to the closing under the Recapitalization Agreement, Thor Acquisitions assigned all of its rights and obligations thereunder to an investor group, arranged by Cypress, consisting of Cypress Merchant Banking Partners L.P., Cypress Offshore Partners L.P., Chase Equity Associates, L.P., Co-Investment Partners, L.P., The Travelers Insurance Company, The Travelers Life and Annuity Company, The Travelers Indemnity Company and The Phoenix Insurance Company (each an "Investor" and collectively the "Investors"). Pursuant to the Recapitalization Agreement, the Company repurchased shares of Common Stock from certain of its existing stockholders and issued and sold shares of Common Stock to the Investors and the Investors purchased additional shares of Common Stock from certain other existing stockholders of the Company, as a result of which the Investors own approximately 88% of the outstanding shares of Common Stock and the Management Purchasers own the remaining 12% of such shares.

(d) The Company and/or the Investors may in the future issue or sell directly, or pursuant to options or other rights, additional shares of Class A Common Stock to the Management Purchasers or other purchasers, in each case pursuant to stock subscription or purchase agreements the terms of which are not inconsistent with the terms of this Agreement (the "Subsequent Stock Subscription Agreement") or stock option or rights agreements, plans or arrangements the terms of which are not inconsistent with the terms of this Agreement (the "Subsequent Stock Option Agreements").

(e) The Management Purchasers and any trusts holding shares of Class A Common Stock or options to purchase shares of Class A Common Stock for the benefit of relatives or dependents of any Management Purchaser are referred to herein collectively as the "Management Stockholders". The Management Stock Subscription Agreements, the Management Stock Option Agreements, the Subsequent Stock Subscription Agreements and the Subsequent Stock Option Agreements are referred to herein collectively as the "Stock Subscription Agreements".

(f) The Company, and holders of a majority of the shares of Registrable Securities desire to amend and restate the Original Registration Agreement and agree with the Investors that such agreement shall be amended and restated as follows.

2. Definitions. For purposes of this Agreement, the following terms have the following respective meanings:

"Accepting Holder": See Section 5.2(a).

"Affiliate": With respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the first Person. "Control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise. Any director, member of management or other employee of the Company or any of its Subsidiaries who would not otherwise be an Affiliate of Cypress shall not be deemed to be an Affiliate of Cypress.

"Allocated Amount": See Section 5.2(b).

"Allocation Calculation": See Section 5.2(b).

"BHC Act": The Bank Holding Company Act of 1956, as the same may be amended or supplemented from time to time, or any successor or statue, and the rules and regulations thereunder, as the same are from time to time in effect.

"Business Day": A day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required to close.

"CBS": See Section 1.

"C&D Fund": See Section 1.

"Class A Common Stock": The Class A Common Stock, par value $.01 per share, of the Company.

"Class B Common Stock": The Class B Common Stock, par value $5.01 per share, of the Company.

"Common Stock": The Class A Common Stock and the Class B Common Stock.

"Company": See the introduction to this Agreement.

"Cypress": See Section 1.

"Cypress Offeree": See Section 5.1.

"Cypress Sale": See Section 5.1.

"Eligible Holder": See Section 5.1.

"Exchange Act": The Securities Exchange Act of 1934, as amended, or any successor Federal statute, and the rules and regulations thereunder which shall be in effect at the time. Any reference to a particular section thereof shall include a reference to the corresponding section, if any, of any such successor Federal statute, and the rules and regulations thereunder.

"Initial Public Offering": The consummation of a bona fide public offering of Common Stock pursuant to a registration statement filed under the Securities Act, which offering is underwritten on a firm commitment basis by a syndicate of underwriters led by one or more underwriters at least one of which is an underwriter of recognized national standing.

"Investors": See Section 1.

"Management Purchaser": See Section 1.

"Management Stockholders": See Section 1.

"Management Stock Option Agreements": See Section 1.

"Management Stock Subscription Agreements": See Section 1.

"NASD": National Association of Securities Dealers, Inc.

"NASDAQ": The NASD Automated Quotation System.

"New Investors": Directors or senior executives of corporations in which entities managed or sponsored by Cypress have made substantial equity investments.

"Offer": See Section 5.1.

"Offered Securities": See Section 5.2(a).

"Original Registration Agreement": See Section 1.

"Participants": See Section 5.2(b).

"Person": Any natural person, firm, partnership, association, corporation, company, trust, business trust, governmental entity or other entity.

"Proportionate First Share": See Section 5.2(b).

"Proportionate Subsequent Share": See Section 5.2(b).

"Qualifying Sale": See Section 4.1(b).

"Qualifying Securities": See Section 4.1(a).

"Recapitalization Agreement": See Section 1.

"Registrable Securities": (a) Any Class A Common Stock or Class B Common Stock owned by the Investors, (b) any Class A Common Stock or Class B Common Stock issued pursuant to the Stock Subscription Agreements (including upon exercise of options granted pursuant to the Management Stock Option Agreements or the Subsequent Stock Option Agreements), only if, in the case of the issuance pursuant to any Stock Subscription Agreement, such Stock Subscription Agreement provides that such Common Stock shall be entitled to the benefits of this Agreement applicable to Registrable Securities, (c) any Class A Common Stock issued upon conversion of the Class B Common Stock referred to in clause (a) or (b) above, (d) any Class B Common Stock issued in exchange for the Class A Common Stock referred to in clause (a) or (b) above, (e) any equity securities of the Company issued pursuant to the terms of, and under the circumstances set forth in, Section 5, and (f) any securities issued or issuable with respect to any equity securities of the Company referred to in the foregoing clauses (i) upon any conversion or exchange thereof, (ii) by way of stock dividend or stock split, (iii) in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or (iv) otherwise, in all cases subject to the last paragraph of Section 3.3. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when(A) a registration statement (other than a Special Registration pursuant to which such securities were issued by the Company) with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (B)

such securities shall have been distributed to the public in reliance upon Rule 144, (C) subject to the provisions of the second paragraph of Section 7.1, such securities shall have been otherwise transferred, new certificates for such securities not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent disposition of such securities shall not require registration or qualification of such securities under the Securities Act or any similar state law then in force or (D) such securities shall have ceased to be outstanding. Subject to the immediately preceding sentence, Registrable Securities shall not cease to be Registrable Securities upon transfer.

"Registration Expenses": All expenses incident to the Company's performance of its obligations under or compliance with Section 3, including, but not limited to, all registration and filing fees, all fees and expenses of complying with securities or blue sky laws, all fees and expenses associated with listing securities on exchanges or NASDAQ, all fees and other expenses associated with filings with the NASD (including, if required, the fees and expenses of any "qualified independent underwriter" and its counsel), all printing expenses, the fees and disbursements of counsel for the Company and of its independent public accountants, the fees and disbursements of one counsel retained by the holders of a majority of the Registrable Securities to be registered and the expenses of any special audits made by such accountants required by or incidental to such performance and compliance, but not including any underwriting discounts or commissions or any transfer taxes payable in respect of the sale of Registrable Securities by the holders thereof

"Regulation Y Holder": Any holder of Registrable Securities that is a bank holding company within the meaning of the BHC Act, or a subsidiary thereof, subject to Regulation Y under the BHC Act.

"Requisite Percentage of Stockholders": At any time prior to an Initial Public Offering, the holder or holders of at least 50% (by number of shares) of the Registrable Securities at the time outstanding; thereafter, the holder or holders of at least 20% (by number of shares) of the Registrable Securities at the time outstanding.

"Rule 144": Rule 144 (or any successor provision) under the Securities Act.

"Rule 144A": Rule 144A (or any successor provision) under the Securities Act.

"Sale Notice": See Section 4.1(a).

"Securities Act": The Securities Act of 1933, as amended, or any successor Federal statute, and the rules and regulations thereunder which shall be in effect at the time. Any reference to a particular section thereof shall include a reference to the corresponding section, if any, of any such successor Federal statute, and the rules and regulations thereunder.

"Securities and Exchange Commission": The Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act or the Exchange Act.

"Special Registration": The registration of shares of equity securities and/or options or other rights in respect thereof (a) to be offered to directors, members of management, employees or sales agents, distributors or similar representatives of the Company or its Subsidiaries, (b) concerning or relating to shares of Class A Common Stock to be offered to New Investors or (g) made solely on Form S-4 or S-8 or any successor form.

"Specified Securities": See Section 4.1(a).

"Stock Subscription Agreements": See Section 1.

"Subscribed Amount": See Section 5.2(a).

"Subsequent Purchasers": See Section 1.

"Subsequent Stock Option Agreements": See Section 1.

"Subsequent Stock Subscription Agreements": See Section 1.

"Subsidiary": Each corporation or other Person in which a person owns or controls, directly or indirectly, capital stock or other equity interests representing at least a majority of the outstanding voting stock or other equity interests.

3. Registration.

3. 1. Registration on Request.

(a) Requests by Holders. Subject to the provisions of Section 3.6, at any time or from time to time the Requisite Percentage of Stockholders shall have the right to make one or more written requests that the Company effect the registration under the Securities Act of all or part of the Registrable Securities of the holder or holders making such request, which requests shall specify the intended method of disposition thereof by such holder or holders.

(b) Reserved.

(c) Obligation to Effect Registration. Upon receipt by the Company of any request for registration pursuant to Section 3.1(a), the Company will promptly give written notice of such requested registration to all holders of Registrable Securities, and thereupon will use its best efforts to effect the registration under the Securities Act of

(i) the Registrable Securities which the Company has been so requested to register pursuant to Section 3.1(a), and

(ii) all other Registrable Securities which the Company has been requested to register by the holders thereof by written request given to the Company within 30

days after the Company has given such written notice (which request shall specify the intended method of disposition of such Registrable Securities),

all to the extent required to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered. Notwithstanding the preceding sentence:

(A) the Company shall not be required to effect a registration requested pursuant to Section 3.1(a) if the aggregate number of Registrable Securities referred to in clauses (i) and (ii) of the preceding sentence to be included in such registration shall be less than 20% of the Registrable Securities at the time outstanding; and

(B) if the Board of Directors of the Company determines in its good faith judgment, after consultation with a firm of nationally recognized underwriters, that there will be an adverse effect on a then contemplated Initial Public Offering unless such Initial Public Offering is not made contemporaneously with a registration pursuant to Section 3.1(a), each holder of Registrable Securities to be included pursuant to this Section 3.1(c) in a requested registration shall be given notice of such fact and the holder or holders of Registrable Securities initiating such request for registration pursuant to Section 3.1(a), shall be deemed to have withdrawn such request and such registration shall not be deemed to have been effected pursuant to this Section 3.1.

(d) Registration Statement Form. Each registration requested pursuant to this Section 3.1 shall be effected by the filing of a registration statement on Form S-1, Form S-2 or Form S-3 (or any other form which includes substantially the same information as would be required to be included in a registration statement on such forms as presently constituted), unless the use of a different form is required by law or (ii) permitted by law and agreed to in writing by holders holding at least a majority (by number of shares) of the Registrable Securities as to which registration has been requested pursuant to this Section 3.1. At any time after the Company has issued and sold any shares of its capital stock registered under an effective registration statement under the Securities Act, or after the Company shall have registered any class of equity securities pursuant to Section 12 of the Exchange Act, it will use its best efforts to qualify for registration on Form S-2 or Form S-3 (or any other comparable form hereinafter adopted).

(e) Expenses. The Company will pay all Registration Expenses in connection with the first three registrations effected pursuant to a request under Section 3.1(a). The Registration Expenses in connection with each other registration, if any, requested under Section 3.1(a) shall be apportioned among the holders whose Registrable Securities are then being registered, on the basis of the respective amounts (by number of shares) of Registrable Securities then being registered. However, in the case of each registration requested under Section 3.1(a), the Company shall pay all amounts in respect of (A) any allocation of salaries of personnel of the Company and its Subsidiaries or other general overhead expenses of the Company and its Subsidiaries or other expenses for the preparation of financial statements or other data normally prepared by the Company and its

Subsidiaries in the ordinary course of its business, (B) the expenses of any officers' and directors' liability insurance, (C) the expenses and fees for listing the securities to be registered on each exchange on which similar securities issued by the Company are then listed or, if no such securities are then listed, on an exchange selected by the Company or on NASDAQ and (D) all fees associated with filings required to be made with the NASD (including, if required, the fees and expenses of any "qualified independent underwriter" and its counsel).

(f) Inclusion of Other Securities. The Company shall not register securities (other than Registrable Securities) for sale for the account of any Person other than the Company in any registration requested pursuant to Section 3.1(a) unless permitted to do so by the written consent of holders holding at least a majority (by number of shares) of the Registrable Securities proposed to be sold in such registration.

(g) Effective Registration Statement. A registration requested pursuant to Section 3.1(a) will not be deemed to have been effected unless it has become effective for the period specified in Section 3.3(b). Notwithstanding the preceding sentence, a registration requested pursuant to Section 3.1(a) which does not become effective after the Company has filed a registration statement with respect thereto solely by reason of the refusal to proceed of the holder or holders of Registrable Securities requesting the registration shall be deemed to have been effected by the Company at the request of such holder or holders.

(h) Pro Rata Allocation. If the holders of a majority (by number of shares) of the Registrable Securities for which registration is being requested pursuant to Section 3.1(a) determine, based on consultation with the managing underwriters or, in an offering which is not underwritten, with an investment banking firm of nationally recognized standing, that the number of securities to be sold in any such offering should be limited due to market conditions or exceeds the number of securities which can be sold in such offering, all holders of Registrable Securities proposing to sell their securities in such registration and (if the Company proposes to sell securities for its own account in such offering) the Company shall share pro rata in the number of securities being offered and registered for their account, such sharing to be based on the number of Registrable Securities as to which registration was requested by such holders and the number of securities that the Company proposed to sell for its own account in such offering, respectively.

3.2. Incidental Registration. If the Company at any time proposes to register any of its equity securities (as defined in the Exchange Act) under the Securities Act (other than pursuant to Section 3.1 or pursuant to a Special Registration), whether or not for sale for its own account, and the registration form to be used may be used for the registration of Registrable Securities, it will each such time give prompt written notice to all holders of Registrable Securities of its intention to do so and, upon the written request of any holder of Registrable Securities given to the Company within 30 days after the Company has given any such notice (which request shall specify the Registrable Securities intended to be disposed of by such holder and the intended method of disposition thereof), the Company will use its best efforts to effect the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register by the holders thereof, to the extent required

to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered, provided that:

(a) if such registration shall be in connection with the Initial Public Offering, the Company shall not include any Registrable Securities in such proposed registration if the Company's Board of Directors shall have determined, after consultation with the managing underwriters for such offering, that it is not in the best interests of the Company to include any Registrable Securities in such registration, provided that, if the Company's Board of Directors makes such a determination, the Company shall not include in such registration any securities not being sold for the account of the Company;

(b) if, at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register such securities, the Company may, at its election, give written notice of such determination to each holder of Registrable Securities that was previously notified of such registration and, thereupon, shall not register any Registrable Securities in connection with such registration (but shall nevertheless pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of any holder or holders of Registrable Securities to request that a registration be effected under Section 3.1; and

(c) if the Company shall be advised in writing by the managing underwriters (or, in connection with an offering which is not underwritten, by an investment banking firm of nationally recognized standing) that in their or its opinion the number of securities requested to be included in such registration (whether by the Company, pursuant to this Section 3.2 or pursuant to any other rights granted by the Company to a holder or holders of its securities to request or demand such registration or inclusion of any such securities in any such registration) exceeds the number of such securities which can be sold in such offering,

(i) the Company shall include in such registration the number (if any) of Registrable Securities so requested to be included which in the opinion of such underwriters or investment banking firm, as the case may be, can be sold and shall not include in such registration any securities (other than securities being sold by the Company, which shall have priority in being included in such registration) so requested to be included other than Registrable Securities unless all Registrable Securities requested to be so included are included therein, and

(ii) if in the opinion of such underwriters or investment banking firm, as the case may be, some but not all of the Registrable Securities may be so included, all holders of Registrable Securities requested to be included therein shall share pro rata in the number of shares of Registrable Securities included in such public offering on the basis of the number of Registrable

Securities requested to be included therein by such holders, provided that, in the case of a registration initially requested or demanded by a holder or holders of securities other than Registrable Securities, the holders of the Registrable Securities requested to be included therein and the holders of such other securities shall share pro rata (based on the number of shares if the requested or demanded registration is to cover only Common Stock and, if not, based on the proposed offering price of the total number of securities included in such public offering requested to be included therein),

and the Company shall so provide in any registration agreement hereinafter entered into with respect to any of its securities.

The Company will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 3.2. No registration effected under this Section 3.2 shall relieve the Company from its obligation to effect registrations upon request under Section 3.1.

3.3. Registration Procedures. If and whenever the Company is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Sections 3.1 and 3.2, the Company will promptly:

(a) prepare and file with the Securities and Exchange Commission within 120 days, and use its best efforts to prepare and file within 60 days, after receipt of a request pursuant to Section 3.1 a registration statement with respect to such securities, make all required filings with the NASD and use best efforts to cause such registration statement to become effective;

(b) prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith and such other documents as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement, but in no event for a period of more than six months after such registration statement becomes effective;

(c) furnish to counsel (if any) selected by the holders of a majority (by number of shares) of the Registrable Securities covered by such registration statement and to counsel for the underwriters in any underwritten offering copies of all documents proposed to be filed with the Securities and Exchange Commission (including all documents to be filed on a confidential basis) in connection with such registration, which documents will be subject to the review of such counsel;

(d) furnish to each seller of such securities, without charge, such number of conformed copies of such registration statement and of each such amendment and

supplement thereto (in each case, including all exhibits and documents filed therewith (other than those filed on a confidential basis), except that the Company shall not be obligated to furnish any seller of securities with more than two copies of such exhibits and documents), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus) in conformity with the requirements of the Securities Act, and such other documents, as such seller may reasonably request in order to facilitate the disposition of the securities owned by such seller;

(e) use its best efforts to register or qualify the securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as each seller shall request, and do any and all other acts and things which may be necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the securities owned by such seller, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it is not so qualified, subject itself to taxation in any jurisdiction wherein it is not so subject, or take any action which would subject it to general service of process in any jurisdiction wherein it is not so subject;

(f) in connection with an underwritten public offering only, furnish to each seller a signed counterpart, addressed to the sellers, of

(i) an opinion of counsel for the Company experienced in securities law matters, dated the effective date of the registration statement, and

(ii) a "comfort" letter signed by the independent public accountants who have issued an audit report on the Company's financial statements included in the registration statement,

covering substantially the same matters with respect to the registration statement (and the prospectus included therein) and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to the underwriters in underwritten public offerings of securities;

(g) (i) notify each holder of Registrable Securities covered by such registration statement if such registration statement, at the time it or any amendment thereto became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and, as promptly as practicable, prepare and file with the Securities and Exchange Commission a post-effective amendment to such registration statement and use best efforts to cause such post-effective amendment to become effective such that such registration statement, as so amended, shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and (ii) notify each holder of Registrable Securities covered by such registration statement, at any time

when a prospectus relating thereto is required to be delivered under the Securities Act, if the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and, as promptly as is practicable, prepare and furnish to such holder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(h) otherwise use its best efforts to comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement of the Company complying with the provisions of Section 11(a) of the Securities Act and Rule 158 under the Securities Act;

(i) notify each seller of any securities covered by such registration statement (i) when such registration statement, or any post-effective amendment to such registration statement, shall have become effective, or any amendment of or supplement to the prospectus used in connection therewith shall have been filed, (ii) of any request by the Securities and Exchange Commission to amend such registration statement or to amend or supplement such prospectus or for additional information, (iii) of the issuance by the Securities and Exchange Commission of any stop order suspending the effectiveness of such registration statement or of any order preventing or suspending the use of any preliminary prospectus, and (iv) of the suspension of the qualification of such securities for offering or sale in any jurisdiction, or of the institution of any proceedings for any of such purposes;

(j) use its best efforts (i) (A) to list such securities on any securities exchange on which the Common Stock is then listed or, if no Common Stock is then listed, on an exchange selected by the Company, if such listing is then permitted under the rules of such exchange or (B) if such listing is not practicable or the Board of Directors of the Company determines that quotation as a NASDAQ National Market System security is preferable, to secure designation of such securities as a NASDAQ "national market system security" within the meaning of Rule 11 Aa2-1 under the Exchange Act or, failing that, to secure NASDAQ authorization for such securities, and, without limiting the foregoing, to arrange for at least two market makers to register as such with respect to such securities with the NASD, (ii) to provide a transfer agent and registrar for such Registrable Securities not later than the effective date of such registration statement and (iii) to obtain a CUSIP number for the Registrable Securities; and

(k) use every reasonable effort to obtain the lifting of any stop order that might be issued suspending the effectiveness of such registration statement or of any order preventing or suspending the use of any preliminary prospectus.

The Company may require each seller of any securities as to which any registration is being effected to furnish to the Company such information regarding such seller and the distribution of such securities as the Company may from time to time reasonably request in writing and as shall be required by law in connection therewith. Each such holder agrees to furnish promptly to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such holder not materially misleading.

The Company agrees not to file or make any amendment to any registration statement with respect to any Registrable Securities, or any amendment of or supplement to the prospectus used in connection therewith, which refers to any seller of any securities covered thereby by name, or otherwise identifies such seller as the holder of any securities of the Company, without the consent of such seller, such consent not to be unreasonably withheld, except that no such consent shall be required for any disclosure that is required by law.

By acquisition of Registrable Securities, each holder of such Registrable Securities shall be deemed to have agreed that upon receipt of any notice from the Company pursuant to Section 3.3(g), such holder will promptly discontinue such holder's disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such holder shall have received, in the case of clause (i) of Section 3.3(g), notice from the Company that such registration statement has been amended, as contemplated by Section 3.3(g), and, in the case of clause (ii) of Section 3.3(g), copies of the supplemented or amended prospectus contemplated by Section 3.3(g). If so directed by the Company, each holder of Registrable Securities will deliver to the Company (at the Company's expense) all copies, other than permanent file copies, in such holder's possession of the prospectus covering such Registrable Securities at the time of receipt of such notice. In the event that the Company shall give any such notice, the period mentioned in Section 3.3(b) shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of any Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 3.3(g).

Although shares of Class A Common Stock issuable upon the exercise of options and shares of Class B Common Stock are included in the definition of Registrable Securities, the Company shall, in respect of any such Registrable Securities requested to be registered pursuant hereto, be required to include in any registration statement only shares of Class A Common Stock issuable upon conversion of or pursuant to such Registrable Securities and only if the Company has received assurances, reasonably satisfactory to it, in the case of shares issuable upon exercise of options, that such options will be exercised and in the case of Class B Common Stock that such Registrable Securities will be converted into shares of Class A Common Stock, in each case, promptly after such registration statement has

become effective or the sale to an underwriter has been consummated so that only Class A Common Stock shall be distributed to the public under such registration statement.

3.4. Underwritten Offerings. The provisions of this Section 3.4 do not establish additional registration rights but instead set forth procedures applicable, in addition to those set forth in Sections 3.1 through 3.3, to any registration which is an underwritten offering.

(a) Underwritten Offerings Exclusive. Whenever a registration requested pursuant to Section 3.1 is for an underwritten offering, only securities which are to be distributed by the underwriters may be included in the registration.

(b) Underwriting Agreement. If requested by the underwriters for any underwritten offering by holders of Registrable Securities pursuant to a registration requested under Section 3.1, the Company shall enter into an underwriting agreement with such underwriters for such offering, such agreement to be reasonably satisfactory in substance and form to the holders of a majority (by number of shares) of the Registrable Securities to be covered by such registration and to the underwriters and to contain such representations and warranties by the Company and such other terms and provisions as are customarily contained in agreements of this type, including, but not limited to, indemnities to the effect and to the extent provided in Section 3,7, provisions for the delivery of officers' certificates, opinions of counsel and accountants' "comfort" letters and hold-back arrangements. The holders of Registrable Securities to be distributed by such underwriters shall be parties to such underwriting agreement and may, at their option, require that any or all of the representations and warranties by, and the agreements on the part of, the Company to and for the benefit of such underwriters be made to and for the benefit of such holders of Registrable Securities and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement shall also be conditions precedent to the obligations of such holders of Registrable Securities.

(c) Selection of Underwriters. Whenever a registration requested pursuant to Section 3.1 is for an underwritten offering, the Company will have the right to select one or more underwriters to administer the offering at least one of which shall be an underwriter of nationally recognized standing. If the Company at any time proposes to register any of its securities under the Securities Act for sale for its own account and such securities are to be distributed by or through one or more underwriters, the Company will have the right to select one or more underwriters to administer the offering at least one of which shall be an underwriter of nationally recognized standing.

(d) Incidental Underwritten Offerings. Subject to the provisions of the proviso to the first sentence of Section 3.2, if the Company at any time proposes to register any of its equity securities under the Securities Act (other than pursuant to Section 3.1 or pursuant to a Special Registration), whether or not for its own account, and such securities are to be distributed by or through one or more underwriters, the Company will give prompt written notice to all holders of Registrable Securities of its intention to do so and, if requested by any holder of Registrable Securities, will arrange for such underwriters to include the

Registrable Securities to be offered and sold by such holder among those to be distributed by such underwriters. The holders of Registrable Securities to be distributed by such underwriters shall be parties to the underwriting agreement between the Company and such underwriters and may, at their option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of such holders of Registrable Securities and that any or all of the conditions precedent to the obligations of the underwriters under such underwriting agreement shall also be conditions precedent to the obligations of such holders of Registrable Securities. No such holder of Registrable Securities shall be required by the Company to make any representations or warranties to, or agreements with, the Company or the underwriters other than as set forth in Section 3.4(e) and representations, warranties or agreements regarding such holder and such holder's intended method of distribution.

(e) Hold Back Agreements. If and whenever the Company proposes to register any of its equity securities under the Securities Act for its own account (other than pursuant to a Special Registration) or is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 3.1 or 3.2, each holder of Registrable Securities agrees by acquisition of such Registrable Securities not to effect (other than pursuant to such registration) any public sale or distribution, including, but not limited to, any sale pursuant to Rule 144 or Rule 144A, of any Registrable Securities, any other equity securities of the Company or any securities convertible into or exchangeable or exercisable for any equity securities of the Company for 120 days (180 days if such registration statement relates to the Initial Public Offering) after, and (assuming compliance by the Company with Section 3.4(f) during the 20 days prior to, the effective date of such registration and the Company agrees to cause each holder of any equity security, or of any security convertible into or exchangeable or exercisable for any equity security, of the Company purchased from the Company at any time other than in a public offering to enter into a similar agreement with the Company. The Company further agrees not to effect (other than pursuant to such registration or pursuant to a Special Registration) any public sale or distribution, or to file any registration statement (other than such registration or a Special Registration) covering any, of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the 20 days prior to, and for 120 days (180 days if such registration statement relates to the Initial Public Offering) after, the effective date of such registration.

(f) Notice of Impending Effective Date. The Company will give at least 20 days' written notice to each holder of Registrable Securities of the date when the Company expects, in its good faith judgment, that any registration pursuant to Section 3.1 or 3.2 will become effective (such notice to specify the expected effective date) and will respond promptly to any subsequent reasonable requests from any holder of Registrable Securities concerning the likely effective date of such registration.

3.5. Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement registering Registrable Securities under the Securities Act, the Company will give the holders of such Registrable Securities so to be registered and

their underwriters, if any, and their respective counsel and accountants the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the Securities and Exchange Commission, and each amendment thereof or supplement thereto, and will give each of them such access to its books and records and such opportunities to discuss the business of the Company with its officers, independent public accountants who have issued audit reports on its financial statements and counsel (subject, as necessary, to the Company's right to ensure the preservation of its attorney-client privilege), in each case as shall be necessary, in the opinion of such holders' and such underwriters' respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

3.6. Other Registrations. If and whenever the Company is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 3.1 or 3.2, and if such registration shall not have been withdrawn or abandoned, the Company shall not be obligated to and shall not file any registration statement with respect to any of its securities (including Registrable Securities) under the Securities Act (other than a Special Registration), whether of its own accord or at the request or demand of any holder or holders of such securities, until a period of 120 days (180 days if such registration statement relates to the Initial Public Offering) shall have elapsed from the effective date of such previous registration; and the Company shall so provide in any registration agreement with respect to any of its securities.

3.7. Indemnification.

(a) Indemnification by the Company. In the event of any registration of any Registrable Securities under the Securities Act pursuant to Section 3.1 or 3.2, the Company will indemnify and hold harmless the seller of such securities, its directors, officers, and employees, each other person who participates as an underwriter, broker or dealer in the offering or sale of such securities and each other person, if any, who controls such seller or any such participating person within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, against any and all losses, claims, damages or liabilities, joint or several, to which such seller or any such director, officer, employee, participating person or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein or related thereto, or any amendment or supplement thereto, or (ii) any omission or alleged omission to state a fact required to be stated in any such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement or necessary to make the statements therein not misleading; and the Company will reimburse such seller and each such director, officer, employee, participating person and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, provided that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon an untrue

statement or omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such seller or participating person expressly for use in the preparation thereof and provided, further, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission in the prospectus, if such untrue statement or alleged untrue statement or omission or alleged omission is completely corrected in an amendment or supplement to the prospectus and the seller of Registrable Securities thereafter fails to deliver such prospectus as so amended or supplemented prior to or concurrently with the sale of Registrable Securities to the person asserting such loss, claim, damage, liability or expense after the Company had furnished such seller with a sufficient number of copies of the same or if the seller received notice from the Company of the existence of such untrue statement or alleged untrue statement or omission or alleged omission and the seller continued to dispose of Registrable Securities prior to the time of the receipt of either (A) an amended or supplemented prospectus which completely corrected such untrue statement or omission or (B) a notice from the Company that the use of the existing prospectus may be resumed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such seller or any such director, officer, employee, participating person or controlling person and shall survive the transfer of such securities by such seller.

(b) Indemnification by the Sellers. The Company may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 3.3, that the Company shall have received an undertaking satisfactory to it from each of the prospective sellers of such securities, to severally and not jointly indemnify and hold harmless (in the same manner and to the extent as set forth in Section 3.7(a)) the Company, each director of the Company, each officer of the Company who shall sign such registration statement and each other person, if any, who controls the Company within the meaning of the Securities Act, with respect to any statement in or omission from such registration statement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, if such statement or omission was made in reliance upon and in conformity with written information furnished to the Company by such seller expressly for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, provided that the liability of each such seller will be in proportion to and limited to the net amount received by such seller (after deducting any underwriting discount and expenses) from the sale of Registrable Securities pursuant to such registration statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling person and shall survive the transfer of such securities by such seller.

(c) Notices of Claims. etc. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding paragraphs of this Section 3.7, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party hereunder, give written notice to the latter of the commencement of such action, provided that the failure of any indemnified party

to give notice as provided therein shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 3.7. In case any such action is brought against an indemnified party, the indemnifying party will be entitled to participate therein and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof, provided that if such indemnified party and the indemnifying party reasonably determine, based upon advice of their respective independent counsel, that a conflict of interest may exist between the indemnified party and the indemnifying party with respect to such action and that it is advisable for such indemnified party to be represented by separate counsel, such indemnified party may retain other counsel, reasonably satisfactory to the indemnifying party, to represent such indemnified party, and the indemnifying party shall pay all reasonable fees and expenses of such counsel. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of such indemnified party, which consent shall not be unreasonably withheld, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(d) Other Indemnification. Indemnification similar to that specified in the preceding paragraphs of this Section 3.7 with appropriate modifications) shall be given by the Company and each seller of Registrable Securities with respect to any required registration or other qualification of such Registrable Securities under any Federal or state law or regulation of governmental authority other than the Securities Act.

(e) Other Remedies. If for any reason the foregoing indemnity is unavailable, or is insufficient to hold harmless an indemnified party, other than by reason of the exceptions provided therein, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities or expenses (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other from the offering of Registrable Securities (taking into account the portion of the proceeds of the offering realized by each such party) or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, or provides a lesser sum to the indemnified party than the amount hereinafter calculated, in such proportion as is appropriate to reflect not only the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other but also the relative fault of the indemnifying party and the indemnified party as well as any other relevant equitable considerations. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. No party shall be liable for contribution under this Section 3.7(e) except to the extent and under such circumstances as such party would have been liable to indemnify under this Section 3.7 if such indemnification were enforceable under applicable law.

(f) Officers and Directors. As used in this Section 3.7, the terms "officers" and "directors" shall include the partners of the holders of Registrable Securities which are partnerships.

4. Participation Rights, Take-Along Rights and Rights of First Refusal.

4.1. Participation Rights. Cypress shall not make or cause to be made any Qualifying Sale, except pursuant to the following provisions of this Section 4.1.

(a) Procedures for Qualifying Sales. At least 30 days prior to making any Qualifying Sale, Cypress will deliver a written notice (the "Sale Notice") to the Company and the holders of Registrable Securities. The Sale Notice will fully disclose the identity of the prospective transferee and the terms and conditions of the proposed Qualifying Sale, including the class of Registrable Securities to be sold (the "Specified Securities"), the maximum amount of Specified Securities that the prospective transferee is willing to purchase, the intended consummation date of such Qualifying Sale and the terms of each agreement with respect to such Qualifying Sale between Cypress or its Affiliates and such prospective transferee. Cypress may not give a Sale Notice with respect to any Qualifying Sale unless both Cypress and the prospective transferee shall be legally bound to complete such Qualifying Sale (subject only to the satisfaction of the conditions of such Qualifying Sale disclosed in such Sale Notice and compliance with this Section 4.1 and any applicable law or exchange regulation). Cypress will not consummate any Qualifying Sale until at least 30 days after the related Sale Notice has been given to the holders of Registrable Securities, unless Cypress shall have received a notice from each holder of Specified Securities or securities presently convertible into or exchangeable or exercisable for Specified Securities (collectively, "Qualifying Securities") indicating whether or not such holder has elected to participate in such Qualifying Sale and the amount of Specified Securities to be sold by each such holder so electing to participate has been finally determined pursuant hereto prior to the expiration of such 30-day period. Each holder of Qualifying Securities may elect to participate in the contemplated Qualifying Sale by giving written notice to Cypress and the Company within 30 days after Cypress has given the related Sale Notice to such holder. If a holder of Qualifying Securities elects to participate, such holder will be entitled to sell in the contemplated Qualifying Sale, at the same price and (subject to the immediately following sentence) on the same terms and conditions as set forth in the related Sale Notice, an amount of Specified Securities equal to the product of (i) the quotient determined by dividing (A) the amount of Specified Securities then held by such holder (including in such amount all Specified Securities issuable upon conversion, exchange or exercise of all Qualifying Securities then held by such holder) by (B) the aggregate amount of Specified Securities held by Cypress and its Affiliates and all holders of Qualifying Securities (other than Cypress and its Affiliates) so electing to participate (including in such aggregate amount all Specified Securities issuable upon conversion, exchange or exercise of Qualifying Securities then held by Cypress and its Affiliates and such holders) and (ii) the amount of Specified Securities such transferee has agreed to purchase in the contemplated Qualifying Sale. If a holder of Qualifying Securities elects to participate in any Qualifying Sale, Cypress will not consummate such Qualifying Sale unless such holder has been afforded the opportunity to consummate simultaneously the sale by such holder of the amount of Specified Securities determined in accordance with the

preceding sentence with respect to such holder. Each holder of Qualifying Securities proposing to include in any contemplated Qualifying Sale Specified Securities to be issued to such holder upon the conversion of other Qualifying Securities then held by such holder shall effect such conversion prior to the time of such Qualifying Sale.

(b) Qualifying Sale Defined. The term "Qualifying Sale" shall mean any sale or transfer of securities of the Company by Cypress or its Affiliates other than any sale or transfer (i) pursuant to a bona fide firm commitment underwritten public offering (A) pursuant to a registration under the Securities Act effected pursuant to Section 3.1 or (B) pursuant to a registration under the Securities Act not effected pursuant to Section 3.1 if Section 3.2 applies to such registration and, in each of clauses (A) and (B), the Company has complied with all its obligations under Section 3 with respect to such registration, (ii) if the Company is subject to the reporting requirements of the Exchange Act, in transactions that comply with the manner of sale requirements set forth in Rule 144(f)) or (iii) to New Investors or Management Stockholders.

4.2. Take-Along Rights. By acquisition of Registrable Securities, each Investor (other than Cypress and its Affiliates) agrees to comply with the following take-along rights (it being agreed and understood that, with respect to the Management Stockholders, such stockholders will be subject to, and will comply in all respects with, the comparable take-along rights set forth in their respective Stock Subscription Agreements).

(a) Take-Along Notice. So long as Cypress and its Affiliates hold a number of shares of Registrable Securities equal to at least one-half of the Registrable Securities originally purchased by Cypress and its Affiliates as of the date hereof, if Cypress and its Affiliates intend to effect a sale of all of their shares of Registrable Securities to a third party (which in no event may be an Affiliate of Cypress) (a "100% Buyer") and elect to exercise their rights under this Section 4.2, Cypress shall deliver written notice (a "Take-Along Notice") to the other Investors, which notice shall (i) state (1) that Cypress wishes to exercise its rights under this Section 4.2 with respect to such transfer, (2) the name and address of the 100% Buyer, (3) the per share amount and form of consideration Cypress and its Affiliates propose to receive for their shares of Registrable Securities and (4) the terms and conditions of payment of such consideration and all other material terms and conditions of such transfer (including the terms of each agreement with respect to such sale between Cypress or its Affiliates and such prospective 100% Buyer), (ii) contain an offer (the "Take Alone Offer") by the 100% Buyer to purchase from the other Investors all of their respective shares of Registrable Securities on and subject to the same terms and conditions offered to Cypress and (iii) state the anticipated time and place of the closing of the purchase and sale of such shares (a "Take-Along Closing"), which (subject to such terms and conditions) shall occur not fewer than ten (10) business days nor more than ninety (90) days after the date such Take-Along Notice is delivered, provided that if such Take-Along Closing shall not occur prior to the expiration of such 90-day period, Cypress shall be entitled to deliver another Take-Along Notice with respect to such Take-Along Offer.

(b) Conditions to Take-Along. Subject to Section 4.2(c), each Investor (other than Cypress and its Affiliates) shall, upon delivery of a Take-Along Notice, have the

obligation to transfer all of such Investor's shares of Registrable Securities pursuant to the Take-Along Offer, as the same may be modified from time to time, provided that Cypress and its Affiliates transfer all of their shares of Registrable Securities to the 100% Buyer at the Take-Along Closing. Within 10 business days of receipt of the Take-Along Notice, each Investor (other than Cypress and its Affiliates) shall (i) execute and deliver to Cypress a power of attorney and a letter of transmittal and custody agreement in favor of, and in form and substance satisfactory to, Cypress constituting Cypress, The Cypress Group LLC or one or more of their respective Affiliates designated by Cypress (the "Custodian") the true and lawful attorney-in-fact and custodian for such Investor, with full power of substitution, and authorizing the Custodian to take such actions as the Custodian may deem necessary or appropriate to effect the sale and transfer of such Investor's Registrable Securities to the 100% Buyer, upon receipt of the purchase price therefor at the Take-Along Closing, free and clear of all security interests, liens, claims, encumbrances, charges, options, restrictions on transfer, proxies and voting and other agreements of whatever nature, and to take such other action as may be necessary or appropriate in connection with such sale, including consenting to any amendments, waivers, modifications or supplements to the terms of the sale (provided that Cypress and its Affiliates also so consent, and sell and transfer their Registrable Securities on the same terms as so amended, waived, modified or supplemented) and (ii) deliver to Cypress certificates representing such Investor's Registrable Securities, together with all necessary duly executed stock powers.

(c) Equal Treatment. Each Investor will receive the same proportion of the aggregate consideration from the consummation of such Take-Along Offer that each other Investor receives based upon each Investor's proportionate ownership of Registrable Securities at the time of the Take-Along Closing. If any holder of Registrable Securities is given an option as to the form and amount of such consideration to be received, each holder of Registrable Securities will be given the same option. In connection with any sale pursuant to a Take-Along Offer, no Investor shall have any liability or other obligation (including any indemnification obligation), or otherwise be required to pay any amounts in respect of such liability or obligation, which is disproportionate to such Investor's proportionate ownership of Registrable Securities at the time of the related Take-Along Closing.

(d) Remedies. Each Investor (other than Cypress and its Affiliates) acknowledges that Cypress would be irreparably damaged in the event of a breach or a threatened breach by such Investor of any of its obligations under this Section 4.2 and such Investor agrees that, in the event of a breach or a threatened breach by such Investor of any such obligation, Cypress shall, in addition to any other rights and remedies available to it, in respect of such breach, be entitled to an injunction from a court of competent jurisdiction granting it specific performance by such Investor of its obligations under this Section 4.2. In the event that Cypress shall file suit to enforce the covenants contained in this Section 4.2 (or obtain any other remedy in respect of any breach thereof), the prevailing party in the suit shall be entitled to recover, in addition to all other damages to which it may be entitled, the costs incurred by such party in conducting the suit, including reasonable attorney's fees and expenses.

(e) Public Offering. In the event that an Initial Public Offering has been consummated, the provisions of this Section 4.2 shall terminate and cease to have further effect.

4.3. Rights of First Refusal. By acquisition of Registrable Securities, each Investor (other than Cypress and its Affiliates) agrees to comply with the following rights of first refusal (it being agreed and understood that, with respect to the Management Stockholders, such stockholders will be subject to, and will comply in all respects with, the comparable rights of first refusal set forth in their respective Stock Subscription Agreements).

(a) Rights of First Refusal. If any Investor (other than Cypress and its Affiliates) desires to accept an offer (which must be in writing and for cash, be irrevocable by its terms for at least 90 days and be a bona fide offer as determined in good faith by the Company's Board of Directors or the Executive Committee thereof) from any prospective purchaser to purchase all or any part of the Registrable Securities at any time owned by such Investor, such Investor (a "ROFR Selling Investor") shall give notice in writing to the Company and the other Investors (i) designating the number of Registrable Securities proposed to be sold, (ii) naming the prospective purchaser of such Registrable Securities and (iii) specifying the price (the "ROFR Offer Price") at and terms (the "ROFR Offer Terms") upon which such ROFR Selling Investor desires to sell the same (including the terms of each agreement with respect to the sale between such ROFR Selling Investor and such prospective purchaser). During the 30-day period following receipt of such notice by the Company and the other Investors (the "First Refusal Period"), the Company shall have the right to purchase from such ROFR Selling Investor all (but not less than all) of the Registrable Securities specified in such notice, at the ROFR Offer Price and on the ROFR Offer Terms. The Company hereby undertakes to use reasonable efforts to act as promptly as practicable following such notice to determine whether it shall elect to exercise such right and to provide notice of such determination to each Investor promptly thereafter. If the Company fails to exercise such rights within the First Refusal Period, the other Investors shall have the right to purchase all (but not less than all) of the Registrable Securities specified in such notice, at the ROFR Offer Price and on the ROFR Offer Terms and on a pro rata basis (based on the number of Registrable Securities owned by such other Investors as may elect to participate in such purchase (such other Investors, the "ROFR Buying Investors")), at any time during the period beginning at the earlier of (x) the end of the First Refusal Period and (y) the date of receipt by such other Investors of written notice that the Company has elected not to exercise its rights and ending 30 days thereafter (the "Second Refusal Period"). The rights provided hereunder shall be exercised by written notice to a ROFR Selling Investor given at any time during the applicable period. If such right is exercised, the Company or the ROFR Buying Investor(s), as the case may be, shall deliver to such ROFR Selling Investor a certified or bank check(s) for the ROFR Offer Price, payable to the order of such ROFR Selling Investor, against delivery of certificates or other instruments representing the Registrable Securities so purchased, appropriately endorsed by such ROFR Selling Investor. If such right shall not have been exercised prior to the expiration of the Second Refusal Period, then at any time during the 90 days following the expiration of the Second Refusal Period, such ROFR Selling Investor may sell such Registrable Securities to (but only to) the intended purchaser named in such ROFR Selling Investor's notice to the Company and the other Investors at the ROFR

Offer Price and on substantially the ROFR Offer Terms specified in such notice, free of all restrictions or obligations imposed by, and free of any rights or benefits set forth in, Sections 4.2 and 4.3 of this Agreement, provided that such intended purchaser shall have agreed in writing, pursuant to an instrument of assumption satisfactory in substance and form to the Company, to make and be bound by customary securities law representations and warranties with respect to such purchaser's acquisition of such Registrable Securities.

(b) Public Offering. In the event that an Initial Public Offering has been consummated, the provisions of this Section 4.3 shall terminate and cease to have further effect. This Section 4.3 shall not apply to a sale to the underwriters as part of an Initial Public Offering.

(c) Permitted Transfers. Notwithstanding anything herein to the contrary, the restrictions set forth in this Section 4.3 shall not apply with respect to any sale, transfer, assignment or other disposal (whether with or without consideration and whether voluntarily or involuntarily or by operation of law) by any Investor upon at least 15 days' prior written notice to (a) any of its Affiliates (provided that no such assignment may be made to a Person that is, as determined in good faith by the Company's Board of Directors or the Executive Committee thereof, a competitor of the Company or its subsidiaries in any of their respective primary business activities) or (b) any Person to which such Investor shall sell or transfer all or substantially all of its assets or with which it shall be merged, provided that, in the case of clauses (a) and (b), the assignee agrees in writing to be bound by the terms and conditions of, and assume such Investor's obligations under, this Agreement.

4.4. Participation in Cypress' Right of First Refusal. As permitted by Section 12(d) of each Management Stock Subscription Agreement, Cypress hereby grants to each other Investor the right to participate, on a pro rata basis (based on the number of Registrable Securities owned by such other Investors as may elect to participate in such purchase), with Cypress in exercising its right of first refusal during the "Second Refusal Period" in accordance with and as defined in Section 5 of such Management Stock Subscription Agreement. Cypress will deliver copies of any notice received under such Section 5 to each other Investor promptly following its receipt of such notice and each other Investor agrees to follow the procedures for any participation in such purchase in the manner and in the time periods provided in such Section 5.

5. Parties' Rights to Purchase Additional Capital Stock.

5. 1. Additional Equity Sale. If, prior to the consummation of an Initial Public Offering, the Company shall propose to issue any additional shares of its capital stock (or any securities that may be exercised or exchanged for or converted into such capital stock) to any Person (including any holder of Registrable Securities) (such Persons to whom the Company proposes to issue securities are referred to collectively as an "Additional Offeree", and such issuance is referred to as an "Additional Sale"), the Company shall offer each holder of Registrable Securities (other than any Additional Offeree) that is an accredited investor (as defined in Rule 501 of Regulation D under the Securities Act) (each, an "Eligible Holder") the right to acquire such holder's Allocated Amount of such securities (an "Offer").

Notwithstanding the foregoing, none of the following transactions shall constitute an Additional Sale: the issuance by the Company of any shares of its capital stock (or any securities that may be exercised or exchanged for or converted into such capital stock) (A) in exchange for Class A Common Stock, (B) upon conversion of Class B Common Stock, (C) as a dividend or other distribution (including, but not limited to, in connection with any merger, consolidation or other reorganization) made pro rata to the holders of the Common Stock outstanding on the record date for such dividend or distribution, (D) to any directors, officers, employees, sales agents or similar representatives of the Company or its Subsidiaries in connection with a compensatory or other stock ownership plan for such Persons or (E) pursuant to any registered offering of such stock on Form S-4 or S-8 or any successor form.

5.2. Offer Procedures.

(a) Procedures. The Company shall make an Offer by giving to each Eligible Holder at least 30 Business Days' prior written notice of the proposed Additional Sale. Such notice will (i) identify the class and number of shares or amount of securities proposed to be issued (the "Offered Securities"), the proposed date of issuance and the price and other terms of the issuance and (ii) constitute an offer to issue to each such Eligible Holder its Allocated Amount of the Offered Securities at the same price and on the same other terms (subject to Section 5.2(c)) as are proposed for such Additional Sale, which offer shall remain open for a period of 15 Business Days from the date such notice is given by the Company. Any Offer and any Offered Securities to be made to an Eligible Holder that is a Regulation Y Holder shall provide for such holder to acquire non-voting equivalents of such Offered Securities. Each Eligible Holder desiring to accept such Offer shall give written notice to the Company prior to the end of the 15-Business Day period of such Offer. Such notice (a "Notice of Acceptance") will (A) set forth the maximum amount of the Offered Securities which such Eligible Holder elects to purchase (such Eligible Holder's "Subscribed Amount") and (B) constitute an acceptance of the Offer with respect to such Eligible Holder's Allocated Amount of the Offered Securities. If any such Eligible Holder fails to give a Notice of Acceptance, such Eligible Holder shall be deemed to have rejected such Offer in full. At the closing of an Additional Sale, each Eligible Holder who shall have timely accepted the related Offer pursuant to this Section 5.2(a) (each, an "Accepting Holder") shall acquire from the Company, and the Company shall issue to such Eligible Holder, its Allocated Amount of the Offered Securities at the same price and on the same other terms (subject to Section 5.2(c)) as such Additional Sale. The Additional Offeree shall be entitled to acquire at the closing of the related Additional Sale its Allocated Amount of the Offered Securities. Any Offered Securities not issued at such Additional Sale may not thereafter be sold or otherwise issued by the Company to an Additional Offeree until they are again offered to the Eligible Holders under the procedures specified in this Section 5.1(a).

(b) Allocated Amount Defined. For the purposes of Section 5.2(a), the term "Allocated Amount" shall mean, with respect to each Accepting Holder and the Additional Offeree (collectively, the "Participants") in an Additional Sale, the aggregate amount of the Offered Securities in such Additional Sale allocated to such Participant in a series of calculations (each, an "Allocation Calculation") as follows: first, each Participant shall be allocated an amount of the Offered Securities in such Additional Sale equal to the

lesser of (a) such Participant's Subscribed Amount of such Offered Securities and (b) such Participant's Proportionate First Share of such Offered Securities; thereafter, in each subsequent Allocation Calculation for such Additional Sale, each Participant whose Subscribed Amount of such Offered Securities exceeds the aggregate amount of Offered Securities allocated to such Participant in prior Allocation Calculations in respect of such Additional Sale shall be allocated an additional amount of Offered Securities equal to the lesser of (i) such Participant's Proportionate Subsequent Share of such Offered Securities and (ii) the excess of such Participant's Subscribed Amount of such Offered Securities over the aggregate amount of Offered Securities allocated to such Participant in all prior Allocation Calculations in respect of such Additional Sale. For the purposes of this Section 5.2(a), the term "Proportionate First Share" shall mean, with respect to each Participant in an Additional Sale, an amount of the Offered Securities in such Additional Sale that is equal to the product of (a) the quotient determined by dividing (i) the percentage of the outstanding Common Stock (on a fully diluted basis) held by such Participant by (ii) the aggregate percentage of the outstanding Common Stock (on a fully diluted basis) held by all Participants in such Additional Sale and (b) the aggregate amount of such Offered Securities. For the purposes of this Section 5.2(b), the term "Proportionate Subsequent Share" shall mean, with respect to each Participant in an Additional Sale being allocated a Proportionate Subsequent Share of Offered Securities in an Allocation Calculation for such Additional Sale, an amount of the Offered Securities in such Additional Sale equal to the product of (a) the quotient determined by dividing (i) the percentage of the outstanding Common Stock (on a fully diluted basis) held by such Participant by (ii) the aggregate percentage of the outstanding Common Stock (on a fully diluted basis) held by all Participants being allocated a Proportionate Subsequent Share of Offered Securities in such Allocation Calculation and (b) the aggregate amount of the Offered Securities not allocated to the Participants in such Additional Sale in any prior Allocation Calculation.

(c) Terms of Offer. Notwithstanding Section 5.2(a), if the terms of any Additional Sale provide for the payment by any Additional Offeree of consideration other than cash, then the purchase price payable by each Accepting Holder per unit of Offered Securities shall be an amount in cash equal to the fair market value of the aggregate consideration payable by such Additional Offeree per unit of Offered Securities. For the purpose of determining the fair market value of any noncash consideration, (i) any portion of such consideration in the form of securities shall be valued at the arithmetical average of the closing sale prices of such securities over the five trading days immediately preceding the relevant date on the national securities exchange on which such securities are listed, or, if not so listed, as reported by the National Association of Securities Dealers Automated Quotations System or, if not so reported, at the average of the high bid and low asked quotations for the securities as reported by the National Quotations Bureau Incorporated or a similar organization, or, if no price quotations are available, such securities shall be valued by the Board of Directors of the Company in good faith as of the relevant date; and (ii) any other portion of such consideration shall be valued by the Board of Directors of the Company in good faith as of the relevant date or, at the election (which shall be made in its Notice of Acceptance) and expense of such an Accepting Holder, by an independent valuer with expertise in valuing such consideration selected by the Company with the approval of such Accepting Holder, such approval not to be unreasonably withheld.

6. Additional Investor Provisions.

6.1. Designation of Directors by Cypress. (a) So long as Cypress owns, directly or indirectly, any securities of the Company, Cypress shall have the right to nominate one candidate for election to the board of directors (each, a "Board") of each of the Company, WESCO Distribution, Inc. ("WESCO") and WESCO Distribution Canada, Inc. ("WESCO Canada"). In the event that Cypress shall exercise its rights under this Section 6.1, (i) each of the parties hereto (other than the Company) shall vote, or cause to be voted, the capital stock of the Company held or controlled by such party or any Affiliate of such party and (ii) the Company shall vote, or cause to be voted, the capital stock of WESCO and WESCO Canada held or controlled by the Company or any Affiliate of the Company, in each case, in favor of a slate of directors which includes the nominees of Cypress for the Boards of the Company, WESCO and WESCO Canada respectively.

(b) The respective By-Laws of the Company, WESCO and WESCO Canada shall provide that, in the event that a vacancy shall be created on the Board of such party as a result of the death, resignation or removal (with or without cause) of a director nominated by Cypress in accordance with Section 6.1(a), such Board shall within five Business Days of the creation of such vacancy request Cypress to nominate a candidate to be appointed by such Board to fill such vacancy. In the event that any such vacancy shall be created on the Board of the Company, WESCO or WESCO Canada immediately before or at the annual meeting of the stockholders of such party, Cypress shall have the right to nominate a candidate to fill such vacancy and the provisions of the second sentence of the immediately preceding paragraph shall apply with respect to the election of such nominee to fill such vacancy. If the preceding sentence shall not be applicable and a candidate nominated by Cypress to fill any such vacancy shall not have been appointed to fill such vacancy within five Business Days of the Board of the applicable party having been given the name of such candidate by Cypress, then, as applicable, (i) in the case of a vacancy on the Board of the Company, each of the parties hereto (other than the Company) shall act by written consent, or call a special meeting of stockholders of the Company for the sole purpose of filling such vacancy and at such special meeting vote or cause to be voted the capital stock of the Company held or controlled by such party or any Affiliate of such party, and (ii) in the case of a vacancy on the Board of WESCO or WESCO Canada, the Company shall (or shall cause each Affiliate of the Company owning outstanding voting securities of WESCO or WESCO Canada, as the case may be, to) act by written consent, or call a special meeting of stockholders of WESCO or WESCO Canada, as the case may be, for the sole purpose of filling such vacancy and at such special meeting vote or cause to be voted the capital stock of WESCO or WESCO Canada, as the case may be, held or controlled by the Company or any Affiliate of the Company, in each case, to elect such nominee to fill such vacancy.

(c) Cypress may elect, at its option, not to have a designated director on any Board.

(d) No party hereto shall, and the Company shall not permit WESCO to, vote, or give any consent, in favor of the removal as a director of the Company, WESCO or

WESCO Canada, respectively, of any candidate nominated by Cypress for election as such director in accordance with Section 6.1(a) without the prior written consent of Cypress.

(e) No party hereto shall give, and the Company shall not permit WESCO to give, any proxy with respect to shares of the capital stock of the Company, WESCO or WESCO Canada, respectively, entitling the holder of such proxy to vote on, or give consents with respect to, the election of directors unless the holder of such proxy shall have agreed to comply with the obligations of such party under this Section 6.1.

(f) If, in connection with the election of any candidate nominated by Cypress for election as a director of the Company or WESCO, any party hereto fails or refuses to vote as required by this Section 6.1, or votes or gives any consent in contravention of this Section 6.1, Cypress shall have an irrevocable proxy pursuant to Section 212(e) of the General Corporation Law of the State of Delaware, coupled with an interest, to vote (i) if the defaulting party is any party hereto other than the Company, all the shares of capital stock of the Company held or controlled by such party or (ii) if the defaulting party is the Company, all the shares of capital stock of WESCO held or controlled by the Company, in each case, in accordance with this Section 6.1, and each party hereto hereby grants such proxy.

6.2. Delivery of Financial Statements and Other Information; Board Observation Rights; Confidentiality. (a) So long as any Investor and its Affiliates own, directly or indirectly, securities of the Company representing at least 5% of the Registrable Securities beneficially owned by such Investor as of the date hereof, the Company shall deliver to each such Investor (i) audited consolidated financial statements of the Company and its subsidiaries within 100 days after the end of the Company's fiscal year, (ii) unaudited consolidated financial statements of the Company and its subsidiaries within 60 days after the end of each fiscal quarter (other than its fourth fiscal quarter) of the Company, and (iii) such other reports, information or data as the Company may deliver to the Securities and Exchange Commission in respect of any securities of the Company registered under the federal securities laws, within five days of the delivery thereof.

(b) So long as an Investor (other than Cypress) and its Affiliates own, directly or indirectly, securities of the Company representing at least one-half of the Registrable Securities owned by such Investor as of the date hereof, such Investor shall be entitled to designate, in a written notice delivered to the Company, one person to attend, solely as an observer and not as a director, all meetings of each of the Company's, WESCO's and WESCO Canada's Board of Directors (such person, with respect to each such Investor, the "Investor's Board Observer"). Each Investor's Board Observer will be furnished with all information that is provided to all other directors of such Boards (in their capacities as directors) at the same time as such information is furnished to such other directors (in such capacity). An Investor may, from time to time, upon advance written notice to the Company, change the person designated to be such Investor's Board Observer. Each Investor's Board Observer shall abide by all procedural rules and provisions of all laws, regulations, Certificates of Incorporation and By-Laws applicable to each of the Company's, WESCO's and WESCO Canada's Board of Directors, provided that such Investor's Board Observer shall not be entitled to vote on matters being acted upon by the directors or otherwise be permitted

to take actions inuring solely to such directors. The Company and Cypress agree to cause the Company's, WESCO's and WESCO Canada's Board of Directors to have regularly scheduled meetings at least four times per year.

(c) Each Investor agrees that all non-public information with respect to the Company and its subsidiaries delivered to such Investor (or such Investor's Board Observer) hereunder will be kept strictly confidential by such Investor (and such Investor's Board Observer) and will not be disclosed by such Investor or its Affiliates or representatives without the prior written consent of the Company, except as required by applicable law, regulation or legal process or exchange regulations (following the prompt notification of the Company of any request for such disclosure so that the Company may seek a protective order or other appropriate remedy to avoid such disclosure).

6.3. Limitation on Transactions with Affiliates. So long as any Investor and its Affiliates (other than Cypress and its Affiliates) own, directly or indirectly, securities of the Company representing at least 5% of the Registrable Securities beneficially owned by such Investor as of the date hereof, the Company and its Subsidiaries will not enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate unless such transaction is upon terms no less favorable to the Company or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person which is not an Affiliate; provided, that nothing contained in this Section 6.3 shall be deemed to prohibit any transaction otherwise specifically permitted under this Agreement or the Recapitalization Agreement (or the Company's senior subordinated notes indenture or the Company's senior credit agreement, each of which were entered into by the Company in connection with the transactions contemplated by the Recapitalization Agreement).

6.4. Special Provisions Applicable to Regulation Y Holders. (a) The Company shall use its commercially reasonable efforts not to redeem, purchase, acquire or take any other action affecting outstanding securities of the Company (including any merger, recapitalization or other business combination) if, after giving effect to such redemption, purchase or other action, (i) a Regulation Y Holder would own more than 24.99% of the total equity of the Company or more than 24.99% of the total value of all capital stock and subordinated debt of the Company or (ii) a Regulation Y Holder would own more than 5% of the total voting power of the Company's outstanding securities (in each case determined by assuming such Regulation Y Holder (but not any other holder) has exercised, converted or exchanged all of its options, warrants and other convertible or exchangeable securities). Each holder of Registrable Securities that is a Regulation Y Holder shall promptly notify the Company in writing of its status as a Regulation Y Holder and of its aggregate total equity holdings in respect of the Company's outstanding securities (and any material change in respect of such holdings). The Company hereby acknowledges that Chase Equity Associates, L.P. is a Regulation Y Holder.

(b) Upon the reasonable written request of a Regulation Y Holder, the Company and each holder of Registrable Securities will reasonably cooperate to amend the terms of the Class B Common Stock to further restrict its conversion to Class A Common

Stock to address any Regulatory Problem in the manner reasonably requested by such Regulation Y Holder, provided that any fees, costs, expenses or other liabilities incurred by the Company in connection with such amendments (including reasonable attorneys' fees and expenses) shall be for the sole account of such holder (and shall be paid promptly upon receipt of invoices in respect thereof).

(c) For purposes of this Section 6.4, "Regulatory Problem" means, with respect to a Regulation Y Holder, (i) any set of facts or circumstances wherein it has been asserted in writing by any governmental regulatory agency (or a Regulation Y Holder reasonably believes, based on the written advice of outside legal counsel reasonably acceptable to the Company) that there is a significant risk of such assertion) that such Regulation Y Holder (or any bank holding company that controls such Regulatory Y Holder) is not entitled to hold all or any portion of such Regulation Y Holder's Registrable Securities or (ii) when such Regulation Y Holder and its Affiliates would own, control or have power (including voting fights) over a greater quantity of securities of the Company than is permitted under any law or regulation or any requirement of any governmental authority applicable to such Regulation Y Holder or to which such Regulation Y Holder is subject; provided that such Regulation Y Holder shall promptly notify the Company in writing of any Regulatory Problem of which it becomes aware.

7. Miscellaneous.

7.1. Rule 144; Legended Securities; etc. If the Company shall have filed a registration statement pursuant to Section 12 of the Exchange Act or a registration statement pursuant to the Securities Act relating to any class of equity securities (other than a registration statement pursuant to a Special Registration), the Company will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Securities and Exchange Commission thereunder (or, if the Company is not required to file such reports, it will, upon the request of any holder of Registrable Securities, make publicly available such information as necessary to permit sales pursuant to Rule 144), and will take such further action as any holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holder to sell shares of Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144.

The Company will not issue new certificates for shares of Registrable Securities without a legend restricting further transfer unless such shares have been sold to the public pursuant to an effective registration statement under the Securities Act or Rule 144, or unless otherwise permitted under the Securities Act and the holder of such shares expressly so requests in writing.

7.2. Amendments and Waivers. This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company shall have obtained the written consent to such amendment, action or omission to act, of the holder or holders of at least a majority of the shares of Registrable Securities; provided that no such amendment, action or omission with

respect to any provision contained in Sections 3.1, 3.2, 3.3, 3.4, 3.7, 4, 5 and 6 that adversely affects the holders of Registrable Securities shall be effective unless the holder or holders of at least 75% of the shares of Registrable Securities shall have consented in writing thereto; provided further that no such amendment, action or omission with respect to Section 6.4 shall be effective unless approved by each Regulation Y Holder; and provided further that no such amendment, action or omission with respect to Section 4.2 or 4.3 shall be effective unless a comparable amendment, action or omission is made to the corresponding section of the Stock Subscription Agreements then in effect. Each holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any consent authorized by this Section 7.2, whether or not such Registrable Securities shall have been marked to indicate such consent. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party or parties granting such waiver in any other respect or at any other time.

7.3. Nominees for Beneficial Owners. In the event that any Registrable Securities are held by a nominee for the beneficial owner thereof, the beneficial owner thereof may, at its election and unless notice is otherwise given to the Company by the record owner, be treated as the holder of such Registrable Securities for purposes of any request or other action by any holder or holders of Registrable Securities pursuant to this Agreement or any determination of any number or percentage of shares of Registrable Securities held by any holder or holders of Registrable Securities contemplated by this Agreement. If the beneficial owner of any Registrable Securities so elects, the Company may require assurances reasonably satisfactory to it of such owner's beneficial ownership of such Registrable Securities.

7.4. Successors, Assigns and Transferees. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. In addition, and whether or not any express assignment shall have been made, the provisions of this Agreement which are for the benefit of the parties hereto other than the Company shall also be for the benefit of and enforceable by any subsequent holder of any Registrable Securities, subject to the provisions respecting the minimum numbers or percentages of shares of Registrable Securities required in order to be entitled to certain rights, or take certain action, contained herein.

7.5. Notices. All notices and other communications in connection with this Agreement shall be in writing. Any notice or other communication in connection herewith shall be deemed duly given to any party (a) two Business Days after it is sent by express, registered or certified mail, return receipt requested, postage prepaid or (b)one Business Day after it is sent by overnight courier, in each case, to the address of such party set forth beneath its name on the schedules hereto, or to such other address as such party may have designated to the Company in writing, or if to any holder of Registrable Securities not a party hereto on the date hereof, at the address of such holder in the stock record books of the Company, and if to the Company or Cypress or the other Investors to the following addresses:

(i) if to the Company, to:

WESCO International, Inc.
Commerce Court, Suite 700
Four Station Square
Pittsburgh, Pennsylvania 15219
Telecopy: (412) 454-2555
Telephone: (412) 454-2200
Attention: General Counsel

(ii) if to Cypress or its Affiliates, to:

c/o The Cypress Group L.L.C.
65 East 55th Street, 19th Floor
New York, New York 10022
Telecopy: (212) 705-0153
Telephone: (212) 705-0199
Attention: James L. Singleton

with a copy to:

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017
Telecopy: (212) 455-2502
Telephone: (212) 455-2530
Attention: David Chapnick

(iii) if to Chase Equity Associates, L.P.:

c/o Chase Capital Partners
380 Madison Avenue, 12th Floor
New York, New York 10017
Telecopy: (212) 622-3643
Telephone: (212) 622-3100
Attention: Mathew Lorri

with a copy to:

O'Sullivan Graev & Karabell, LLP
30 Rockefeller Plaza, 24th Floor
New York, New York 10112
Telecopy: (212) 408-2420
Telephone: (212) 408-2400
Attention: Harvey Eisenberg

(iii) if to Co-Investment Partners, L.P.:

Co-Investment Partners, L.P.
660 Madison Avenue
New York, New York 10021
Telecopy: (212) 754-1494
Telephone: (212) 754-0411
Attention: Christian Melhado

(iv) if to any of The Travelers Insurance Company, The Travelers Life and Annuity Company, The Travelers Indemnity Company and The Phoenix Insurance Company:

c/o The Travelers Investment Group
Securities Department 9PB
205 Columbus Boulevard, Loading Dock
Hartford, Connecticut 06183
Telecopy: (860)
Telephone: (860)
Attention: Craig Farnsworth

or at such other address or addresses as the Company or any Investor or Cypress, as the case may be, may have designated in writing to each holder of Registrable Securities at the time outstanding. Any party may give any notice or other communication in connection herewith using any other means (including, but not limited to, personal delivery, messenger service, telecopy, telex or ordinary mail), but no such notice or other communication shall be deemed to have been duly given unless and until it is actually received by the individual for whom it is intended.

7.6. No Inconsistent Agreements. The Company will not hereafter enter into any agreement with respect to its securities which is inconsistent with the rights granted to the holders of Registrable Securities by this Agreement.

7.7. Remedies. Each holder of Registrable Securities, in addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of any provision of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

7.8. Stock Splits. etc. Each party hereto agrees that it will vote to effect a stock split (forward or reverse, as the case may be) with respect to any Registrable Securities in connection with any registration of such Registrable Securities hereunder, or otherwise, if the managing underwriter shall advise the Company in writing (or, in connection with an offering that is not underwritten, if an investment banking firm of nationally recognized

standing shall advise the Company in writing) that in their or its opinion such a stock split would facilitate or increase the likelihood of success of the offering. Each party hereto agrees that any number of shares of Common Stock referred to in this Agreement shall be equitably adjusted to reflect any stock split, stock dividend, stock combination, recapitalization or similar transaction.

7.9. Term. This Agreement shall be effective as of the date hereof and shall continue in effect thereafter until the earliest of (a) its termination by the consent of holders of at least 75% of the shares of the then outstanding Registrable Securities, (b) the date on which no Registrable Securities remain outstanding and (c) the dissolution, liquidation or winding up of the Company.

7.10. Severability. If any provision of this Agreement is inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, Sections or subsections of this Agreement shall not affect the remaining portions of this Agreement.

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

7.12. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which together constitute one and the same instrument.

7.13. Governing Law. This Agreement shall be governed in all respects, including, but not limited to, as to validity, interpretation and effect, by the internal laws of the State of New York, without giving effect to the conflict of law rules thereof.

7.14. No Third Party Beneficiaries. Except as provided in Sections 3.7 and 7.4, nothing in this Agreement shall confer any rights upon any person or entity other than the parties hereto, each such party's respective successors and permitted assigns.

7.15. Consent to Jurisdiction. Each party irrevocably submits to the exclusive jurisdiction of (a) the Supreme Court of the State of New York, New York County, and (b) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby (and agrees not to commence any such suit, action or proceeding except in such courts). Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth above shall be effective service of process for any such suit, action or proceeding. Each party irrevocably and unconditionally waives any objection to the laying of venue of any such suit, action or proceeding in (i) the Supreme Court of the State of New York, New York County, and (ii)

the United States District Court for the Southern District of New York, that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

7.16. Waiver of Jury Trial. Each party hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding arising out of this Agreement or any transaction contemplated hereby. Each party (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties have been induced to enter into the Agreement by, among other things, the mutual waivers and certifications in this Section 7.16.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be executed on its behalf as of the date first written above.

WESCO INTERNATIONAL, INC.

By:

Name:
Title:

CYPRESS MERCHANT BANKING PARTNERS L.P.
CYPRESS OFFSHORE PARTNERS L.P.

Each by: Cypress Associates L.P., its general partner

Each by: Cypress Merchant Banking Partners L.L.C., its general partner

By:

Name:
Title:

CHASE EQUITY ASSOCIATES, L.P.

By: Chase Capital Partners, its general partner

By:

Name:
Title:

CO-INVESTMENT PARTNERS, L.P.

By: CIP Partners, LLC, its general partner

By:

Name:
Title:

THE TRAVELERS INSURANCE COMPANY

By:

Name:
Title:

THE TRAVELERS LIFE AND ANNUITY COMPANY

By:

Name:
Title:

THE TRAVELERS INDEMNITY COMPANY

By:

Name:
Title:

THE PHOENIX INSURANCE COMPANY

By:

Name:
Title:

Agreed and acknowledged as of the date first above written for purposes of amending and restating the Original Registration Agreement(1).

THE CLAYTON & DUBILIER PRIVATE EQUITY FUND IV LIMITED PARTNERSHIP

By: Clayton & Dubilier Associates IV Limited Partnership, its general partner

By:

Name:
Title:

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(1) CBS and the Subsequent Purchasers and the Management Purchasers that are parties to the Recapitalization Agreement have agreed, pursuant to Section 6.12(b) of the Recapitalization Agreement, to the amendment and restatement of this Agreement.

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT is entered into as of this fifth day of June, 1998 by and among WESCO International, Inc., a Delaware corporation ("Holding"), its wholly owned subsidiary WESCO Distribution, Inc., a Delaware corporation (the "Company"), and Roy W. Haley ("Executive").

W I T N E S S E T H :

WHEREAS, Executive is currently employed as President and Chief Executive Officer of each of Holding and the Company;

WHEREAS, Holding and the Company each desires to continue Executive's employment and to enter into an agreement setting forth the terms and conditions of such continued employment;

WHEREAS, Executive desires to accept such continued employment and to enter into such an agreement;

WHEREAS, Holding, the Company and Executive each acknowledges and agrees that, in the course of his employment with Holding and the Company, Executive has had and will continue to have a prominent role in the management of the business, and the development of the goodwill, of the Holding, Company and their respective Affiliates (as defined below) and has established and developed and will continue to establish and develop relations and contacts with the principal customers and suppliers of Holding, the Company and their respective Affiliates in the United States, Canada and Mexico and the rest of the world, all of which constitute valuable goodwill of, and could be used by Executive to compete unfairly with, Holding, the Company and their respective Affiliates; and

WHEREAS, (i) in the course of his employment with Holding and the Company, Executive has obtained and will continue to obtain confidential and proprietary information and trade secrets concerning the business and operations of Holding, the Company and their respective Affiliates in the United States, Canada and Mexico and the rest of the world that could be used to compete unfairly with Holding, the Company and their respective Affiliates; (ii) the covenants and restrictions contained in Sections 7 through 12, inclusive, are intended to protect the legitimate interests of Holding, the Company and their respective Affiliates in their respective goodwill, trade secrets and other confidential and proprietary information; and (iii) Executive desires to be bound by such covenants and restrictions;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable

consideration, Holding, the Company and Executive hereby agree as follows:

1. Agreement to Employ. Upon the terms and subject to the conditions of this Agreement, Holding and the Company each hereby continues the employment of Executive and Executive hereby accepts such continued employment with Holding and the Company.

2. Term; Position and Responsibilities.

(a) Term of Employment. Unless Executive's employment is sooner terminated pursuant to Section 6, Holding and the Company shall each employ Executive during the period commencing on the date hereof (the "Commencement Date") and ending on the third anniversary of the Commencement Date; provided, however, that on each day following the Commencement Date, the period of Executive's employment pursuant to this Agreement shall be automatically extended, upon the same terms and conditions, for an additional day unless either the Company (on its own behalf and on behalf of Holding) or Executive gives written notice (a "Non-Extension Notice") to the other of its intention not to extend such period of Executive's employment hereunder, provided, further, that delivery of a Non-Extension Notice by the Company shall not constitute a termination of Executive's employment by Holding or the Company unless such notice specifically provides for such termination of employment and the specific date thereof. The period during which Executive is employed pursuant to this Agreement, including any extension thereof in accordance with the preceding sentence, shall be referred to as the "Employment Period".

(b) Position and Responsibilities. During the Employment Period, Executive shall serve as the President and Chief Executive Officer of each of Holding and the Company and, in addition, in such other executive capacity or capacities for Holding, the Company or any of their respective Subsidiaries (as defined below) as may be determined from time to time by or under the authority of the Board of Directors of the Company (the "Board") or the Board of Director of Holding (the "Holding Board"). During the Employment Period, Executive shall devote all of his skill, knowledge and working time (except for (i) reasonable vacation time and absence for sickness or similar disability and (ii) to the extent that it does not interfere with the performance of Executive's duties hereunder and is in compliance with Section 7 through 12, inclusive, and normal Company policies, such reasonable time as may be devoted to the fulfillment of civic responsibilities) to the conscientious performance of the duties if his positions with Holding, the Company and any of their respective Subsidiaries. Executive represents that he is entering into this Agreement voluntarily and that his employment and compliance by him with the terms and conditions of this Agreement will not conflict with or result in the breach of any agreement to which he is a party or by which he

may be bound. Holding and the Company will each use its reasonable best efforts to cause Executive to be nominated and elected to serve as a member of the Board and the Holding Board during the Employment Period.

3. Compensation.

(a) Base Salary. As compensation for the services to be performed by Executive during the Employment Period, the Company will pay Executive a base salary at the annual rate of $500,000. The Compensation Committee of the Holding Board (the "Compensation Committee") will review Executive's annual base salary rate from time to time during the Employment Period and, may, in its discretion, adjust such annual rate from time to time based upon the performance of Executive, the financial condition of Holding and the Company, prevailing industry salary scales and such other factors as the Compensation Committee shall consider relevant. The Company shall pay Executive his base salary in semi-monthly installments, or in such other installments as may be mutually agreed upon by the Company and Executive. The annual base salary payable to Executive under this Section 3(a), as the same may be increased from time to time and without regard to any reduction therefrom in accordance with the next sentence, shall hereinafter be referred to as the "Base Salary". The Base Salary payable under this Section 3(a) shall be reduced to the extent that Executive elects to defer such Base Salary under the terms of any deferred compensation, savings plan or other voluntary deferral arrangement that may be maintained or established by the Company.

(b) Incentive Compensation. During the Employment Period, Executive shall be entitled to participate at a level commensurate with his positions and duties with Holding and the Company in the Company's annual incentive compensation program for executive officers (the "Annual Incentive Plan") in accordance with the generally applicable terms thereof as in effect from time to time. Executive shall be entitled to an annual cash bonus under the Annual Incentive Plan for each fiscal year of the Company ending during the Employment Period equal to a percentage of his Base Salary, not to exceed 200%, if the Compensation Committee determines that the Company and Executive have achieved the financial and other performance objectives established by the Compensation Committee for such fiscal year. Notwithstanding the foregoing, in the event of a Change in Control (as defined below), Executive shall be entitled to a minimum annual cash bonus equal to 50% of his then current Base Salary for each fiscal year of the Company ending thereafter during the Employment Period.

4. Benefits.

(a) General. During the Employment Period, Executive shall be entitled to participate in all of the Company's profit

sharing, pension, savings, deferred compensation, supplemental savings, life, medical, dental and disability insurance plans, as the same may be amended and in effect from time to time, applicable to its senior executives, provided that Executive shall not be entitled to participate in any severance plan of the Company or otherwise receive any severance benefits under any other type of plan.

(b) Vacation. During the Employment Period, Executive shall be entitled to four weeks of paid vacation annually.

(c) Certain Club Dues. The Company shall reimburse Executive for the annual dues paid by him for membership in one local country club selected by Executive.

5. Expenses. The Company shall reimburse Executive for reasonable travel, lodging and meal expenses incurred by him in connection with his performance of services hereunder upon submission of evidence, satisfactory to the Company, of the incurrence and purpose of each such expense.

6. Termination of Employment.

(a) Termination Due to Death or Disability. Executive's employment with Holding and the Company shall automatically terminate upon his death or Disability. For purposes of this Agreement, "Disability" shall mean a physical or mental disability or infirmity that prevents the performance by Executive of his duties hereunder lasting (or likely to last, based on competent medical evidence presented to the Board) for a continuous period of six months or longer. The reasoned and good faith judgment of the Board as to Disability shall be final and binding and shall be based on such competent medical evidence as shall be presented to it by Executive or by any physician or group of physicians or other competent medical experts employed by Executive or the Company to advise the Board.

(b) Termination by the Company for Cause. Executive's employment with Holding and the Company may be terminated during the Employment Period by Holding and the Company for "Cause". "Cause" shall mean (i) the willful failure of Executive substantially to perform his duties hereunder (other than any such failure due to physical or mental illness) after a demand for substantial performance is delivered to Executive by the Board, which notice identifies the manner in which the Board believes that Executive has not substantially performed his duties hereunder, (ii) Executive's engaging in willful serious misconduct that is materially injurious to Holding, the Company or any of their respective Affiliates, (iii) Executive's conviction of, or entering a plea of nolo contendere to, a crime that constitutes a felony, (iv) the material or willful breach by Executive of any written covenant or agreement with Holding, the Company or any of their respective Affiliates (x) not to disclose any information pertaining to Holding, the Company or any of

their respective Affiliates, (y) not to compete or interfere with Holding, the Company or any of their respective Affiliates, including without limitation a breach of any of the covenants set forth in any of Sections 7, 8, 9, 10, 11 or 12 hereof, or (z) relating to any shares of capital stock of Holding or options in respect of any such stock owned or controlled by Executive. For purposes of this paragraph, no act, or failure to act, on the Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause without (1) 60 days notice to the Executive setting forth the reasons for the Company's intention to terminate for Cause, during which 60 day period the Executive may, if possible, cure or remedy the action or omission giving rise to Cause, (2) an opportunity for the Executive, together with his counsel, to be heard before the Board of Directors of the Company and (3) delivery to the Executive of a Notice of Termination, as defined in subsection (e) hereof, from the Board of Directors finding that in the good faith opinion of the Board of Directors the Executive was guilty of conduct set forth in this paragraph (b), and specifying the particulars thereof in detail.

(c) Termination Without Cause. A termination "Without Cause" shall mean a termination during the Employment Period of Executive's employment with the Company and Holding by the Company and Holding other than any such termination due to death or Disability as described in Section 6(a) or for Cause as described in Section 6(b).

(d) Termination by Executive. During the Employment Period, Executive may terminate his employment with the Company and Holding for "Good Reason". "Good Reason" shall mean a termination of Executive's employment with Holding and the Company by Executive during the Employment Period and within 30 days following (i) any assignment to Executive of any duties that are significantly different from, and result in a substantial diminution of, Executive's duties as of the Commencement Date, (ii) delivery by the Company of a Non-Extension Notice, (iii) the failure of Holding or the Company, whichever is applicable, to obtain the assumption of this Agreement by a Successor (as defined below) as contemplated by Section 13, (iv) the removal of Executive from, or the failure to reelect or redesignate Executive to, the positions of President and Chief Executive Officer of Holding and the Company or the failure by Holding or the Company to use its reasonable best efforts to cause Executive to be nominated and elected to serve as a member of the Board or the Holding Board, (v) a reduction in the rate of Executive's Base Salary or (vi) a material reduction in the aggregate level of employee benefits provided to Executive pursuant to Section 4(a) hereof, provided that, (x) within 30 days following the occurrence of any such event, Executive shall have delivered

written notice to the Board of his intention to terminate his employment for Good Reason, which notice specifies in reasonable detail the circumstances claimed to give rise to Executive's right to terminate his employment for Good Reason, and Holding or the Company, whichever is applicable, shall not have cured such circumstance to the reasonable satisfaction of Executive, (y) the occurrence of any such event in connection with a termination of Executive's employment for Cause as provided in Section 6(b) or due to Executive's death or Disability as provided in Section 6(a) shall not constitute an event permitting Executive to terminate his employment for Good Reason and (z) the events described in clauses (v) and (vi) shall constitute an event permitting Executive to terminate his employment for Good Reason only if such event occurs following a Change in Control.

(e) Notice of Termination. Any termination of Executive's employment by the Company and Holding pursuant to Section 6(a) (in the case of Disability), 6(b) or 6(c), or by Executive pursuant to Section 6(d), shall be communicated by a written "Notice of Termination" addressed to Executive, in the case of any such termination by Holding and the Company, or to Holding and the Company, in the case of any such termination by Executive. A "Notice of Termination" shall mean a notice stating that Executive's employment hereunder has been or will be terminated, indicating the specific termination provisions of Section 6 of this Agreement relied upon and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination of employment.

(f) Payments Upon Certain Terminations.

(i) Termination Without Cause or for Good Reason. In the event of a termination during the Employment Period of Executive's employment with Holding and the Company as a result of (A) Executive's death, (B) Executive's Disability, (C) a termination by the Company and Holding Without Cause or (D) a termination by Executive for Good Reason (any such termination, a "Qualifying Termination"), the Company shall pay to Executive (or in the case of his death, to his spouse) his full Base Salary through the Date of Termination (as defined below) and an amount equal to the pro rata amount of annual incentive compensation for the portion of the fiscal year preceding the Date of Termination that would have been payable to Executive pursuant to Section 3(b) if he had remained employed for the entire fiscal year, determined on the basis of the actual performance achieved by the Company and Executive through the Date of Termination and the performance objectives established for such fiscal year, pro rated to reflect the calculation of such annual incentive compensation for the portion of the fiscal year preceding the Date of Termination. In addition, in the event of a Qualifying Termination, (x) all options to purchase shares of the Class A Common Stock of Holding (the

"Options") granted to Executive on or after the Commencement Date shall become fully vested as of the Date of Termination and shall remain exercisable until the eighteen month anniversary of the Date of Termination in accordance with the terms set forth in the management stock option agreements evidencing each such Option and (y) the Company shall pay or, in the case of the Continued Benefits (as defined below), provide to Executive (or, following his death, to Executive's designated beneficiary or beneficiaries), as liquidated damages,

(A) his Average Base Salary (as defined below), which shall be payable in installments on the Company's regular payroll dates, for the period beginning on the Date of Termination and ending (I) in the case of a termination due to Executive's death or Disability, on the second anniversary of the Date of Termination or (II) in the case of a termination by the Company and Holding Without Cause or by Executive with Good Reason, on the third anniversary of the Date of Termination (the applicable period, the "Severance Period") and

(B) on the last day of each calendar month included in the Severance Period, an amount equal to one-twelfth of the Average Annual Bonus (as defined below); and

(C) continued coverage for Executive and his eligible dependents under the Company's medical and life insurance plans referred to in Section 4(a) (the "Continued Benefits") during the period commencing on the Date of Termination and ending on the second anniversary of the Date of Termination, subject to timely payment by Executive of all premiums, contributions and other co-payments required to be paid by senior executives of the Company under the terms of such plans as in effect from time to time;

provided that the Company may, at any time, pay to Executive, in a single lump sum and in satisfaction of the Company's obligations under clauses (A) and (B) of this Section 6(f)(i), an amount equal to the present value (as determined by the Company using a discount rate equal to the then prevailing applicable federal short-term rate under section 1274(d) of the Internal Revenue Code of 1986, as amended (the "Code"), of the sum of the installments of the Average Base Salary and Average Annual Bonus then remaining to be paid to Executive pursuant to clauses (A) and (B) above and, provided further, that in the event of a Qualifying Termination due to Executive's death or Disability, each installment of Average Base Salary shall be reduced by the amount, if any, payable as salary continuation or other similar compensation replacement

pursuant to any disability or death benefit plan of the Company.

Executive shall not have a duty to mitigate the costs to the Company under this Section 6(f)(i), except that the Continued Benefits shall be reduced or canceled if comparable medical benefit coverage is provided or offered to Executive by any subsequent employer or other Person for which Executive performs services, including but not limited to consulting services, at any time after the Date of Termination.

The term "Average Annual Bonus" means the average of the annual bonuses paid to Executive pursuant to the Annual Incentive Plan for each of the two fiscal years of the Company ending immediately prior to the Date of Termination and the term "Average Base Salary" means the average of the annual base salary rate of Executive in effect immediately prior to the Date of Termination and as of the last day of the fiscal year of the Company ending immediately prior to the Date of Termination; provided that if Executive's employment is terminated by Executive following a Change in Control pursuant to clause (v) of the definition of Good Reason, Executive's annual base salary rate in effect immediately prior to any reduction thereof shall be substituted for Executive's annual base salary rate in effect immediately prior to the Date of Termination in calculating the Average Base Salary.

(ii) Qualifying Termination Following a Change in Control. In the event of a termination of Executive's employment with Holding and the Company by the Company Without Cause or by Executive for Good Reason at any time during the Employment Period and during the two year period following a Change in Control, in addition to the compensation and benefits described in (f)(i) above, (x) Executive shall be entitled to Continued Benefits during the entire Severance Period and (y) Executive shall be granted three additional years of service credit for vesting and benefit accrual purposes under the Company's non-qualified pension plans.

For purposes of this Agreement, the term "Change in Control" shall mean any of the following occuring on or after the Commencement Date:

(W) the acquisition by any person, entity or "group" (as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended), other than Holding, the Company, any of their respective Subsidiaries, any employee benefit plan of Holding, the Company or any such Subsidiary, or Cypress Merchant Banking Partners, L.P. ("Cypress") or its affiliates, of 50% or more of the combined voting power of

Holding's or the Company's then outstanding voting securities;

(X) the merger or consolidation of Holding or the Company, as a result of which persons who were stockholders of Holding or the Company, as the case may be, immediately prior to such merger or consolidation, do not, immediately thereafter, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the merged or consolidated company;

(Y) the liquidation or dissolution of Holding or the Company, other than any such liquidation of Holding or the Company into the other; and

(Z) the sale, transfer or other disposition of all or substantially all of the assets of Holding or the Company to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, Affiliates of Holding, the Company or Cypress.

The June 5, 1998 recapitalization (the "Recapitalization") of the Company, pursuant to the Recapitalization Agreement among Thor Acquisitions L.L.C., CDW Holding Corporation and certain Securityholders of CDW Holding Corporation, dated as of March 27, 1998 shall be deemed to result in a Change in Control.

(iii) Termination for Cause or by Executive without Good Reason. In the event of a termination of Executive's employment with Holding and the Company during the Employment Period as a result of a termination by the Company for Cause or a termination by Executive without Good Reason, the Company shall pay Executive his full Base Salary through the Date of Termination and Executive shall not be entitled to the payment of, or to be provided, any severance or termination compensation or benefits.

(iv) Accrued Benefits Under Company Plans. Except as specifically set forth in this Section 6(f), Executive shall be entitled to receive all amounts payable and benefits accrued under any otherwise applicable plan, policy, program or practice of the Company in which Executive was a participant during his employment with the Company or Holding in accordance with the terms thereof, provided that Executive shall not be entitled to receive any payments or benefits under any such plan, policy, program or practice providing any bonus or incentive compensation or severance compensation or benefits (and the provisions of this Section 6(f) shall supersede the provisions of any such plan, policy, program or practice).

(g) Date of Termination. As used in this Agreement, the term "Date of Termination" shall mean (i) if Executive's employment is terminated by his death, the date of his death,

(ii) if Executive's employment is terminated by the Company for Cause, the date on which Notice of Termination is given as contemplated by Section 6(e) or, if later, the date of termination specified in such Notice, and (iii) if Executive's employment is terminated by the Company Without Cause, due to Executive's Disability or by Executive for any reason, the date that is 30 days after the date on which Notice of Termination is given as contemplated by Section 6(e) or, if no such Notice is given, 30 days after the date of termination of employment.

(h) Resignation upon Termination. Effective as of any Date of Termination under this Section 6 or otherwise as of the date of Executive's termination of employment with the Company, Executive shall resign, in writing, from all Board memberships and other positions then held by him with Holding, the Company and their respective Affiliates.

(i) Certain Additional Payments by the Company.

(i) Anything in this Agreement to the contrary notwithstanding, if it is determined that any payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, stock appreciation right or similar right, or the lapse or termination of any restriction on or the vesting or exercisability of any of the foregoing (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto) by reason of being "contingent on a change in ownership or control" of the Company, within the meaning of Section 280G of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law, or any interest or penalties with respect to such excise tax (such tax or taxes, together with any such interest and penalties, are hereafter collectively referred to as the "Excise Tax"), then the Executive will be entitled to receive an additional payment or payments (a "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. All determinations required to be made under this Section, including whether an Excise Tax is payable by the Executive and the amount of such Excise Tax and whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, will be made by a nationally recognized firm of certified public accountants (the "Accounting Firm") selected by the Company in its sole discretion.

(ii) The Executive will notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification will be given as promptly as practicable but no later than 10 business days after the Executive actually receives notice of such claim and the Executive will further apprise the Company of the nature of such claim and the date on which such claim is requested to be paid (in each case, to the extent known by the Executive). The Executive will not pay such claim prior to the earlier of (y) the expiration of the 30-calendar-day period following the date on which he gives such notice to the Company and (z) the date that any payment of amount with respect to such claim is due. If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive will:

(a) provide the Company with any written records or documents in his possession relating to such claim reasonably requested by the Company;

(b) take such action in connection with contesting such claim as the Company will reasonably request in writing from time to time, including without limitation accepting legal representation with respect to such claim by an attorney competent in respect of the subject matter and reasonably selected by the Company;

(c) cooperate with the Company in good faith in order effectively to contest such claim; and

(d) permit the Company to participate in any proceedings relating to such claim.

Without limiting the foregoing provisions of this Section 6(i), the Company will control all proceedings taken in connection with the contest of any claim contemplated by this Section 6(i) and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim (provided, however, that the Executive may participate therein at his own cost and expense) and may, at its option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company will determine.

7. Unauthorized Disclosure. During the period of Executive's employment with Holding or the Company and the ten year period following any termination of such employment, without the prior written consent of the Holding Board or its authorized representative, except to the extent required by an order of

a court having jurisdiction or under subpoena from an appropriate government agency, in which event, Executive shall use his best efforts to consult with the Holding Board prior to responding to any such order or subpoena, and except as required in the performance of his duties hereunder, Executive shall not disclose any confidential or proprietary trade secrets, customer lists, drawings, designs, information regarding product development, marketing plans, distribution plans, sales plans, management organization information (including but not limited to data and other information relating to members of the Holding Board, the Board or the Board of Directors of any of Holding's or the Company's Affiliates or to management of Holding, the Company or any of their respective Affiliates), operating policies or manuals, business or strategic plans, financial records, packaging design or other financial, commercial, business or technical information (a) relating to Holding, the Company or any of their respective Affiliates or (b) that Holding, the Company or any of their respective Affiliates may receive belonging to suppliers, customers or others who do business with the Holding, the Company or any of their respective Affiliates (collectively, "Confidential Information") to any third person unless such Confidential Information has been previously disclosed to the public or is in the public domain (other than by reason of Executive's breach of this Section 7).

8. Non-Competition. During the period of Executive's employment with Holding or the Company and, following any termination thereof, the period ending on (i) in the case of a Qualifying Termination, the date the Severance Period expires or (ii) in the event of any other termination of Executive's employment, the second anniversary of the Date of Termination (such applicable periods, collectively, the "Restriction Period"), Executive shall not, directly or indirectly, become employed in an executive capacity by, engage in business with, serve as an agent or consultant to, or become a partner, member, principal or stockholder (other than a holder of less than 1% of the outstanding voting shares of any publicly held company) of, any Person that competes, anywhere in the United States, Canada or Mexico, with any part of the business of Holding, the Company or any of their respective Subsidiaries. For purposes of this Section 8, the phrase employment "in an executive capacity" shall mean employment in any position in connection with which Executive has or reasonably would be viewed as having powers and authorities with respect to any other Person or any part of the business thereof that are substantially similar, with respect thereto, to the powers and authorities assigned to the President or Chief Executive Officer or any other executive officer of Holding or the Company in the By-Laws of Holding or the Company as in effect on the date hereof, a copy of the relevant portions of which has been delivered to Executive on or before the date hereof, and which Executive hereby confirms that he has reviewed.

9. Non-Solicitation of Employees. During the Restriction Period, Executive shall not, directly or indirectly, for his own account or for the account of any other Person anywhere in the United States, Canada or Mexico, (i) solicit for employment, employ or otherwise interfere with the relationship of Holding, the Company or any of their respective Affiliates with any natural person throughout the United States, Canada or Mexico who is or was employed by or otherwise engaged to perform services for Holding, the Company or any of their respective Affiliates during the six-month period preceding such solicitation, employment or interference, other than any such solicitation or employment on behalf of Holding, the Company or any of their respective Affiliates during Executive's employment with Holding and the Company, or (ii) induce any employee of Holding, the Company or any of their respective Affiliates who is a member of management to engage in any activity which Executive is prohibited from engaging in under any of Sections 7, 8, 9 or 10 or to terminate his employment with Holding, the Company or any of their respective Affiliates.

10. Non-Solicitation of Customers. During the Restriction Period, Executive shall not, directly or indirectly, for his own account or for the account of any other Person anywhere in the United States, Canada or Mexico, solicit or otherwise attempt to establish any business relationship of a nature that is competitive with the business or relationship of Holding, the Company or any of their respective Affiliates with any Person throughout the United States, Canada or Mexico which is or was a customer, client or distributor of Holding, the Company or any of their respective Affiliates during the twelve-month period preceding the Date of Termination, other than any such solicitation on behalf of Holding, the Company or any of their respective Affiliates during Executive's employment with Holding and the Company.

11. Return of Documents. In the event of the termination of Executive's employment for any reason, Executive shall deliver to the Company all of (a) the property of each of Holding, the Company or any of their respective Affiliates and (b) the non-personal documents and data of any nature and in whatever medium of each of Holding, the Company or any of their respective Affiliates, and he shall not take with him any such property, documents or data or any reproduction thereof, or any documents containing or pertaining to any Confidential Information.

12. Injunctive Relief with Respect to Covenants; Forum, Venue and Jurisdiction. Executive acknowledges and agrees that the covenants, obligations and agreements of Executive contained in Sections 7, 8, 9, 10, 11 and 12 relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause Holding and the Company irreparable injury for which adequate

remedies are not available at law. Therefore, Executive agrees that Holding and the Company shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Executive from committing any violation of such covenants, obligations or agreements. These injunctive remedies are cumulative and in addition to any other rights and remedies Holding or the Company may have. Holding, the Company and Executive each hereby irrevocably submits to the exclusive jurisdiction of the courts of Pennsylvania and the Federal courts of the United States of America, in each case located in Pittsburgh, Pennsylvania, in respect of the injunctive remedies set forth in this Section 12 and the interpretation and enforcement of Sections 7, 8, 9, 10, 11 and 12 insofar as such interpretation and enforcement relate to any request or application for injunctive relief in accordance with the provisions of this Section 12, and the parties hereto hereby irrevocably agree that (a) the sole and exclusive appropriate venue for any suit or proceeding relating solely to such injunctive relief shall be in such a court, (b) all claims with respect to any request or application for such injunctive relief shall be heard and determined exclusively in such a court, (c) any such court shall have exclusive jurisdiction over the person of such parties and over the subject matter of any dispute relating to any request or application for such injunctive relief, and (d) each hereby waives any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to an application for such injunctive relief in a suit or proceeding brought before such a court in accordance with the provisions of this Section 12.

Notwithstanding any other provision hereof, the Company's obligations to pay Executive any amount pursuant to Section 6(f) is subject to Executive's compliance with his obligations under Sections 7, 8, 9, 10, 11 and 12.

13. Assumption of Agreement. Holding or the Company will require any successor (by purchase, merger, consolidation or otherwise) to all or substantially all of its business and/or assets, by agreement in form and substance reasonably satisfactory to Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that Holding or the Company, whichever is applicable, would be required to perform it if no such succession had taken place. As used in this Agreement, the term "Holding" or "Company" shall mean Holding or the Company, as the case may be, as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 13 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

14. Entire Agreement. Except as otherwise expressly provided herein, this Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof, and all promises, representations, understandings, arrangements and prior agreements relating to such subject matter (including those made to or with Executive by any other person or entity) are merged herein and superseded hereby.

15. Indemnification. The Company agrees that it shall indemnify and hold harmless Executive to the fullest extent permitted by Delaware law from and against any and all liabilities, costs, claims and expenses including without limitation all costs and expenses incurred in defense of litigation, including attorneys' fees, arising out of the employment of Executive hereunder, except to the extent arising out of or based upon the gross negligence or willful misconduct of Executive.

16. Miscellaneous.

(a) Binding Effect. This Agreement shall be binding on and inure to the benefit of each of Holding and the Company and their respective successors and permitted assigns. This Agreement shall also be binding on and inure to the benefit of Executive and his heirs, executors, administrators and legal representatives.

(b) Arbitration. Any dispute or controversy arising under or in connection with this Agreement (except in connection with any request or application for injunctive relief in accordance with Section 12) shall be resolved by binding arbitration. The arbitration shall be held in Pittsburgh, Pennsylvania and, except to the extent inconsistent with this Agreement, shall be conducted in accordance with the Rules of the American Arbitration Association then in effect at the time of the arbitration, and otherwise in accordance with principles which would be applied by a court of law or equity. The arbitrator shall be acceptable to both the Company and Executive. If the parties cannot agree on an acceptable arbitrator, the dispute shall be heard by a panel of three arbitrators, one appointed by the Company, one appointed by Executive, and the third appointed by the other two arbitrators. All expenses of arbitration shall be borne by the party who incurs the expense, or, in the case of joint expenses, by both parties in equal portions.

(c) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Pennsylvania without reference to principles of conflict of laws.

(d) Taxes. Holding or the Company may withhold from any payments made under this Agreement all federal, state, city or other applicable taxes as shall be required pursuant to any law, governmental regulation or ruling.

(e) Amendments. No provision of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is approved by the Board and the Holding Board or a person authorized thereby and is agreed to in writing by Executive and such officer as may be specifically designated by the applicable Board. No waiver by any party hereto at any time of any breach by any other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No waiver of any provision of this Agreement shall be implied from any course of dealing between or among the parties hereto or from any failure by any party hereto to assert its rights hereunder on any occasion or series of occasions. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

(f) Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

(g) Notices. Any notice or other communication required or permitted to be delivered under this Agreement shall be (i) in writing, (ii) delivered personally, by courier service or by certified or registered mail, first-class postage prepaid and return receipt requested, (iii) deemed to have been received on the date of delivery or on the third business day after the mailing thereof, and (iv) addressed as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

(A) if to the Company or Holding, to it at:

WESCO Distribution, Inc.
One Riverfront Center
Pittsburgh, Pennsylvania 15222
Attention: Chairman

(B) if to Executive, to him at the address listed on the signature page hereof.

Copies of any notices or other communications given under this Agreement shall also be given to:

The Cypress Group
65 East 56th Street, 19th Floor
New York, New York 10022
Attention: Mr. Anthony D. Tutrone

and

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017
Attention: Alvin H. Brown, Esq.

(h) Survival. Sections 7 through 16, inclusive, and, if Executive's employment terminates in a manner giving rise to a payment under Section 6(f), Section 6(f), shall survive the termination of the employment of Executive hereunder.

(i) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(j) Headings. The section and other headings contained in this Agreement are for the convenience of the parties only and are not intended to be a part hereof or to affect the meaning or interpretation hereof.

(k) Certain Definitions.

(k) Certain Definitions.

"Affiliate": with respect to any Person, means any other Person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with the first Person, including but not limited to a Subsidiary of the first Person, a Person of which the first Person is a Subsidiary, or another Subsidiary of a Person of which the first Person is also a Subsidiary.

"Control": with respect to any Person, means the possession, directly or indirectly, severally or jointly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

"Person": any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity.

"Subsidiary": with respect to any Person, each corporation or other Person in which the first Person owns or Controls, directly or indirectly, capital stock or other ownership interests representing 50% or more of the combined voting power of the outstanding voting stock or other ownership interests of such corporation or other Person.

"Successor": of a Person means a Person that succeeds to the first Person's assets and liabilities by merger,

liquidation, dissolution or otherwise by operation of law, or a Person to which all or substantially all the assets and/or business of the first Person are transferred.

IN WITNESS WHEREOF, Holding and the Company have each duly executed this Agreement by its authorized representative and Executive has hereunto set his hand, in each case effective as of the date first above written.

WESCO INTERNATIONAL, INC.

By:

Name:
Title:

WESCO DISTRIBUTION, INC.

By:

Name:
Title:

Executive:

Roy W. Haley

Address:

RATIO OF EARNINGS TO FIXED CHARGES
(in thousands)

	Year Ended December 31, 1993	Two Months Ended February 28, 1994	Ten Months Ended December 31, 1994	Adjusted Combined Year Ended December 31, 1994
Consolidated Statements of Income Data				
Income (loss) before income taxes, cumulative effect and extraordinary charge	$ (23,486)	$ (6,013)	$ 7,216	$ 1,203
Add:				
Portion of rents representative of the interest factor	3,667	633	4,418	5,051
Interest on indebtedness	14,175	2,328	14,817	17,145
Amortization of deferred financing costs	-	-	2,837	2,837
Income as adjusted	$ (5,644)	$ (3,052)	$ 29,288	$ 26,236
Fixed charges:				
Portion of rents representative of the interest factor	$ 3,667	$ 633	$ 4,418	$ 5,051
Interest on indebtedness	14,175	2,328	14,817	17,145
Amortization of deferred financing costs	-	-	2,837	2,837
Fixed charges	$ 17,842	$ 2,961	$ 22,072	$ 25,033
Ratio of earnings to fixed charges	-	-	1.3	-

	Year Ended December 31,			Three Months Ended March 31,	
	1995	1996	1997	1997	1998
Consolidated Statements of Income Data					
Income (loss) before income taxes, cumulative effect and extraordinary charge	$ 39,920	$ 50,826	$ 59,947	$ 10,092	$ 13,972
Add:					
Portion of rents representative of the interest factor	5,442	7,344	8,790	1,238	1,512
Interest on indebtedness	15,020	17,067	19,721	4,685	6,082
Amortization of deferred financing costs	793	315	388	113	120
Income as adjusted	$ 61,175	$ 75,552	$ 88,846	$ 16,128	$ 21,686
Fixed charges:					
Portion of rents representative of the interest factor	$ 5,442	$ 7,344	$ 8,790	$ 1,238	$ 1,512
Interest on indebtedness	15,020	17,067	19,721	4,685	6,082
Amortization of deferred financing costs	793	315	388	113	120
Fixed charges	$ 21,255	$ 24,726	$ 26,899	$ 6,036	$ 7,714
Ratio of earnings to fixed charges	2.9	3.1	3.1	2.7	2.8

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the inclusion in this Registration Statement of Form S-4 of our report, dated February 6, 1998, except for Note 17, as to which the date is May 8, 1998, on our audits of the consolidated financial statements and financial statement schedule of WESCO International, Inc. and subsidiaries. We also consent to the references to our firm under the captions "Experts" and "Selected Historical Consolidated Financial Data."

/s/ Coopers & Lybrand LLC
600 Grant Street
Pittsburgh, Pennsylvania
June 23, 1998

Registration No.

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY AND QUALIFICATION UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

BANK ONE, N.A.

Not Applicable 31-4148768
(State of Incorporation (I.R.S. Employer
if not a national bank) Identification No.)

100 East Broad Street, Columbus, Ohio 43271-0181
(Address of trustee's principal (Zip Code) executive offices)

c/o Bank One Trust Company, NA
100 East Broad Street
Columbus, Ohio 43271-0181
(614) 248-6229
(Name, address and telephone number of agent for service)

WESCO International, Inc.
(Exact name of obligor as specified in its charter)

Delaware	25-1723345
(State or other jurisdiction of incorporation or organization)	(I.R.S.Employer Identification No.)

WESCO Distribution, Inc.
(Exact name of obligor as specified in its charter)

Delaware	25-1723345
(State or other jurisdiction of incorporation or organization)	(I.R.S.Employer Identification No.)

Commerce Court, Suite 700 Four Station Square, Pittsburgh, PA (Address of principal executive office)	15219 (Zip Code)

9 1/8% Senior Subordinated Notes due 2008, Series B
11 1/8% Senior Discount Notes due 2008, Series B
(Title of the Indenture securities)

GENERAL

1. General Information.
Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of the Currency, Washington, D.C.

Federal Reserve Bank of Cleveland, Cleveland, Ohio

Federal Deposit Insurance Corporation, Washington, D.C.

The Board of Governors of the Federal Reserve System, Washington, D.C.

(b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

2. Affiliations with Obligor and Underwriters.
If the obligor is an affiliate of the trustee, describe each such affiliation.

The obligor is not an affiliate of the trustee.

16. List of Exhibits
List below all exhibits filed as a part of this statement of eligibility and qualification. (Exhibits identified in parentheses, on file with the Commission, are incorporated herein by reference as exhibits hereto.)

Exhibit 1 - A copy of the Articles of Association of the trustee as now in effect.

Exhibit 2 - A copy of the Certificate of Authority of the trustee to commence business, see Exhibit 2 to Form T-1, filed in connection with Form S-3 relating to Wheeling-Pittsburgh Corporation 9 3/8% Senior Notes due 2003, Securities and Exchange Commission File No. 33-50709.

Exhibit 3 - A copy of the Authorization of the trustee to exercise corporate trust powers, see Exhibit 3 to Form T-1, filed in connection with Form S-3

relating to Wheeling-Pittsburgh Corporation 9 3/8% Senior Notes due 2003,
Securities and Exchange Commission File No. 33-50709.

Exhibit 4 - A copy of the Bylaws of the trustee as now in effect.

Exhibit 5 - Not applicable.

Exhibit 6 - The consent of the trustee required by Section 321(b) of the Trust Indenture Act of 1939, as amended.

Exhibit 7 - Report of Condition of the trustee as of the close of business on March 31, 1998, published pursuant to the requirements of the Comptroller of the Company, see attached.

Exhibit 8 - Not applicable.

Exhibit 9 - Not applicable.

Items 3 through 15 are not answered pursuant to General Instruction B which requires responses to Item 1, 2 and 16 only, if the obligor is not in default.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, Bank One, NA, a national banking association organized under the National Banking Act, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in Columbus, Ohio, on _____, 1998.

Bank One, NA

By: /s/

Authorized Signer

Exhibit 1

BANK ONE, COLUMBUS, NATIONAL ASSOCIATION

ARTICLES OF ASSOCIATION

For the purpose of organizing an association to carry on the business of banking under the laws of the United States, the following Articles of Association are entered into:

FIRST. The title of this Association shall be BANK ONE, COLUMBUS, NATIONAL ASSOCIATION.

SECOND. The main office of the Association shall be in Columbus, County of Franklin, State of Ohio. The general business of the Association shall be conducted at its main office and its branches.

THIRD. The Board of Directors of this Association shall consist of not less than five nor more than twenty-five Directors, the exact number of Directors within such minimum and maximum limits to be fixed and determined from time-to-time by resolution of the shareholders at any annual or special meeting thereof, provided, however, that the Board of Directors, by resolution of a majority thereof, shall be authorized to increase the number of its members by not more than two between regular meetings of the shareholders. Each Director, during the full term of his directorship, shall own, as qualifying shares, the minimum number of shares of either this Association or of its parent bank holding company in accordance with the provisions of applicable law. Unless otherwise provided by the laws of the United States, any vacancy in the Board of Directors for any reason, including an increase in the number thereof, may be filled by action of the Board of Directors.

FOURTH. The annual meeting of the shareholders for the election of Directors and the transaction of whatever other business may be brought before said meeting shall be held at the main office of this Association or such other place as the Board of Directors may designate, on the day of each year specified therefor in the By-Laws, but if no election is held on that day, it may be held on any subsequent business day according to the provisions of law; and all elections shall be held according to such lawful regulations as may be prescribed by the Board of Directors.

FIFTH. The authorized amount of capital stock of this Association shall be 2,073,750 shares of common stock of the par value of Ten Dollars ($10) each; but said capital stock may be increased or decreased from time-to-time, in accordance with the provisions of the laws of the United States.

No holder of shares of the capital stock of any class of the Association shall have the preemptive or preferential right of subscription to any share of any class of stock of this Association, whether now or hereafter authorized or to any obligations convertible into stock of this Association, issued or sold, nor any right of subscription to any thereof other than such, if any, as the Board of Directors, in its discretion, may from time-to-time determine and at such price as the Board of Directors may from time-to-time fix.

This Association, at any time and from time-to-time, may authorize and issue debt obligations, whether or not subordinated, without the approval of the shareholders.

SIXTH. The Board of Directors shall appoint one of its members President of the Association, who shall be Chairman of the Board, unless the Board appoints another director to be the Chairman. The Board of Directors shall have the power to appoint one or more Vice Presidents and to appoint a Secretary and such other officers and employees as may be required to transact the business of this Association.

The Board of Directors shall have the power to define the duties of the officers and employees of this Association; to fix the salaries to be paid to them; to dismiss them; to require bonds from them and to fix the penalty thereof; to regulate the manner in which any increase of the capital of this Association shall be made; to manage and administer the business and affairs of this Association; to make all By-Laws that it may be lawful for them to make; and generally to do and perform all acts that it may be legal for a Board of Directors to do and perform.

SEVENTH. The Board of Directors shall have the power to change the location of the main office to any other place within the limits of the City of Columbus, Ohio, without the approval of the shareholders but subject to

the approval of the Comptroller of the Currency; and shall have the power to establish or change the location of any branch or branches of this Association to any other location, without the approval of the shareholders but subject to the approval of the Comptroller of the Currency.

EIGHTH. The corporate existence of this Association shall continue until terminated in accordance with the laws of the United States.

NINTH. The Board of Directors of this Association, or any three or more shareholders owning, in the aggregate, not less than 10 percent of the stock of this Association, may call a special meeting of shareholders at any time. Unless otherwise provided by the laws of the United States, a notice of the time, place and purpose of every annual and special meeting of the shareholders shall be given by first-class mail, postage prepaid, mailed at least ten days prior to the date of such meeting to each shareholder of record at his address as shown upon the books of this Association.

TENTH. Every person who is or was a Director, officer or employee of the Association or of any other corporation which he served as a Director, officer or employee at the request of the Association as part of his regularly assigned duties may be indemnified by the Association in accordance with the provisions of this paragraph against all liability (including, without limitation, judgments, fines, penalties and settlements) and all reasonable expenses (including, without limitation, attorneys' fees and investigative expenses) that may be incurred or paid by him in connection with any claim, action, suit or proceeding, whether civil, criminal or administrative (all referred to hereafter in this paragraphs as "Claims") or in connection with any appeal relating thereto in which he may become involved as a party or otherwise or with which he may be threatened by reason of his being or having been a Director, officer or employee of the Association or such other corporation, or by reason of any action taken or omitted by him in his capacity as such Director, officer or employee, whether or not he continues to be such at the time such liability or expenses are incurred, provided that nothing contained in this paragraph shall be construed to permit indemnification of any such person who is adjudged guilty of, or liable for, willful misconduct, gross neglect of duty or criminal acts, unless, at the time such indemnification is sought, such indemnification in such instance is permissible under applicable law and regulations, including published rulings of the Comptroller of the Currency or other appropriate supervisory or regulatory authority, and provided further that there shall be no indemnification of directors, officers, or employees against expenses, penalties, or other payments incurred in an administrative proceeding or action instituted by an appropriate regulatory agency which proceeding or action results in a final order assessing civil money penalties or requiring affirmative action by an individual or individuals in the form of payments to the Association. Every person who may be indemnified under the provisions of this paragraph and who has been wholly successful on the merits with respect to any Claim shall be entitled to indemnification as of right. Except as provided in the preceding sentence, any indemnification under this paragraph shall be at the sole discretion of the Board of Directors and shall be made only if the Board of Directors or the Executive Committee acting by a quorum consisting of

Directors who are not parties to such Claim shall find or if independent legal counsel (who may be the regular counsel of the Association) selected by the Board of Directors or Executive Committee whether or not a disinterested quorum exists shall render their opinion that in view of all of the circumstances then surrounding the Claim, such indemnification is equitable and in the best interests of the Association. Among the circumstances to be taken into consideration in arriving at such a finding or opinion is the existence or non-existence of a contract of insurance or indemnity under which the Association would be wholly or partially reimbursed for such indemnification, but the existence or non-existence of such insurance is not the sole circumstance to be considered nor shall it be wholly determinative of whether such indemnification shall be made. In addition to such finding or opinion, no indemnification under this paragraph shall be made unless the Board of Directors or the Executive

Committee acting by a quorum consisting of Directors who are not parties to such Claim shall find or if independent legal counsel (who may be the regular counsel of the Association) selected by the Board of Directors or Executive Committee whether or not a disinterested quorum exists shall render their opinion that the Director, officer or employee acted in good faith in what he reasonably believed to be the best interests of the Association or such other corporation and further in the case of any criminal action or proceeding, that the Director, officer or employee reasonably believed his conduct to be lawful. Determination of any Claim by judgment adverse to a Director, officer or employee by settlement with or without Court approval or conviction upon a plea of guilty or of nolo contendere or its equivalent shall not create a presumption that a Director, officer or employee failed to meet the standards of conduct set forth in this paragraph. Expenses incurred with respect to any Claim may be advanced by the Association prior to the final disposition thereof upon receipt of an undertaking satisfactory to the Association by or on behalf of the recipient to repay such amount unless it is ultimately determined that he is entitled to indemnification under this paragraph. The rights of indemnification provided in this paragraph shall be in addition to any rights to which any Director, officer or employee may otherwise be entitled by contract or as a matter of law.

Every person who shall act as a Director, officer or employee of this Association shall be conclusively presumed to be doing so in reliance upon the right of indemnification provided for in this paragraph.

ELEVENTH. These Articles of Association may be amended at any regular or special meeting of the shareholders by the affirmative vote of the holders of a majority of the stock of this Association, unless the vote of the holders of a greater amount of stock is required by law, and in that case by the vote of the holders of such greater amount.

Exhibit 4

BY-LAWS
OF
BANK ONE, COLUMBUS, NATIONAL ASSOCIATION

ARTICLE I
MEETING OF SHAREHOLDERS

SECTION 1.01. ANNUAL MEETING. The regular annual meeting of the Shareholders of the Bank for the election of Directors and for the transaction of such business as may properly come before the meeting shall be held at its main banking house, or other convenient place duly authorized by the Board of Directors, on the third Monday of January of each year, or on the next succeeding banking day, if the day fixed falls on a legal holiday. If from any cause, an election of directors is not made on the day fixed for the regular meeting of shareholders or, in the event of a legal holiday, on the next succeeding banking day, the Board of Directors shall order the election to be held on some subsequent day, as soon thereafter as practicable, according to the provisions of law; and notice thereof shall be given in the manner herein provided for the annual meeting. Notice of such annual meeting shall be given by or under the direction of the Secretary or such other officer as may be designated by the Chief Executive Officer by first-class mail, postage prepaid, to all shareholders of record of the Bank at their respective addresses as shown upon the books of the Bank mailed not less than ten days prior to the date fixed for such meeting.

SECTION 1.02. SPECIAL MEETINGS. A special meeting of the shareholders of this Bank may be called at any time by the Board of Directors or by any three or more shareholders owning, in the aggregate, not less than ten percent of the stock of this Bank. The notice of any special meeting of the shareholders called by the Board of Directors, stating the time, place and purpose of the meeting, shall be given by or under the direction of the Secretary, or such other officer as is designated by the Chief Executive Officer, by first-class mail, postage prepaid, to all shareholders of

record of the Bank at their respective addresses as shown upon the books of the Bank, mailed not less than ten days prior to the date fixed for such meeting.

Any special meeting of shareholders shall be conducted and its proceedings recorded in the manner prescribed in these By-Laws for annual meetings of shareholders.

SECTION 1.03. SECRETARY OF SHAREHOLDERS' MEETING. The Board of Directors may designate a person to be the Secretary of the meetings of shareholders. In the absence of a presiding officer, as designated in these By-Laws, the Board of Directors may designate a person to act as the presiding officer. In the event the Board of Directors fails to designate a person to preside at a meeting of shareholders and a Secretary of such meeting, the shareholders present or represented shall elect a person to preside and a person to serve as Secretary of the meeting.

The Secretary of the meetings of shareholders shall cause the returns made by the judges and election and other proceedings to be recorded in the minute book of the Bank. The presiding officer shall notify the directors-elect of their election and to meet forthwith for the organization of the new board.

The minutes of the meeting shall be signed by the presiding officer and the Secretary designated for the meeting.

SECTION 1.04. JUDGES OF ELECTION. The Board of Directors may appoint as many as three shareholders to be judges of the election, who shall hold and conduct the same, and who shall, after the election has been held, notify, in writing over their signatures, the secretary of the shareholders' meeting of the result thereof and the names of the Directors elected; provided, however, that upon failure for any reason of any judge or judges of election, so appointed by the directors, to serve, the presiding officer of the meeting shall appoint other shareholders or their proxies to fill the vacancies. The judges of election at the request of the chairman of the

meeting, shall act as tellers of any other vote by ballot taken at such meeting, and shall notify, in writing over their signatures, the secretary of the Board of Directors of the result thereof.

SECTION 1.05. PROXIES. In all elections of Directors, each shareholder of record, who is qualified to vote under the provisions of Federal Law, shall have the right to vote the number of shares of record in his name for as many persons as there are Directors to be elected, or to cumulate such shares as provided by Federal Law. In deciding all other questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock of record in his name. Shareholders may vote by proxy duly authorized in writing. All proxies used at the annual meeting shall be secured for that meeting only, or any adjournment thereof, and shall be dated, and if not dated by the shareholder, shall be dated as of the date of receipt thereof. No officer or employee of this Bank may act as proxy.

SECTION 1.06. QUORUM. Holders of record of a majority of the shares of the capital stock of the Bank, eligible to be voted, present either in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of shareholders, but shareholders present at any meeting and constituting less than a quorum may, without further notice, adjourn the meeting from time to time until a quorum is obtained. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting, unless otherwise provided by law or by the Articles of Association.

ARTICLE II
DIRECTORS

SECTION 2.01. MANAGEMENT OF THE BANK. The business of the Bank shall be managed by the Board of Directors. Each director of the Bank shall be the beneficial owner of a substantial number of shares of BANC ONE CORPORATION and shall be employed either in the position of Chief Executive Officer or active leadership within his or her business, professional or community interest which shall be located within the geographic area in which the Bank operates, or as an executive officer of the Bank. A director shall not be eligible for nomination and re-election as a director of the Bank if such person's executive or leadership position within his or her business, professional or community interests which qualifies such person as a director of Bank terminates. The age of 70 is the mandatory retirement age as a director of the Bank. When a person's eligibility as director of the Bank terminates, whether because of change in share ownership, position, residency or age, within 30 days after such termination, such person shall submit his resignation as a director to be effective at the pleasure of the Board provided, however, that in no event shall such person be nominated or elected as a director. Provided, however, following a person's retirement or resignation as a director because of the age limitations herein set forth with respect to election or re-election as a director, such person may, in special or unusual circumstances, and at the discretion of the Board, be elected by the directors as a Director Emeritus of the Bank for a limited period of time. A Director Emeritus shall have the right to participate in board meetings but shall be without the power to vote and shall be subject to re-election by the Board at its organizational meeting following the Bank's annual meeting of shareholders.

SECTION 2.02. QUALIFICATIONS. Each director shall have the qualification prescribed by law. No person elected a director may exercise any of the powers of his office until he has taken the oath of such office.

SECTION 2.03. TERM OF OFFICE/VACANCIES. A director shall hold office until the annual meeting for the year in which his term expires and until his successor shall be elected and shall qualify, subject, however, to his prior death, resignation, or removal from office. Whenever any vacancy shall occur among the directors, the remaining directors shall constitute the directors of the Bank until such vacancy is filled by the remaining directors, and any director so appointed shall hold office for the unexpired term of his or her successor. Notwithstanding the foregoing, each director shall hold office and serve at the pleasure of the Board.

SECTION 2.04. ORGANIZATION MEETING. The directors elected by the share- holders shall meet for organization of the new board at the time fixed by the presiding officer of the annual meeting. If at the time fixed for such meeting there is no quorum present, the Directors in attendance may adjourn from time to time until a quorum is obtained. A majority of the number of Directors elected by the shareholders shall constitute a quorum for the transaction of business.

SECTION 2.05. REGULAR MEETINGS. The regular meetings of the Board of Directors shall be held on the third Monday of each calendar month excluding March and July, which meeting will be held at 4:00 p.m. When any regular meeting of the Board falls on a holiday, the meeting shall be held on such other day as the Board may previously designate or should the Board fail to so designate, on such day as the Chairman of the Board of President may fix. Whenever a quorum is not present, the directors in attendance shall adjourn the meeting to a time not later than the date fixed by the Bylaws for the next succeeding regular meeting of the Board.

SECTION 2.06. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held at the call of the Chairman of the Board or President, or at the request of two or more Directors. Any special meeting may be held

at such place in Franklin County, Ohio, and at such time as may be fixed in the call. Written or oral notice shall be given to each Director not later than the day next preceding the day on which special meeting is to be held, which notice may be waived in writing.

The presence of a Director at any meeting of the Board shall be deemed a waiver of notice thereof by him. Whenever a quorum is not present the Directors in attendance shall adjourn the special meeting from day to day until a quorum is obtained.

SECTION 2.07. QUORUM. A majority of the Directors shall constitute a quorum at any meeting, except when otherwise provided by law; but a lesser number may adjourn any meeting, from time-to-time, and the meeting may be held, as adjourned, without further notice. When, however, less than a quorum as herein defined, but at least one-third and not less than two of the authorized number of Directors are present at a meeting of the Directors, business of the Bank may be transacted and matters before the Board approved or disapproved by the unanimous vote of the Directors present.

SECTION 2.08. COMPENSATION. Each member of the Board of Directors shall receive such fees for, and transportation expenses incident to, attendance at Board and Board Committee Meetings and such fees for service as a Director irrespective of meeting attendance as from time to time are fixed by resolution of the Board; provided, however, that payment hereunder shall not be made to a Director for meetings attended and/or Board service which are not for the Bank's sole benefit and which are concurrent and duplicative with meetings attended or board service for an affiliate of the Bank for which the Director receives payment; and provided further, that payment hereunder shall not be made in the case of any Director in the regular employment of the Bank or of one of its affiliates.

SECTION 2.09. EXECUTIVE COMMITTEE. There shall be a standing committee of the Board of Directors known as the Executive Committee which shall possess and exercise, when the Board is not in session, all powers of the Board that may lawfully be delegated. The Executive Committee shall also exercise the powers of the Board of Directors in accordance with the Provisions of the "Employees Retirement Plan" and the "Agreement and Declaration of Trust" as the same now

exist or may be amended hereafter. The Executive Committee shall consist of not fewer than four board members, including the Chairman of the Board and President of the Bank, one of whom, as hereinafter required by these By-laws, shall be the Chief Executive Officer. The other members of the Committee shall be appointed by the Chairman of the Board or by the President, with the approval of the Board and shall continue as members of the Executive Committee until their successors are appointed, provided, however, that any member of the Executive Committee may be removed by the Board upon a majority vote thereof at any regular or special meeting of the Board. The Chairman or President shall fill any vacancy in the Committee by the appointment of another Director, subject to the approval of the Board of Directors. The regular meetings of the Executive Committee shall be held on a regular basis as scheduled by the Board of Directors. Special meetings of the Executive Committee shall be held at the call of the Chairman or President or any two members thereof at such time or times as may be designated. In the event of the absence of any member or members of the Committee, the presiding member may appoint a member or members of the Board to fill the place or places of such absent member or members to serve during such absence. Not fewer than three members of the Committee must be present at any meeting of the Executive Committee to constitute a quorum, provided, however that with regard to any matters on which the Executive Committee shall vote, a majority of the Committee members present at the meeting at which a vote is to be taken shall not be officers of the Bank and, provided further, that if, at any meeting at which the Chairman of the Board and President are both present, Committee members who are not officers are not in the majority, then the Chairman of the Board or President, which ever of such officers is not also the Chief Executive Officer, shall not be eligible to vote at such meeting and shall not be recognized for purposes of determining if a quorum is present at such meeting. When neither the Chairman of the Board nor President are present, the Committee shall appoint a presiding officer. The Executive Committee shall keep a record of its proceedings and report its

proceedings and the action taken by it to the Board of Directors.

SECTION 2.10 COMMUNITY REINVESTMENT ACT AND COMPLIANCE POLICY COMMITTEE. There shall be a standing committee of the Board of Directors known as the Community Reinvestment Act and Compliance Policy Committee the duties of which shall be, at least once in each calendar year, to review, develop and recommend policies and programs related to the Bank's Community Reinvestment Act Compliance and regulatory compliance with all existing statutes, rules and regulations affecting the Bank under state and federal law. Such Committee shall provide and promptly make a full report of such review of current Bank policies with regard to Community Reinvestment Act and regulatory compliance in writing to the Board, with recommendations, if any, which may be necessary to correct any unsatisfactory conditions. Such Committee may, in its discretion, in fulfilling its duties, utilize the Community Reinvestment Act officers of the Bank, Banc One Ohio Corporation and Banc One Corporation and may engage outside Community Reinvestment Act experts, as approved by the Board, to review, develop and recommend policies and programs as herein required. The Community Reinvestment Act and regulatory compliance policies and procedures established and the recommendations made shall be consistent with, and shall supplement, the Community Reinvestment Act and regulatory compliance programs, policies and procedures of Banc One Corporation and Banc One Ohio Corporation. The Community Reinvestment Act and Compliance Policy Committee shall consist of not fewer than four board members, one of whom shall be the Chief Executive Officer and a majority of whom are not officers of the Bank. Not fewer than three members of the Committee, a majority of whom are not officers of the Bank, must be present to constitute a quorum. The Chairman of the Board or President of the Bank, whichever is not the Chief Executive Officer, shall be an ex officio member of the Community Reinvestment Act and Compliance Policy Committee. The Community Reinvestment Act and Compliance Policy Committee, whose chairman shall be appointed by the Board, shall keep a record of its proceedings and report its proceedings and the action taken by it to the Board of Directors.

SECTION 2.11. TRUST COMMITTEES. There shall be two standing Committees known as the Trust Management Committee and the Trust Examination Committee appointed as hereinafter provided.

SECTION 2.12. OTHER COMMITTEES. The Board of Directors may appoint such special committees from time to time as are in its judgment necessary in the interest of the Bank.

ARTICLE III
OFFICERS, MANAGEMENT STAFF AND EMPLOYEES

SECTION 3.01. OFFICERS AND MANAGEMENT STAFF.

(a) The officers of the Bank shall include a President, Secretary and Security Officer and may include a Chairman of the Board, one or more Vice Chairmen, one or more Vice Presidents (which may include one or more Executive Vice Presidents and/or Senior Vice Presidents) and one or more Assistant Secretaries, all of whom shall be elected by the Board. All other officers may be elected by the Board or appointed in writing by the Chief Executive Officer. The salaries of all officers elected by the Board shall be fixed by the Board. The Board from time-to-time shall designate the President or Chairman of the Board to serve as the Bank's Chief Executive Officer.

(b) The Chairman of the Board, if any, and the President shall be elected by the Board from their own number. The President and Chairman of the Board shall be re-elected by the Board annually at the organizational meeting of the Board of Directors following the Annual Meeting of Shareholders. Such officers as the Board shall elect from their own number shall hold office from the date of their election as officers until the organization meeting of the Board of Directors following the next Annual Meeting of Shareholders, provided, however, that such officers may be relieved of their duties at any time by action of the Board in which event all the powers incident to their office shall immediately terminate.

(c) Except as provided in the case of the elected officers who are members of the Board, all officers, whether elected or appointed, shall hold office at the pleasure of the Board. Except as otherwise limited by law or these By-laws, the Board assigns to Chief Executive Officer and/or his

designees the authority to appoint and dismiss any elected or appointed officer or other member of the Bank's management staff and other employees of the Bank, as the person in charge of and responsible for any branch office, department, section, operation, function, assignment or duty in the Bank.

(d) The management staff of the Bank shall include officers elected by the Board, officers appointed by the Chief Executive Officer, and such other persons in the employment of the Bank who, pursuant to written appointment and authorization by a duly authorized officer of the Bank, perform management functions and have management responsibilities. Any two or more offices may be held by the same person except that no person shall hold the office of Chairman of the Board and/or President and at the same time also hold the office of Secretary.

(e) The Chief Executive Officer of the Bank and any other officer of the Bank, to the extent that such officer is authorized in writing by the Chief Executive Officer, may appoint persons other than officers who are in the employment of the Bank to serve in management positions and in connection therewith, the appointing officer may assign such title, salary, responsibilities and functions as are deemed appropriate by him, provided, however, that nothing contained herein shall be construed as placing any limitation on the authority of the Chief Executive Officer as provided in this and other sections of these By-Laws.

SECTION 3.02. CHIEF EXECUTIVE OFFICER. The Chief Executive Officer of the Bank shall have general and active management of the business of the Bank and shall see that all orders and resolutions of the Board of

Directors are carried into effect. Except as otherwise prescribed or limited by these By-Laws, the Chief Executive Officer shall have full right, authority and power to control all personnel, including elected and appointed officers, of the Bank, to employ or direct the

employment of such personnel and officers as he may deem necessary, including the fixing of salaries and the dismissal of them at pleasure, and to define and prescribe the duties and responsibility of all Officers of the Bank, subject to such further limitations and directions as he may from time-to-time deem proper. The Chief Executive Officer shall perform all duties incident to his office and such other and further duties, as may, from time-to-time, be required of him by the Board of Directors or the shareholders. The specification of authority in these By-Laws wherever and to whomever granted shall not be construed to limit in any manner the general powers of delegation granted to the Chief Executive Officer in conducting the business of the Bank. The Chief Executive Officer or, in his absence, the Chairman of the Board or President of the Bank, as designated by the Chief Executive Officer, shall preside at all meetings of shareholders and meetings of the Board. In the absence of the Chief Executive Officer, such officer as is designated by the Chief Executive Officer shall be vested with all the powers and perform all the duties of the Chief Executive Officer as defined by these By-Laws. When designating an officer to serve in his absence, the Chief Executive Officer shall select an officer who is a member of the Board of Directors whenever such officer is available.

SECTION 3.03. POWERS OF OFFICERS AND MANAGEMENT STAFF. The Chief Executive Officer, the Chairman of the Board, the President, and those officers so designated and authorized by the Chief Executive Officer are authorized for an on behalf of the Bank, and to the extent permitted by law, to make loans and discounts; to purchase or acquire drafts, notes, stock, bonds, and other securities for investment of funds held by the Bank; to execute and purchase acceptances; to appoint, empower and direct all necessary agents and attorneys; to sign and give any notice required to be given; to demand payment and/or to declare due for any default any debt or obligation due or payable to the Bank upon demand or authorized to be declared due; to foreclose any mortgages, to exercise any option, privilege or election to forfeit, terminate, extend or renew any lease; to authorize and direct any proceedings for the collection of any money or for the enforcement

of any right or obligation; to adjust, settle and compromise all claims of every kind and description in favor of or against the Bank, and to give receipts, releases and discharges therefor; to borrow money and in connection therewith to make, execute and deliver notes, bonds or other evidences of indebtedness; to pledge or hypothecate any securities or any stocks, bonds, notes or any property real or personal held or owned by the Bank, or to rediscount any notes or other obligations held or owned by the Bank, to employ or direct the employment of all personnel, including elected and appointed officers, and the dismissal of them at pleasure, and in furtherance of and in addition to the powers hereinabove set forth to do all such acts and to take all such proceedings as in his judgment are necessary and incidental to the operation of the Bank.

Other persons in the employment of the Bank, including but not limited to officers and other members of the management staff, may be authorized by the Chief Executive Officer, or by an officer so designated and authorized by the chief Executive Officer, to perform the powers set forth above, subject, however, to such limitations and conditions as are set forth in the authorization given to such persons.

SECTION 3.04. SECRETARY. The Secretary or such other officers as may be designated by the Chief Executive Officer shall have supervision and control of the records of the Bank and, subject to the direction of the Chief Executive Officer, shall undertake other duties and functions usually performed by a corporate secretary. Other officers may be designated by the Chief Executive Officer or the Board of Directors as Assistant Secretary to perform the duties of the Secretary.

SECTION 3.05. EXECUTION OF DOCUMENTS. The Chief Executive Officer, Chairman of the Board, President,

any officer being a member of the Bank's management staff who is also a person in charge of and responsible for any department within the Bank and any other officer to the extent such officer is so designated and authorized by the Chief Executive Officer, the Chairman of the

Board, the President, or any other officer who is a member of the Bank's management staff who is in charge of and responsible for any department within the Bank, are hereby authorized on behalf of the Bank to sell, assign, lease, mortgage, transfer, deliver and convey any real or personal property now or hereafter owned by or standing in the name of the Bank or its nominee, or held by this Bank as collateral security, and to execute and deliver such deeds, contracts, leases, assignments, bills of sale, transfers or other papers or documents as may be appropriate in the circumstances; to execute any loan agreement, security agreement, commitment letters and financing statements and other documents on behalf of the Bank as a lender; to execute purchase orders, documents and agreements entered into by the Bank in the ordinary course of business, relating to purchase, sale, exchange or lease of services, tangible personal property, materials and equipment for the use of the Bank; to execute powers of attorney to perform specific or general functions in the name of or on behalf of the Bank; to execute promissory notes or other instruments evidencing debt of the Bank; to execute instruments pledging or releasing securities for public funds, documents submitting public fund bids on behalf of the Bank and public fund contracts; to purchase and acquire any real or personal property including loan portfolios and to execute and deliver such agreements, contracts or other papers or documents as may be appropriate in the circumstances; to execute any indemnity and fidelity bonds, proxies or other papers or documents of like or different character necessary, desirable or incidental to the conduct of its banking business; to execute and deliver settlement agreements or other papers or documents as may be appropriate in connection with a dismissal authorized by Section 3.01(c) of these By-laws; to execute agreements, instruments, documents, contracts or other papers of like or difference character necessary, desirable or incidental to the conduct of its banking business; and to execute and deliver partial releases from and discharges or assignments of mortgages, financing statements and assignments or surrender of insurance policies, now or hereafter held by this Bank.

The Chief Executive Officer, Chairman of the Board, President, any officer being a member of the Bank's management staff who is also a person in charge of and responsible for any department within the Bank, and any other officer of the Bank so designated and authorized by the Chief Executive Officer, Chairman of the Board, President or any officer who is a member of the Bank's management staff who is in charge of and responsible for any department within the Bank are authorized for and on behalf of the Bank to sign and issue checks, drafts, and certificates of deposit; to sign and endorse bills of exchange, to sign and countersign foreign and domestic letters of credit, to receive and receipt for payments of principal, interest, dividends, rents, fees and payments of every kind and description paid to the Bank, to sign receipts for property acquired by or entrusted to the Bank, to guarantee the genuineness of signatures on assignments of stocks, bonds or other securities, to sign certifications of checks, to endorse and deliver checks, drafts, warrants, bills, notes, certificates of deposit and acceptances in all business transactions of the Bank.

Other persons in the employment of the Bank and of its subsidiaries, including but not limited to officers and other members of the management staff, may be authorized by the Chief Executive Officer, Chairman of the Board, President or by an officer so designated by the Chief Executive Officer, Chairman of the Board, or President to perform the acts and to execute the documents set forth above, subject, however, to such limitations and conditions as are contained in the authorization given to such person.

SECTION 3.06. PERFORMANCE BOND. All officers and employees of the Bank shall be bonded for the honest and faithful performance of their duties for such amount as may be prescribed by the Board of Directors.

ARTICLE IV
TRUST DEPARTMENT

SECTION 4.01. TRUST DEPARTMENT. Pursuant to the fiduciary powers granted to this Bank under the provisions of Federal Law and Regulations of the Comptroller of the Currency, there shall be maintained a separate Trust Department of the Bank, which shall be operated in the manner specified herein.

SECTION 4.02. TRUST MANAGEMENT COMMITTEE. There shall be a standing Committee known as the Trust Management Committee, consisting of at least five members, a majority of whom shall not be officers of the Bank. The Committee shall consist of the Chairman of the Board who shall be Chairman of the Com- mittee, the President, and at least three other Directors appointed by the Board of Directors and who shall continue as members of the Committee until their successors are appointed. Any vacancy in the Trust Management Committee may be filled by the Board at any regular or special meeting. In the event of the absence of any member or members, such Committee may, in its discretion, appoint members of the Board to fill the place of such absent members to serve during such absence. Three members of the Committee shall constitute a quorum. Any member of the Committee may be removed by the Board by a majority vote at any regular or special meeting of the Board. The Committee shall meet at such times as it may determine or at the call of the Chairman, or President or any two members thereof.

The Trust Management Committee, under the general direction of the Board of Directors, shall supervise the policy of the Trust Department which shall be formulated and executed in accordance with Law, Regulations of the Comptroller of the Currency, and sound fiduciary principles.

SECTION 4.03. TRUST EXAMINATION COMMITTEE. There shall be a standing Committee known as the Trust Examination Committee, consisting of three directors appointed by the Board of Directors and who shall continue as members of the committee until their successors are appointed. Such members shall not be active officers of the Bank. Two members of the Committee shall constitute a quorum. Any member of the Committee may be removed by the Board by a majority vote at any regular or special meeting of the Board. The Committee shall meet at such times as it may determine or at the call of two members thereof.

This Committee shall, at least once during each calendar year and within fifteen months of the last such audit, or at such other time(s) as may be required by Regulations of the Comptroller of the Currency, make suitable audits of the Trust Department or cause suitable audits to be made by auditors responsible only to the Board of Directors, and at such time shall ascertain whether the Department has been administered in accordance with Law, Regulations of the Comptroller of the Currency and sound fiduciary principles.

The Committee shall promptly make a full report of such audits in writing to the Board of Directors of the Bank, together with a recommendation as to what action, if any, may be necessary to correct any unsatisfactory condition. A report of the audits together with the action taken thereon shall be noted in the Minutes of the Board of Directors and such report shall be a part of the records of this Bank.

SECTION 4.04. MANAGEMENT. The Trust Department shall be under the management and supervision of an officer of the Bank or of the trust affiliate of the Bank designated by and subject to the advice and direction of the Chief Executive Officer. Such officer having supervisory responsibility over the Trust Department shall do or cause to be done all things necessary or proper in carrying on the business of the Trust Department in accordance with provisions of law and applicable regulations.

SECTION 4.05. HOLDING OF PROPERTY. Property held by the Trust Department may be carried in the name of the Bank in its fiduciary capacity, in the name of Bank, or in the name of a nominee or nominees.

SECTION 4.06. TRUST INVESTMENTS. Funds held by the Bank in a fiduciary capacity awaiting investment or distribution shall not be held uninvested or undistributed any longer than is reasonable for the proper management of the account and shall be invested in accordance with the instrument establishing a fiduciary relationship and local law. Where such instrument does not specify the character or class of investments to be made and does not vest in the Bank any discretion in the matter, funds held pursuant to such instrument shall be invested in any investment which corporate fiduciaries may invest under local law.

The investments of each account in the Trust Department shall be kept separate from the assets of the Bank, and shall be placed in the joint custody or control of not less than two of the officers or employees of the Bank or of the trust affiliate of the Bank designated for the purpose by the Trust Management Committee.

SECTION 4.07. EXECUTION OF DOCUMENTS. The Chief Executive Officer, Chairman of the Board, President, any officer of the Trust Department, and such other officers of the trust affiliate of the Bank as are specifically designated and authorized by the Chief Executive Officer, the President, or the officer in charge of the Trust Department, are hereby authorized, on behalf of this Bank, to sell, assign, lease, mortgage, transfer, deliver and convey any real property or personal property and to purchase and acquire any real or personal property and to execute and deliver such agreements, contracts, or other papers and documents as may be appropriate in the circumstances for property now or hereafter owned by or standing in the name of this Bank, or its nominee, in any fiduciary capacity, or in the name of any principal for whom this Bank may now or hereafter be acting under a

power of attorney, or as agent and to execute and deliver partial releases from

any discharges or assignments or mortgages and assignments or surrender of insurance policies, to execute and deliver deeds, contracts, leases, assignments, bills of sale, transfers or such other papers or documents as may be appropriate in the circumstances for property now or hereafter held by this Bank in any fiduciary capacity or owned by any principal for whom this Bank may now or hereafter be acting under a power of attorney or as agent; to execute and deliver settlement agreements or other papers or documents as may be appropriate in connection with a dismissal authorized by Section 3.01(c) of these By-laws; provided that the signature of any such person shall be attested in each case by any officer of the Trust Department or by any other person who is specifically authorized by the Chief Executive Officer, the President or the officer in charge of the Trust Department.

The Chief Executive Officer, Chairman of the Board, President, any officer of the Trust Department and such other officers of the trust affiliate of the Bank as are specifically designated and authorized by the Chief Executive Officer, the President, or the officer in charge of the Trust Department, or any other person or corporation as is specifically authorized by the Chief Executive Officer, the President or the officer in charge of the Trust Department, are hereby authorized on behalf of this Bank, to sign any and all pleadings and papers in probate and other court proceedings, to execute any indemnity and fidelity bonds, trust agreements, proxies or other papers or documents of like or different character necessary, desirable or incidental to the appointment of the Bank in any fiduciary capacity and the conduct of its business in any fiduciary capacity; also to foreclose any mortgage, to execute and deliver receipts for payments of principal, interest, dividends, rents, fees and payments of every kind and description paid to the Bank; to sign receipts for property acquired or entrusted to the Bank; also to sign stock or bond certificates on behalf of this Bank in any fiduciary capacity and on behalf of this Bank as transfer agent or registrar; to guarantee the genuineness of signatures on assignments of stocks, bonds or other securities, and to authenticate bonds, debentures, land or lease trust certificates or other forms of security issued pursuant to any indenture under which this Bank now or hereafter is acting as

Trustee. Any such person, as well as such other persons as are specifically authorized by the Chief Executive Officer or the officer in charge of the Trust Department, may sign checks, drafts and orders for the payment of money executed by the Trust Department in the course of its business.

SECTION 4.08. VOTING OF STOCK. The Chairman of the Board, President, any officer of the Trust Department, any officer of the trust affiliate of the Bank and such other persons as may be specifically authorized by Resolution of the Trust Management Committee or the Board of Directors, may vote shares of stock of a corporation of record on the books of the issuing company in the name of the Bank or in the name of the Bank as fiduciary, or may grant proxies for the voting of such stock of the granting if same is permitted by the instrument under which the Bank is acting in a fiduciary capacity, or by the law applicable to such fiduciary account. In the case of shares of stock which are held by a nominee of the Bank, such shares may be voted by such person(s) authorized by such nominee.

ARTICLE V
STOCKS AND STOCK CERTIFICATES

SECTION 5.01. STOCK CERTIFICATES. The shares of stock of the Bank shall be evidenced by certificates which shall bear the signature of the Chairman of the Board, the President, or a Vice President (which signature may be engraved, printed or impressed), and shall be signed manually by the Secretary, or any other officer appointed by the Chief Executive Officer for that purpose.

In case any such officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such before such certificate is issued, it may be issued by the Bank with the same effect as if such officer had not ceased to be such at the time of its issue. Each such certificate shall bear the corporate seal of the Bank, shall recite on its fact that the stock represented thereby is transferable only upon the books of the Bank properly endorsed and shall recite such other information as is required by law and deemed appropriate by the Board. The corporate seal may be facsimile engraved or printed.

SECTION 5.02. STOCK ISSUE AND TRANSFER. The shares of stock of the Bank shall be transferable only upon the stock transfer books of the Bank and except as hereinafter provided, no transfer shall be made or new certificates issued except upon the surrender for cancellation of the certificate or certificates previously issued therefor. In the case of the loss, theft, or destruction of any certificate, a new certificate may be issued in place of such certificate upon the furnishing of any affidavit setting forth the circumstances of such loss, theft, or destruction and indemnity satisfactory to the Chairman of the Board, the President, or a Vice President. The Board of Directors, or the Chief Executive Officer, may authorize the issuance of a new certificate therefor without the furnishing of indemnity. Stock Transfer Books, in which all transfers of stock shall be recorded, shall be provided.

The stock transfer books may be closed for a reasonable period and under such conditions as the Board of Directors may at any time determine for any meeting of shareholders, the payment of dividends or any other lawful purpose. In lieu of closing the transfer books, the Board may, in its discretion, fix a record date and hour constituting a reasonable period prior to the day designated for the holding of any meeting of the shareholders or the day appointed for the payment of any dividend or for any other purpose at the time as of which shareholders entitled to notice of and to vote at any such meeting or to receive such dividend or to be treated as shareholders for such other purpose shall be determined, and only shareholders of record at such time shall be entitled to notice of or to vote at such meeting or to receive such dividends or to be treated as shareholders for such other purpose.

ARTICLE VI
MISCELLANEOUS PROVISIONS

SECTION 6.01. SEAL. The impression made below is an impression of the seal adopted by the Board of Directors of BANK ONE, NA f/k/a Bank One, Columbus, NA. The Seal may be affixed by any officer of the Bank to any document executed by an authorized officer on behalf of the Bank, and any officer may certify any act, proceedings, record, instrument or authority of the Bank.

SECTION 6.02. BANKING HOURS. Subject to ratification by the Executive Committee, the Bank and each of its Branches shall be open for business on such days and during such hours as the Chief Executive Officer of the Bank shall, from time to time, prescribe.

SECTION 6.03. MINUTE BOOK. The organization papers of this Bank, the Articles of Association, the returns of the judges of elections, the By-Laws and any amendments thereto, the proceedings of all regular and special meetings of the shareholders and of the Board of Directors, and reports of the committees of the Board of Directors shall be recorded in the minute book of the Bank. The minutes of each such meeting shall be signed by the presiding Officer and attested by the secretary of the meetings.

SECTION 6.04. AMENDMENT OF BY-LAWS. These By-Laws may be amended by vote of a majority of the Directors.

EXHIBIT 6

Securities and Exchange Commission
Washington, D.C. 20549

CONSENT

The undersigned, designated to act as Trustee under the Indenture for WESCO International, Inc. and WESCO Distribution, Inc. described in the attached Statement of Eligibility and Qualification, does hereby consent that reports of examinations by Federal, State, Territorial, or District Authorities may be furnished by such authorities to the Commission upon the request of the Commission.

This Consent is given pursuant to the provision of Section 321(b) of the Trust Indenture Act of 1939, as amended.

Bank One, NA

Dated: By: /s/

Authorized Signer

EXHIBIT 7

Board of Governors of the Federal Reserve System
OMB Number: 7100-0036

Federal Deposit Insurance Corporation
OMB Number: 3064-0052

Office of the Comptroller of the Currency
OMB Number: 1557-0081

Expires March 31, 2000

Federal Financial Institutions Examination Council

[LOGO] |1|

Please refer to page i,
Table of Contents, for
the required disclosure
of estimated burden.

Consolidated Reports of Condition and Income for
A Bank With Domestic And Foreign Offices -- FFIEC 031

(980331)
Report at the close of business March 31, 1998 --------
(RCRI 9999)

This report is required by law: 12 U.S.C. ss.324 (State member banks); 12 U.S.C. ss.1817 (State nonmember banks); and 12 U.S.C. ss.161 (National banks).

This report form is to be filed by banks with branches and consolidated subsidiaries in U.S. territories and possessions, Edge or Agreement subsidiaries, foreign branches, consolidated foreign subsidiaries, or International Banking Facilities.

NOTE: The Reports of Condition and Income must be signed by an authorized officer and the Report of Condition must be attested to by not less than two directors (trustees) for State nonmember banks and three directors for State member and National banks.

I, C. William Willen, Vice President

Name and Title of Officer Authorized to Sign Report

of the named bank do hereby declare that the Reports of Condition and Income (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true to the best of my knowledge and belief.

/s/ C. William Willen
Signature of Officer Authorized to Sign Report

April 30, 1998
Date of Signature

The Reports of Condition and Income are to be prepared in accordance with Federal regulatory authority instructions.

We, the undersigned directors (trustees), attest to the correctness of the Report of Condition (including the supporting schedules) for this report date and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

/s/ [ILLEGIBLE]
Director (Trustee)

/s/ [ILLEGIBLE]
Director (Trustee)

/s/ [ILLEGIBLE]
Director (Trustee)

Submission of Reports

Each bank must prepare its Reports of Condition and Income either:

(a) in electronic form and then file the computer data file directly with the banking agencies' collection agent, Electronic Data Systems Corporation (EDS), by modem or on computer diskette; or

(b) in hard-copy (paper) form and arrange for another party to convert the paper report to electronic form. That party (if other than EDS) must transmit the bank's computer data file to EDS.

To fulfill the signature and attestation requirement for the Reports of Condition and Income for this report date, attach this signature page to the hard-copy record of the completed report that the bank places in its files.

- - - - ---

FDIC Certificate Number ----------
(RCRI 9050)

CALL NO. 203 31 08-31-98

STBX: 39-1580 00089 STCERT: 39-06559

BANK ONE, NATIONAL ASSOCIATION
100 EAST BROAD STREET, OH1-0121
COLUMBUS, OH 43271

Bank One, NA
100 East Broad Street, OH1-1066
Columbus, OH 43271
Transmitted to EDS as 0101467 on 04/30/98 at 09:05:47 CST

Call Date: 03/31/98 State #: FFIEC 031
Vendor ID: D Cert#: 06559 RC-1
Transit #: 04400037 11

Consolidated Report of Condition for Insured Commercial
and State-Chartered Savings Banks for March 31, 1998

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Schedule RC - Balance Sheet

C400 <-

				Dollar Amounts in Thousands		
ASSETS						
1. Cash and balances due from depository institutions (from Schedule RC-A):				RCFD		
a. Noninterest-bearing balances and currency and coin (1)				0081	1,108,408	1.a
b. Interest-bearing balances (2)				0071	1,100	1.b
2. Securities:						
a. Held-to-maturity securities (from Schedule RC-B, column A)				1754	153,124	2.a
b. Available-for-sale securities (from Schedule RC-B, column D)				1773	2,285,146	2.b
3. Federal funds sold and securities purchased under agreements to resell				1350	0	3
4. Loans and lease financing receivables:	RCFD					
a. Loans and leases, net of unearned income (from Schedule RC-C)	2122	18,887,996				4.a
b. LESS: Allowance for loan and lease losses	3123	422,079				4.b
c. LESS: Allocated transfer risk reserve	3128	0				4.c
d. Loans and losses, net of unearned income,				RCFD		
allowance, and reserve (item 4.a minus 4.b and 4.c)				2125	18,455,917	4.d
5. Trading assets (from Schedule RC-D)				3545	0	5.
6. Premises and fixed assets (including capitalized leases)				2145	194,830	6.
7. Other real estate owned (from Schedule RC-M)				2160	9,427	7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)				2130	39,238	8.
9. Customers' liability to this bank on acceptances outstanding				2155	3,827	9.
10. Intangible assets (from Schedule RC-M)				2143	140,696	10.
11. Other assets (from Schedule RC-F)				2160	2,107,317	11.
12. Total assets (sum of items 1 through 11)				2170	24,509,030	12.

(1) Includes cash items in process of collection and unposted debits.
(2) Includes time certificates of deposit not held for trading.

Bank One, NA
100 East Broad Street, OH1-1066
Columbus, OH 43271
Transmitted to EDS as 0101467 on 04/30/98 at 09:05:47 CST

Call Date: 03/31/98 State #:
Vendor ID: D Cert#: 06558
Transit #: 04400037

FFIEC 031
RC-2
12

Schedule RC - Continued

				Dollar Amounts in Thousands	
LIABILITIES					
13. Deposits			RCON		
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)	RCON		2200	15,013,853	13.a
(1) Noninterest-bearing (1)	6631	3,550,812			13.a.1
(2) Interest-bearing	6636	11,463,041			13.a.2
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)	RCFN		RCFN 2200	1,251,180	13.b
(1) Noninterest-bearing	6631	0			13.b1
(2) Interest-bearing	6636	1,251,180	RCFD		13.b2
14. Federal funds purchased and securities sold under agreements to repurchase			2800	1,932,651	14
15.a. Demand notes issued to the U.S. Treasury			RCON 2840	48,512	15.a
b. Trading liabilities (from Schedule RC-D)			RCFD 3548	0	15.b
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases):					
a. With a remaining maturity of one year or less			2332	1,415,753	16.a
b. With a remaining maturity of more than one year through three years			A547	470,997	16.b
c. With a remaining maturity of more than three years			A548	639,840	16.c
17. Not applicable					
18. Bank's liability on acceptances executed and outstanding			2920	3,827	18
19. Subordinated notes and debentures(2)			3200	729,183	19
20. Other liabilities (from Schedule RC-G)			2930	1,038,774	20
21. Total liabilities (sum of items 13 through 20)			2948	22,544,880	21
22. Not applicable					
EQUITY CAPITAL					
23. Perpetual preferred stock and related surplus			3838	0	23
24. Common stock			3230	127,043	24
25. Surplus (exclude all surplus related to preferred stock)			3839	738,352	25
26. a. Undivided profits and capital reserves			3632	1,082,183	26.a
b. Net unrealized holding gains (losses) on available-for-sale securities			8434	16,872	26.b
27. Cumulative foreign currency translation adjustments			3284	0	27
28. Total equity capital (sum of items 23 through 27)			3210	1,964,450	28
29. Total liabilities and equity capital (sum of items 21 and 28)			3300	24,509,030	29

Memorandum

to be reported only with the March Report of Condition.

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 1997	RCFD 6724	Number N/A	M.1

1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank

2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)

3 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)

4 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)

5 = Review of the bank's financial statements by external auditors

6 = Compilation of the bank's financial statements by external auditors

7 = Other audit procedures (excluding tax preparation work)

8 = No external audit work

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(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

(2) Includes limited-life preferred stock and related surplus.