

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2020

or

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

For the transition period from _____ to _____

Commission file number 001-14989

WESCO International, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

225 West Station Square Drive
Suite 700

Pittsburgh, Pennsylvania

(Address of principal executive offices)

25-1723342

(I.R.S. Employer
Identification No.)

15219

(Zip Code)

(412) 454-2200

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Class	Trading Symbol(s)	Name of Exchange on which registered
Common Stock, par value \$.01 per share	WCC	New York Stock Exchange
Depository Shares, each representing a 1/100th interest in a share of Series A Fixed-Rate Reset Cumulative Perpetual Preferred Stock	WCC PR A	New York Stock Exchange
Preferred Share Purchase Rights	N/A	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

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

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

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

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

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

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

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

The registrant estimates that the aggregate market value of the voting shares held by non-affiliates of the registrant was approximately \$1.7 billion as of June 30, 2020, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price on the New York Stock Exchange for such stock.

As of February 25, 2021, 50,161,831 shares of Common Stock, par value \$.01 per share, of the registrant were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Part III of this Form 10-K incorporates by reference portions of the registrant's Proxy Statement for its 2021 Annual Meeting of Stockholders.

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PART I

Item 1. Business.

In this Annual Report on Form 10-K, "WESCO" refers to WESCO International, Inc., and its subsidiaries and its predecessors unless the context otherwise requires. References to "we," "us," "our" and the "Company" refer to WESCO and its subsidiaries.

The Company

WESCO International, Inc. ("WESCO International") and its subsidiaries (collectively, "WESCO" or the "Company"), headquartered in Pittsburgh, Pennsylvania, is a leading provider of business-to-business distribution, logistics services and supply chain solutions.

On June 22, 2020, WESCO completed its previously announced acquisition of Anixter International Inc., a Delaware corporation ("Anixter"). Pursuant to the terms of the Agreement and Plan of Merger, dated January 10, 2020 (the "Merger Agreement"), by and among Anixter, WESCO and Warrior Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of WESCO ("Merger Sub"), Merger Sub was merged with and into Anixter (the "Merger"), with Anixter surviving the Merger and continuing as a wholly owned subsidiary of WESCO. On June 23, 2020, Anixter merged with and into Anixter Inc., with Anixter Inc. surviving to become a wholly owned subsidiary of WESCO.

As a result of the Merger, the Company now employs nearly 18,000 people, maintains relationships with approximately 30,000 suppliers, and serves more than 125,000 customers worldwide. With nearly 1,500,000 products, end-to-end supply chain services, and extensive digital capabilities, WESCO provides innovative solutions to meet current customer needs across commercial and industrial businesses, contractors, government agencies, institutions, telecommunications providers, and utilities. WESCO's innovative value-added solutions include supply chain management, logistics and transportation, procurement, warehousing and inventory management, as well as kitting and labeling, limited assembly of products and installation enhancement. WESCO has approximately 800 branches, warehouses and sales offices with operations in more than 50 countries, providing a local presence for customers and a global network to serve multi-location businesses and multi-national corporations. With nearly 100 years of excellence, we have the expertise to understand customer needs, the broad product and services portfolio to meet them and a customer-first approach to ensure their long-term success.

Business Segments and Industry Overview

As a result of the Merger, the Company now has operating segments organized around three strategic business units consisting of Electrical & Electronic Solutions ("EES"), Communications & Security Solutions ("CSS") and Utility and Broadband Solutions ("UBS").

The following is a description of each of the Company's reportable segments and their business activities.

Electrical & Electronic Solutions

The EES segment, with sales in approximately 40 countries, supplies a broad range of products and supply chain solutions primarily to the construction, industrial and original equipment manufacturer ("OEM") markets. Construction and industrial customers include a wide array of contractors, and engineering, procurement and construction firms for industrial, infrastructure, commercial, and data and broadband communications projects. Specific applications include projects for refineries, railways, wastewater treatment facilities, data centers, security installations, offices, and modular and mobile homes. OEM customers require products used in the manufacturing of automotive, industrial, medical, transportation, marine, military and communications equipment. The product portfolio in this global business includes a broad range of electrical equipment and supplies, wire and cable, lubricants, pipe, valves, fittings, fasteners, cutting tools, power transmission, and safety products. In addition, OEM customers require a reliable supply of assemblies and components to incorporate into their own products as well as value-added services such as supplier consolidation, design and technical support, just-in-time supply and electronic commerce, and supply chain management. The EES segment operates in highly fragmented markets that include thousands of small regional and locally based, privately owned competitors as well as several large, multi-national companies. EES includes the "Electrical and Electronic Solutions" business acquired from Anixter and the majority of the legacy WESCO industrial and construction businesses.

Communications & Security Solutions

The CSS segment is a global leader in the network infrastructure and security markets, with sales to customers across North America, Europe, the Middle East, Latin America and the Asia Pacific region. The network infrastructure market is comprised of data centers, wireless products and other devices that enable network connectivity and communication. The security market includes video surveillance, fire and intrusion detection, access control and other solutions to maintain protection and safety for customers. Both the network infrastructure and security businesses are large, fragmented and diverse markets which include various industry groups such as technology, finance, telecommunications service providers, transportation, education, government, healthcare and retail. CSS sells products directly to end users or through various channels including data communications contractors, security, network, professional audio/visual and systems integrators. CSS has a broad product portfolio that includes copper and fiber optic cable and connectivity, access control, video surveillance, intrusion and fire/life safety, cabinets, power, cable management, wireless, professional audio/video, voice and networking switches and other ancillary products. In addition, CSS offers a variety of value-added supply chain solutions such as inventory management, product packaging and enhancement, and customized supply chain services. CSS includes the “Network and Security Solutions” business acquired from Anixter and the legacy WESCO data communications and safety businesses.

Utility & Broadband Solutions

The UBS segment, with operations primarily in the U.S. and Canada, supplies electrical transmission and distribution products, power plant maintenance, repair and operations supplies and smart-grid products, and arranges materials management and procurement outsourcing for the power generation, power transmission and electricity distribution industries. The UBS segment also provides value-added safety and technology solutions, which are essential to utility customers. UBS customers include investor-owned utilities, public power companies, and contractors that serve these customers. Investor-owned utility companies provide a combination of electric generation, transmission and/or distribution and are owned by investors or shareholders while public power entities are generally non-profit entities owned by their members or governed by local, state and municipal governments. These two markets serve the vast majority of utility customers in the U.S. and Canada. The UBS segment provides critical components within the core functions of generating, transmitting and distributing electricity. Products include conductors such as wire and cable, transformers, overhead transmission and distribution hardware, switches, protective devices and underground distribution, connectors used in the construction or maintenance and repair of electricity transmission and substation distribution infrastructure and supplies, lighting and conduit used in non-residential and residential construction. The UBS segment combines the “Utility Power Solutions” business acquired from Anixter, the legacy WESCO utility business, the legacy WESCO broadband business and the legacy WESCO integrated supply business.

For more information concerning our business segments and domestic and foreign operations, see Note 17, "Business Segments" to the Notes to Consolidated Financial Statements.

Business Strategy

We partner with suppliers to transform products and services into cost-effective, innovative supply chain solutions. We help our customers build, connect, power and protect their businesses to improve their operations and the world we live in. We generate significant operating cash flow, which is deployed to fund organic growth opportunities, acquire companies that provide new capabilities for growth and manage our capital structure. Additionally, over the past several years, we have returned cash to stockholders through share repurchases. With our broad portfolio of products, extensive services and insights from data analysis, we expect to grow sales at a faster rate than the industry.

We utilize LEAN continuous improvement initiatives to deliver commercial and operational excellence, and we extend our LEAN initiatives to customers to improve the efficiency and effectiveness of their operations and supply chains.

Our strategies align around the following six planks, each of which is comprised of a series of initiatives. We expect these initiatives to enable us to meet the current and future needs of our customers, grow our business, and drive value for our shareholders.

Digital Solutions – customer-segment specific digital solutions to unlock and enable growth

Commercial Excellence – build leading commercial capabilities that leverage data, tools and training to manage sales opportunities and customer service

Operational Excellence – use scale and technology to unlock efficiencies in the supply chain

Technology Platform – technologies to support digitizing the business, managing data and data analytics

Organization, Talent and Culture – strengthen the organization and capabilities to lead change

Portfolio and Strategic Mergers & Acquisitions – increase capabilities to drive value creation through acquisitions that consolidate the industry, expand to adjacent products and services categories, and invest in digital technologies and applications to advance the enterprise strategy

In 2020, a key element of executing our strategy was the acquisition of Anixter. The combination of WESCO and Anixter increased the portfolio of products and services to drive commercial excellence. Additionally, the added scale benefit of the combination provides us with opportunities to drive efficiencies in our supply chain and invest in digital solutions and our technology platform to better partner with our suppliers and customers.

Customers

We have a large base of more than 125,000 active customers across commercial and industrial businesses, contractors, government agencies, institutions, telecommunications providers, and utilities. Our top ten customers accounted for approximately 12% of our sales in 2020. No one customer accounted for more than 2% of our sales in 2020.

Products

Our network of branches and distribution centers provide customers with access to nearly 1,500,000 different products. Each branch tailors its inventory to meet the needs of its local customers.

We purchase products from a diverse group of approximately 30,000 suppliers. In 2020, our ten largest suppliers accounted for approximately 30% of our purchases. No one supplier accounted for more than 7% of our total purchases.

Our supplier relationships are important to us, providing access to a wide range of products, services, technical training, and sales and marketing support. We have approximately 800 commercial agreements with more than 350 preferred suppliers and purchase nearly 60% of our products pursuant to these arrangements.

Services

As part of our overall offering, we provide customers a comprehensive portfolio of value-added solutions within a wide range of service categories including construction, e-commerce, energy and sustainability, engineering services, production support, safety and security, supply chain optimization, training, and working capital. These solutions are designed to address our customers' business needs and include:

- Supply chain programs to improve productivity, reduce operating costs and increase operational efficiencies;
- Project deployment services to save time, provide consistency and improve scalability across multifaceted deployments;
- Installation enhancement services to adapt products and packaging to streamline the process and reduce the total cost of installation;
- Assessment and analysis services to optimize processes and environments for preparedness, safety and profitability;
- Engineering services to improve efficiency, improve component life cycles and protect critical equipment;
- Technology support services to deliver standard-compliant solutions that respond to change, drive innovation and deliver customer value;
- Training services to enhance product knowledge, teach operational skills and help customers earn and maintain certifications; and
- eBusiness services to improve visibility, improve efficiency and connect customers with our global distribution network.

Competitive Strengths

The competitive environment is highly fragmented with hundreds of distributors and manufacturers selling products directly or through multiple distribution channels to end users or other resellers. There is significant competition within each end market and geographic area served that creates pricing pressure and the need for excellent service. Competition is generally based on product line breadth, product availability, service capabilities, geographic proximity and price. We believe that our broad portfolio of products, customer centered approach, global reach with local expertise, comprehensive value-added services and smart, digital solutions provide distinct competitive advantages.

Broad Portfolio of Products. We partner with industry-leading suppliers to deliver the most trusted brands in the industry. Our broad product offering encompasses automation, broadband, communications, electrical, electronics, energy, lighting, MRO, networking, renewables, safety, security, utility and wire and cable.

Customer Centered Approach. Each of our customers have unique business models, challenges and priorities. Our dedicated technical experts have extensive experience and product knowledge and are committed to providing solutions tailored to their unique needs. With specialized industry knowledge and a focus on the latest technologies, we help design and deploy solutions that address top business priorities.

Global Reach with Local Expertise. Our international operations and global sourcing capabilities enable us to service our customers wherever they may need us. WESCO has approximately 800 branches, warehouses and sales offices with operations in more than 50 countries. Our global distribution network includes 42 facilities that operate as regional distribution centers or large branch locations in key geographic areas in North America, Europe and Latin America. These facilities add value for our customers and suppliers through the combination of a broad and deep selection of inventory, online ordering and next-day shipment capabilities, and central order handling and fulfillment. Our global network allows us to enhance local customer service by tailoring individual branch products and services to local customer needs.

Comprehensive Value-Added Services. We provide a wide range of value-added services, which draw on our product knowledge and logistics expertise, to enable our customers to save time, improve productivity, mitigate risk and increase profitability. Our broad service offering includes installation enhancement, materials management, kitting and labeling, extensive MRO solutions, onsite job trailer solutions, end-to-end supply chain management and project management/execution across the project lifecycle.

Smart, Digital Solutions. Our Silicon Valley innovation center and partnerships with industry-leading technology companies bring unique capabilities in digital and information-based solutions. These solutions include global e-commerce platforms, vendor managed inventory, point of use systems, last mile optimization, supply chain engineering and intelligent automation. From enterprise-wide connectivity to real-time analytics and reporting, our digital ecosystem supports all business needs.

Geography

Our network of branches, warehouses and sales offices consists of 506 locations in the U.S., 154 in Canada, 60 in Europe and the Middle East, 59 in Latin America and 38 in the Asia Pacific region. This includes 42 facilities that operate as regional distribution centers or large branch locations, of which 33 are located in the U.S., six are in Canada, two are in Europe and one is in Latin America. We also sell to global customers through sales offices and branch operations in various locations throughout Europe, the Middle East, Latin America and the Asia Pacific region.

Human Capital

At WESCO, our people and our high-performance culture are our greatest assets. We are committed to continuous improvement and leveraging our diverse and talented workforce in pursuing WESCO's vision to be the best tech-enabled supply chain solutions provider in the world.

The merger of WESCO and Anixter doubled the Company's revenue, and significantly increased our employee headcount and global footprint, including the number of countries in which we operate. As of December 31, 2020, the Company had nearly 18,000 full-time employees worldwide, with more than 12,000 in the U.S. and approximately 5,800 in international locations.

Compensation and Benefits Program. WESCO provides competitive compensation and benefits packages in each of our locations around the globe. In the U.S., we provide a comprehensive benefits program that offers choices to fit our employees' diverse needs including health and disability benefits, paid time-off, life insurance, retirement programs, and access to other services that support health and wellness. We also have an employee assistance program available to our employees and their family members.

Inclusion and Diversity. As part of WESCO's integration with Anixter, we conducted a company-wide culture survey to give all employees a voice in actively shaping the values that will define the combined organization, one of which is inclusion and diversity. The goals of WESCO's Inclusion and Diversity program are to 1) leverage the unique experiences and perspectives of our talented workforce to support WESCO's mission, 2) further engage employees and build an inclusive culture, 3) recruit and develop talent that bring new perspectives and thought processes to WESCO, 4) increase representation of suppliers that are owned and operated by teams with diverse backgrounds and 5) support the communities in which we operate.

WESCO has established an Inclusion & Diversity Council comprised of members of our senior management to lead the formation of four Business Resource Groups ("BRGs") that will support four identity groups – women, BIPOC (Black, Indigenous, and People of Color), LGBTQ+, and veterans of the armed forces. These BRGs foster a sense of community and inclusion, provide opportunities to network, support advancement opportunities within the organization, and assist with recruiting. The BRGs are global and open to all employees regardless of any aspect of their personal identity.

WESCO has established relationships with several charitable organizations and encourages employees to volunteer in the community by providing one day of paid volunteer time per year. By connecting with and contributing to local charitable organizations, WESCO supports the development of strong, vibrant and diverse communities.

Safety. Safety is a core value of WESCO and we do not tolerate violations of established safety protocol. We are committed to reducing or eliminating health and safety risks through dedicated programs, leadership commitment, and employee involvement. We seek to achieve continuous improvement in the safety of our facilities and injury-leading injury rates.

In response to the COVID-19 pandemic, we implemented significant operating changes to ensure a safe operating environment for our employees, and to protect the communities in which we operate. As an essential business, substantially all of our distribution facilities remained open and we implemented additional safety measures for employees doing critical on-site work and required all other employees to work remotely.

Training and Development. WESCO offers several certification and training programs, some of which are required for all employees while others are voluntary or based on job role. The Company offers a tuition reimbursement program to eligible employees to encourage the pursuit of undergraduate and graduate education to prepare employees for expanded roles in the business.

The Company has had a sales development training program in place for over ten years. The program is designed to systematically train and develop new college graduates through on-the-job rotations and cohort learning and development during the first year of employment. Graduates of the program move into various sales and operations roles after completing the one-year program. The Company also sponsors a summer internship program to provide college students with real work experience and give them the opportunity to evaluate different career fields.

Intellectual Property

We protect our intellectual property through a combination of trademarks, patents and trade secrets, foreign intellectual property laws, confidentiality procedures and contractual provisions. We currently have trademarks, patents and service marks registered with the U.S. Patent and Trademark Office and in various other countries. The trademarks and service marks registered in the U.S. include, among others: "WESCO®", our corporate logo and the running man logo. The Company's "Anixter" trademark is registered in the U.S. and various foreign jurisdictions and its "EECOL" trademark is registered in Canada. We have also applied to register international trademarks, patents, and service mark applications in various foreign jurisdictions. While our patents have value, none is so essential that its loss would materially affect our business.

Environmental Matters

Our facilities and operations are subject to federal, state and local laws and regulations relating to environmental protection and human health and safety. Some of these laws and regulations may impose strict, joint and several liabilities on certain persons for the cost of investigation or remediation of contaminated properties. These persons may include former, current or future owners or operators of properties and persons who arranged for the disposal of hazardous substances. Our owned and leased real property may give rise to such investigation, remediation and monitoring liabilities under environmental laws. In addition, anyone disposing of certain products we distribute, such as ballasts, fluorescent lighting and batteries, must comply with environmental laws that regulate certain materials in these products.

We believe that we are in compliance, in all material respects, with applicable environmental laws. As a result, we do not anticipate making significant capital expenditures for environmental control matters either in the current year or in the near future.

Seasonality

Our operating results are not significantly affected by seasonal factors. Sales during the first and fourth quarters are usually affected by a reduced level of activity due to the impact of weather on projects. Sales typically increase beginning in March, with slight fluctuations per month through October. During periods of economic expansion or contraction, our sales by quarter have varied significantly from this pattern.

Website Access

Our Internet address is www.wesco.com. Information contained on our website is not part of, and should not be construed as being incorporated by reference into, this Annual Report on Form 10-K. We make available free of charge under the “Investors” heading on our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as well as our Proxy Statements, as soon as reasonably practicable after such documents are electronically filed or furnished, as applicable, with the U.S. Securities and Exchange Commission (the “SEC”).

In addition, our charters for our Executive Committee, Nominating and Governance Committee, Audit Committee and Compensation Committee, as well as our Corporate Governance Guidelines, Code of Principles for Senior Executives, Independence Policy, Global Anti-Corruption Policy, and Code of Business Ethics and Conduct for our Directors, officers and employees, are all available on our website in the “Corporate Governance” link under the “Investors” heading.

Forward-Looking Information

This Annual Report on Form 10-K contains various “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve certain unknown risks and uncertainties, including, among others, those contained in Item 1, “Business,” Item 1A, “Risk Factors,” and Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” When used in this Annual Report on Form 10-K, the words “anticipates,” “plans,” “believes,” “estimates,” “intends,” “expects,” “projects,” “will” and similar expressions may identify forward-looking statements, although not all forward-looking statements contain such words. Such statements, including, but not limited to, our statements regarding business strategy, growth strategy, competitive strengths, productivity and profitability enhancement, competition, new product and service introductions and liquidity and capital resources, are based on management’s current expectations and beliefs, as well as on assumptions made by and information currently available to management, current market trends and market conditions and involve various risks and uncertainties, some of which are beyond our control and which may cause actual results to differ materially from those contained in the forward-looking statements. In addition, forward-looking statements in this document include information and statements regarding the expected benefits and costs of the transaction between WESCO and Anixter, including anticipated future financial and operating results, synergies, accretion and growth rates, and the combined company’s plans, objectives, expectations and intentions, statements that address the combined company’s expected future business and financial performance, and other similar statements. Our actual results could differ materially from those expressed in any forward-looking statement made by us or on our behalf. In light of these risks and uncertainties, there can be no assurance that the forward-looking information will in fact prove to be accurate. We have undertaken no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Executive Officers

Our executive officers and their respective ages and positions as of March 1, 2021, are set forth below.

Name	Age	Position
John J. Engel	59	Chairman, President and Chief Executive Officer
David S. Schulz	55	Executive Vice President and Chief Financial Officer
James F. Cameron	55	Executive Vice President and General Manager, Utility and Broadband Solutions
Theodore A. Dosch	61	Executive Vice President and Strategy and Chief Transformation Officer
William C. Geary, II	50	Executive Vice President and General Manager, Communications and Security Solutions
Akash Khurana	47	Executive Vice President and Chief Information and Digital Officer
Diane E. Lazzaris	54	Executive Vice President and General Counsel
Hemant Porwal	47	Executive Vice President Supply Chain and Operations
Nelson J. Squires III	59	Executive Vice President and General Manager, Electrical and Electronic Solutions
Christine A. Wolf	60	Executive Vice President and Chief Human Resources Officer

Set forth below is biographical information for our executive officers listed above.

John J. Engel has served as Chairman of the Board of Directors since May 2011 and as our President and Chief Executive Officer since 2009. Previously, Mr. Engel served as our Senior Vice President and Chief Operating Officer from 2004 to 2009. Before joining WESCO in 2004, Mr. Engel served as Senior Vice President and General Manager of Gateway, Inc., Executive Vice President and Senior Vice President of Perkin Elmer, Inc., Vice President and General Manager of Allied Signal, Inc., and also held various engineering, manufacturing and general management positions at General Electric Company.

David S. Schulz has served as our Executive Vice President and Chief Financial Officer since June 2020, and from October 2016 to June 2020, he served as Senior Vice President and Chief Financial Officer. Prior to joining WESCO, Mr. Schulz served as Senior Vice President and Chief Operating Officer of Armstrong Flooring, Inc. from April 2016 to October 2016 and from November 2013 to March 2016, he served as Senior Vice President and Chief Financial Officer of Armstrong World Industries, Inc., and as Vice President, Finance of the Armstrong Building Products division from 2011 to November 2013. Prior to joining Armstrong World Industries in 2011, he held various financial leadership roles with Procter & Gamble and The J.M. Smucker Company. Mr. Schulz began his career as an officer in the U.S. Marine Corps.

James F. Cameron has served as our Executive Vice President and General Manager of the Utility and Broadband Solutions division since June 2020 and from January 2014 to June 2020 as Vice President and General Manager, Utility and Broadband Group and as Regional Vice President of the utility business from 2011 to 2013. Prior to joining WESCO in 2011, Mr. Cameron served as Senior Vice President of the Utility Group, and Vice President of Marketing & Operations with Irby, a Sonepar Company. Earlier in his career, Mr. Cameron held various positions with Hubbell Power Systems, Thomas & Betts and the ABB Power T&D Company.

Theodore A. Dosch has served as our Executive Vice President of Strategy and Chief Transformation Officer since June 2020. Prior to the Anixter acquisition in 2020, Mr. Dosch served as the Executive Vice President - Finance and Chief Financial Officer of Anixter International Inc. from July 2011 to June 2020 after serving as its Senior Vice President - Global Finance from January 2009 to July 2011. Previously, Mr. Dosch served as CFO - North America and Vice President - Maytag Integration at Whirlpool Corporation from 2006 to 2008; and held a variety of financial related roles at Whirlpool since 1986.

William C. Geary, II has served as our Executive Vice President and General Manager of the Communications and Security Solutions division since June 2020. Prior to the Anixter acquisition in 2020, Mr. Geary served as Executive Vice President - Network & Security Solutions of Anixter International Inc. from July 2017 to June 2020 and Senior Vice President - Global Markets - Network & Security Solutions from January 2017 to June 2017. Previously, Mr. Geary served 22 years and held a variety of senior management roles at Accu-Tech Corporation, a wholly-owned subsidiary of Anixter.

Akash Khurana has served as our Executive Vice President and Chief Information and Digital Officer since joining the Company in November 2020. Before joining WESCO, Mr. Khurana served as Chief Information Officer and Chief Data Officer of Global information at McDermott from March 2015 to November 2020, Senior Director of Global Product Lines and Regional P&Ls at Baker Hughes, and a variety of leadership roles at GE Healthcare and Power & Water Divisions.

Diane E. Lazzaris has served as our Executive Vice President and General Counsel since June 2020, and from January 2014 to June 2020 she served as Senior Vice President and General Counsel. From 2010 to December 2013 she served as our Vice President, Legal Affairs. Prior to joining WESCO, Ms. Lazzaris served as Senior Vice President - Legal, General Counsel and Corporate Secretary of Dick's Sporting Goods, Inc. from 2008 to 2010. From 1994 to 2008, she held various corporate counsel positions at Alcoa Inc., including Group Counsel to a group of global businesses.

Hemant Porwal has served as our Executive Vice President Supply Chain and Operations division since June 2020, and from January 2015 to June 2020 as Vice President of Global Supply Chain and Operations. Before joining WESCO, Mr. Porwal served as Vice President at Sears Holding Corporation, leading their global procurement function since 2011, and PepsiCo where he held roles with increasing responsibilities in Operations, Supply Chain, Procurement and Finance.

Nelson J. Squires III has served as our Executive Vice President and General Manager of the Electrical and Electronic Solutions division since June 2020, and from October 2019 to June 2020 he served as our Senior Executive Vice President and Chief Operating Officer. From January 2018 to September 2019 he served as Group Vice President and General Manager of WESCO Canada/International/WIS and as Group Vice President and General Manager of WESCO Canada from August 2015 to January 2018. From 2010 to July 2015, he was Vice President and General Manager, North America Merchant Gases and President, Air Products Canada of Air Products and Chemicals, Inc. He has also served in regional and general management positions, as director of investor relations, and in various sales positions at Air Products. Earlier in his career, he was a Captain in the U.S. Army.

Christine A. Wolf has served as our Executive Vice President and Chief Human Resources Officer since June 2020, and from June 2018 to June 2020 she served as Senior Vice President and Chief Human Resources Officer. Before joining WESCO from 2011 to June 2018, Ms. Wolf served as the Chief Human Resources Officer of Orbital ATK, Inc. until its acquisition by Northrop Grumman. From 2008 to 2011, she served as the Chief Human Resources Officer of Fannie Mae and from 2004 to 2008 she served as Chief Human Resources Officer of E*Trade Financial Corporation. Prior to that, she held various positions in human resources with companies in a variety of industries.

Item 1A. Risk Factors.

The following factors, among others, could cause our actual results to differ materially from the forward-looking statements we make. All forward-looking statements attributable to us or persons working on our behalf are expressly qualified by the following factors. This information should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", Item 7A, "Quantitative and Qualitative Disclosures about Market Risks" and the consolidated financial statements and related notes included in this Form 10-K.

Risks Related to Our Acquisitions, Divestitures and Strategic Initiatives

We may not be able to fully realize the anticipated benefits and cost savings of our merger with Anixter.

On June 22, 2020, we completed our merger with Anixter. The success of the merger, including anticipated benefits and cost savings, depends on the successful combination and integration of the companies' businesses. It is possible that the integration process could result in the loss of key employees, higher than expected costs, diversion of management attention, the disruption of either company's ongoing legacy businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with customers, suppliers and employees or to achieve the anticipated benefits and cost savings of the merger.

We have incurred, and expect to continue to incur, a number of non-recurring costs associated with the merger and combining the operations of the two companies. This includes transaction fees and expenses related to formulating and implementing integration plans, including facilities, systems consolidation and employment-related costs. We continue to assess the magnitude of these costs, and additional unanticipated costs may be incurred in the integration of the two companies' businesses. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow us to offset integration-related costs over time, this net benefit may not be achieved in the near term, or at all.

If we experience difficulties with the integration process, the anticipated benefits of the merger may not be realized or may take longer to realize than expected. These integration matters could have an adverse effect on us for an undetermined period. In addition, the actual cost savings of the merger could be less than anticipated.

Expansion into new business activities, industries, product lines or geographic areas could subject the company to increased costs and risks and may not achieve the intended results.

We have invested significantly in expanding our e-commerce capabilities and online customer experience. If our efforts to expand our capabilities in this area are not successful, we may not realize the return on our investments as anticipated, or our operating results could be adversely affected by slower than expected sales growth or additional costs. Furthermore, engaging in or significantly expanding business activities in product sourcing, sales and services could subject the company to unexpected costs and risks. Such activities could subject us to increased operating costs, product liability, regulatory requirements and reputational risks. Our expansion into new and existing markets, including manufacturing related or regulated businesses, may present competitive distribution and regulatory challenges that differ from current ones. We may be less familiar with the target customers and may face different or additional risks, as well as increased or unexpected costs, compared to existing operations. Growth into new markets may also bring us into direct competition with companies with whom we have little or no past experience as competitors. To the extent we are reliant upon expansion into new geographic, industry and product markets for growth and do not meet the new challenges posed by such expansion, our future sales growth could be negatively impacted, our operating costs could increase, and our business operations and financial results could be negatively affected.

Our strategic and operational initiatives are subject to various risks and uncertainties, and we may be unable to implement the initiatives successfully.

We are engaged in a number of strategic and operational initiatives designed to optimize costs and improve operational efficiency. Our ability to successfully execute these initiatives is subject to various risks and uncertainties and there can be no assurance regarding the timing of or extent to which we will realize the anticipated benefits, if at all.

Any future acquisitions that we may undertake will involve a number of inherent risks, any of which could cause us not to realize the anticipated benefits.

We have expanded our operations through organic growth and selected acquisitions of businesses and assets, and may seek to do so in the future. Acquisitions involve various inherent risks, including: problems that could arise from the integration of the acquired business; uncertainties in assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates; the potential loss of key employees of an acquired business; the ability to achieve identified operating and financial synergies anticipated to result from an acquisition or other transaction; unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition or other transaction rationale; and expansion into new countries or geographic markets where we may be less familiar with operating requirements, target customers and regulatory compliance. Any one or more of these factors could increase our costs or cause us not to realize the benefits anticipated to result from the acquisition of a business or assets.

Risks Related to the Global Macroeconomic Environment and Our International Operations

Our global operations expose us to political, economic, legal, currency and other risks.

We operate a network of approximately 800 branches, warehouses and sales offices with operations in more than 50 countries. Approximately one-third of our employee population are non-U.S. employees. We derive approximately 26% of our revenues from sales outside of the U.S. As a result, we are subject to additional risks associated with owning and operating businesses in these foreign markets and jurisdictions.

Operating in the global marketplace exposes us to a number of risks including:

- geopolitical and security issues, such as armed conflict and civil or military unrest, political instability, terrorist activity and human rights concerns, and
- natural disasters and public health crises, including pandemics such as COVID-19, and other catastrophic events;
- global supply chain disruptions and large-scale outages or inefficient provision of services from utilities, transportation, data hosting, or telecommunications providers;
- abrupt changes in government policies, laws, regulations or treaties, including imposition of export, import, or doing-business regulations, trade sanctions, embargoes or other trade restrictions;
- tax or tariff increases;
- government restrictions on, or nationalization of, our operations in any country;
- changes in labor conditions and difficulties in staffing and managing international operations, including logistical and communication challenges;
- restrictions on currency movement;

- challenges in protecting our IP rights in certain countries;
- local business and cultural factors that differ from our current standards and practices;
- continuing uncertainty regarding social, political, immigration, and tax and trade policies in the U.S. and abroad;
- currency exchange rate fluctuations; and
- other social, political and economic instability, including recessions and other economic crises in other regions.

Adverse conditions in the global economy and disruptions of financial markets could negatively impact us and our customers.

Our results of operations are affected by the level of business activity of our customers, which in turn is affected by global economic conditions and market factors impacting the industries and markets that they serve. Certain global economies and markets continue to experience significant uncertainty and volatility, particularly commodity-driven end markets such as oil and gas and metals and mining. Adverse economic conditions or lack of liquidity in these markets, particularly in North America, may adversely affect our revenues and operating results. Economic and financial market conditions may also affect the availability of financing for projects and for our customers' capital or other expenditures, which can result in project delays or cancellations and thus affect demand for our products. There can be no assurance that any governmental responses to economic conditions or disruptions in the financial markets ultimately will stabilize the markets or increase our customers' liquidity or the availability of credit to our customers. Although no single customer accounts for more than 2% of our sales, a payment default by one of our larger customers could have a negative short-term impact on earnings or liquidity. A financial or industry downturn could have an adverse effect on the collectability of our accounts receivable, which could result in longer payment cycles, increased collection costs and defaults. Should one or more of our larger customers declare bankruptcy, it could adversely affect the collectability of our accounts receivable, along with credit loss reserves and net income. In addition, our ability to access the capital markets may be restricted at a time when we would like, or need, to do so. The economic, political and financial environment may also affect our business and financial condition in ways that we currently cannot predict, and there can be no assurance that economic and political instability, both domestically and internationally (for example, resulting from changes to trade policies, tariffs or participation in trade agreements or economic and political unions) will not adversely affect our results of operations, cash flows or financial position in the future.

Our business and operations have been and will continue to be adversely affected by the COVID-19 pandemic, and the duration and extent to which it will affect our business, financial condition, results of operations, cash flows, liquidity, and stock price remains uncertain.

The global COVID-19 pandemic has created significant disruption to the broader economies, financial markets, workforces, business environment, and our suppliers and customers. It began to adversely affect our business, results of operations, and financial condition late in the first quarter of 2020 and is continuing, and the effects include lost or delayed revenue to us. The pandemic has caused significant disruptions to our business due to, among other things, reduced transportation, restrictions on travel, disruptions to our suppliers and global supply chain, the impact on our customers and their demand for our products and services and ability to pay for them, as well as temporary closures of facilities. Some of the actions we have taken in response to the COVID-19 pandemic, such as implementing remote working arrangements, may also create increased vulnerability to cybersecurity incidents and other risks.

The duration and extent to which the COVID-19 pandemic will continue to impact our business, results of operations, and financial condition depends on many evolving factors and future developments for which there is significant uncertainty, such as the severity and transmission rate of the virus, governmental, business and individuals' actions taken in response, the development and availability of effective treatment or vaccines, the extent and effectiveness of containment actions, as well as the matters noted above. In addition, the COVID-19 pandemic may continue to adversely affect many of our suppliers' and customers' businesses and operations, including the ability of our suppliers to manufacture or obtain the products we sell or to meet delivery requirements and commitments, and our customers' demand for our products and services and the ability to pay for them, all of which could adversely affect our sales and results of operations.

While we are supporting essential businesses and our branch locations have remained operational consistent with existing governmental and public health authority directives to date, there is significant uncertainty as to what steps we may need to take in response to the pandemic in the future (including in response to any new health and safety measures or restrictions), and what impact they will have on our business and operations. We have taken actions to reduce costs and cash expenditures, including reductions in administrative expenses, payroll and benefits, capital expenditures, and other costs, and further steps may become necessary in the future. Due to the uncertainty of COVID-19, we will continue to assess the situation, including the impact of governmental regulations or restrictions that might be imposed or re-imposed in response to the pandemic. If we are unable to appropriately respond to or manage the impact of these events, our business and results of operations may be adversely affected.

In addition, the impact of COVID-19 on macroeconomic conditions has adversely affected and may continue to affect the functioning of financial and capital markets, foreign currency exchange rates, commodity and energy prices, and interest rates. Even after the COVID-19 pandemic subsides, we may continue to experience adverse impacts to our business as a result of any economic recession or depression that has or may occur. The long-term financial and economic impacts of the COVID-19 pandemic may continue for a significant period and cannot be reliably quantified or estimated at this time due to the uncertainty of these future developments.

Any of these events could materially adversely affect our business, financial condition, results of operations, cash flows, liquidity and stock price.

We are subject to various laws and regulations globally and any failure to comply could adversely affect our business.

We are subject to a broad range of laws and regulations in the jurisdictions where we operate globally, including, among others, those relating to data privacy and protection, cyber security, import and export requirements, anti-bribery and corruption, product compliance, supplier regulations regarding the sources of supplies or products, environmental protection, health and safety requirements, intellectual property, foreign exchange controls and cash repatriation restrictions, labor and employment, e-commerce, advertising and marketing, anti-competition and tax. Compliance with these domestic and foreign laws, regulations and requirements may be burdensome, increasing our cost of compliance and doing business. In addition, as a supplier to federal, state, and local government agencies, we must comply with certain laws and regulations relating specifically to our governmental contracts. Although we have implemented policies and procedures designed to facilitate compliance with these laws, we cannot assure you that our employees, contractors, or agents will not violate such laws and regulations, or our policies and procedures. Any such violations could result in the imposition of fines and penalties, damage to our reputation, and, in the case of laws and regulations relating to governmental contracts, the loss of those contracts.

Fluctuations in foreign currency have an effect on our results from operations.

The results of our foreign operations are reported in the local currency and then translated into U.S. dollars at the applicable exchange rates for inclusion in our consolidated financial statements. The exchange rates between some of these currencies and the U.S. dollar have fluctuated significantly in recent years, and may continue to do so in the future. We may incur losses related to foreign currency fluctuations, and foreign exchange controls may prevent us from repatriating cash in countries outside the U.S. In addition, because our financial statements are stated in U.S. dollars, such fluctuations may also affect the comparability of our results between financial periods.

Risks Related to Our Information Systems and Technology

Any significant disruption or failure of our information systems, could lead to interruptions in our operations, which may materially adversely affect our business operations, financial condition, and results of operations.

We operate a number of facilities and we coordinate company activities, including information technology systems and administrative services and the like, through our headquarters operations. We rely on the proper functioning and availability of our information systems to successfully operate our business, including managing inventory, processing customer orders, shipping products and providing service to customers, and compiling financial results. Our operations depend on our ability to maintain existing systems and implement new technology, which includes allocating sufficient resources to periodically upgrade our information technology systems, and to protect our equipment and the information stored in our databases against both manmade and natural disasters, as well as power losses, computer and telecommunications failures, technological breakdowns, unauthorized intrusions, cyber-attacks, and other events. Any significant or prolonged unavailability or failure of our critical information systems could materially impair our ability to maintain proper levels of inventories, process orders, meet the demands of our customers in a timely manner, and other harmful effects.

We seek to continually enhance our information systems, and such changes could potentially create a disruption or failure of our existing information technology. Conversions to new information technology systems may result in cost overruns, delays or business interruptions. Additionally, efforts to align portions of our business on common platforms, systems and processes could result in unforeseen interruptions, increased costs or liability, and other negative effects. If our information technology systems are disrupted, become obsolete or do not adequately support our strategic, operational or compliance needs, it could result in a competitive disadvantage or adversely affect our business operations and financial condition, including our ability to process orders, receive and ship products, maintain inventories, collect accounts receivable and pay expenses, therefore impacting our results of operations.

We may experience a failure in or breach of our information security systems, or those of our third-party service providers, as a result of cyber-attacks or information security breaches.

Because we rely heavily on information technology both in serving our customers and in our enterprise infrastructure in order to achieve our objectives, we may be vulnerable to damage or intrusion from a variety of cyber-attacks, including computer viruses, worms or other malicious software programs that seek to gain to access our systems and networks, or those of our third-party service providers. Additionally, third parties may fraudulently attempt to induce employees or customers into disclosing sensitive information such as user names, passwords and other information in order to gain access to our customers' data or our data, including our intellectual property and other confidential business information, or our information technology systems. Information technology security threats to our systems, networks and data have dramatically increased in recent years due the proliferation of new technologies and the increased sophistication and activities of perpetrators. These threats pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our proprietary and confidential information.

Although we actively manage information technology security risks within our control and continually seek to enhance our controls and processes designed to protect our systems, computers, networks and data, there can be no assurance that such actions will be sufficient to mitigate all potential risks. As cyber threats continue to evolve, we may be required to expend additional resources to continue to enhance our information security measures and remediate any information security vulnerabilities. Despite the precautions we take to mitigate the risks of such events, an attack on our enterprise information technology system, or those of third parties with which we do business, could result in theft or unauthorized disclosure of our proprietary or confidential information or a breach of confidential customer, supplier or employee information. Such events could impair our ability to conduct our operations, which could have an adverse impact on revenue and harm our reputation. Additionally, such an event could expose us to regulatory sanctions or penalties, lawsuits or other legal action or cause us to incur legal liabilities and costs, which could be significant, in order to address and remediate the effects of an attack and related security concerns. The insurance coverage we maintain may be inadequate to cover claims or liabilities relating to a cybersecurity attack.

In addition, the legal and regulatory environment surrounding information security and privacy in the U.S. and international jurisdictions is constantly evolving. Violation or non-compliance with any of these laws or regulations, contractual requirements relating to data security and privacy, or our own privacy and security policies, either intentionally or unintentionally, or through the acts of intermediaries could have a material adverse effect on our brand, reputation, business, financial condition and results of operations, as well as subject us to significant fines, litigation losses, third-party damages and other liabilities.

Risks Related to Our Industry, Markets and Business Operations

Loss of key suppliers could decrease sales, profit margins, and earnings.

Most of our agreements with suppliers are terminable by either party on 60 days' notice or less for any reason. We currently source products from thousands of suppliers. However, our 10 largest suppliers in 2020 accounted for approximately 30% of our purchases by annual dollar volume for the period. The loss of, or a substantial decrease in the availability of, products from any of these suppliers, a supplier's change in sales strategy to reduce its reliance on distribution channels, the loss of key preferred supplier agreements, or disruptions in a key supplier's operations could have a material adverse effect on our business. Although we believe our relationships with our key suppliers are good, they could change their strategies as a result of a change in control, expansion of their direct sales force, changes in the marketplace or other factors beyond our control, including a key supplier becoming financially distressed. Supply interruptions could arise from shortages of raw materials, effects of economic, political or financial market conditions on a supplier's operations, labor disputes or weather conditions affecting products or shipments, transportation disruptions, natural disasters, outbreaks of disease, information system disruptions or other reasons beyond our control.

Product cost fluctuations, lack of product availability, or inefficient supply chain operations could decrease sales, profit margins, and earnings.

Some of our products, such as wire and conduit, are commodity price based products and may be subject to significant price fluctuations which are beyond our control. While increases in the cost of energy or products could have adverse effects, decreases in those costs, particularly if severe, could also adversely impact us by creating deflation in selling prices, which could cause our gross profit margin to deteriorate. Fluctuations in energy or raw materials costs can also adversely affect our customers. Declines in oil and natural gas prices can negatively impact our customers operating in those industries and, consequently, our sales to those customers. Furthermore, we cannot be certain that particular products or product lines will be available to us, or available in quantities sufficient to meet customer demand. Such limited product access could cause us to be at a competitive disadvantage. The profitability of our business is also dependent upon the efficiency of our supply chain. An inefficient or ineffective supply chain strategy or operations could increase operational costs, decrease sales, profit margins and earnings, which could adversely affect our business.

A decline in project volume could adversely affect our sales and earnings.

While much of our sales and earnings are generated by comparatively smaller and more frequent orders, the fulfillment of large orders for large capital projects generates significant sales and earnings. Accordingly, our results of operations can fluctuate depending on whether and when large project awards occur and the commencement and progress of work under large contracts already awarded.

The awarding and timing of projects is unpredictable and depends on many factors outside of our control. Project awards often involve complex and lengthy negotiations and competitive bidding processes. These processes can be impacted by a wide range of factors including a customer's decision to not proceed with a project or its inability to obtain necessary governmental approvals or financing, commodity prices, and overall market and economic conditions. Slow macro-economic growth rates, difficult credit market conditions for our customers, weak demand for our customers' products or other customer spending constraints can result in project delays or cancellations. In addition, some our competitors may also be more willing to take greater or unusual risks or include terms and conditions in a contract that we might not deem acceptable.

We have risks associated with the sale of nonconforming products and services.

Historically, we have experienced a small number of cases in which our vendors supplied us with products that did not conform to the agreed upon specifications without our knowledge. Additionally, we may inadvertently sell a product not suitable for a customer's application. We address this risk through our quality control processes, by seeking to limit liability and our warranty in our customer contracts, by obtaining indemnification rights from vendors and by maintaining insurance responsive to these risks. However, there can be no assurance that we will be able to include protective provisions in all of our contracts, that vendors will have the financial capability to fulfill their indemnification obligations to us, or that insurance can be obtained with sufficiently broad coverage or in amounts sufficient to fully protect us.

Disruptions to our logistics capability or supply chain may have an adverse impact on our operations.

Our global logistics services are operated through distribution centers around the world. An interruption of operations at any of our distribution centers could have a material adverse effect on the operations of branches served by the affected distribution. Such disaster related risks and effects are not predictable with certainty and, although they typically can be mitigated, they cannot be eliminated. We seek to mitigate our exposures to disaster events in a number of ways. For example, where feasible, we design the configuration of our facilities to reduce the consequences of disasters. We also maintain insurance for our facilities against casualties, and we evaluate our risks and develop contingency plans for dealing with them. Although we have reviewed and analyzed a broad range of risks applicable to our business, the ones that actually affect us may not be those that we have concluded are most likely to occur. Furthermore, although our reviews have led to more systematic contingency planning, our plans are in varying stages of development and execution, such that they may not be adequate at the time of occurrence for the magnitude of any particular disaster event that we may encounter.

We also depend on transportation service providers for the delivery of products to our customers. Any significant interruption or disruption in service at one or more of our distribution centers due to severe weather, natural disasters, information technology upgrades, operating issues, disruptions to our transportation network, public health crises, pandemics or other unanticipated events, could impair our ability to obtain or deliver inventory in a timely manner, cause cancellations or delays in shipments to customers or otherwise disrupt our normal business operations.

An increase in competition could decrease sales, profit margins, and earnings.

We operate in a highly competitive industry and compete directly with global, national, regional and local providers of like products and services. Some of our existing competitors have, and new market entrants may have, greater resources than us. Competition is generally based on product line breadth, product availability, service capabilities and price. Other sources of competition are buying groups formed by smaller distributors to increase purchasing power and provide some cooperative marketing capability, as well as e-commerce companies. There may be new market entrants with non-traditional business and customer service models, resulting in increased competition and changing industry dynamics.

Existing or future competitors may seek to gain or retain market share by reducing prices, and we may be required to lower our prices or may lose business, which could adversely affect our financial results. We may be subject to supplier price increases while not being able to increase prices to customers. Also, to the extent that we do not meet changing customer preferences or demands, or to the extent that one or more of our competitors becomes more successful with private label products, on-line offerings or otherwise, our ability to attract and retain customers could be materially adversely affected. Existing or future competitors also may seek to compete with us for acquisitions, which could have the effect of increasing the price and reducing the number of suitable acquisitions. These factors, in addition to competitive pressures resulting from the fragmented nature of our industry, could affect our sales, profit margins and earnings.

Risks Related to Tax Matters

Changes in tax laws or challenges to the Company's tax positions by taxing authorities could adversely impact the Company's results of operations and financial condition.

We are subject to taxes in jurisdictions in which we do business, including but not limited to taxes imposed on our income, receipts, stockholders' equity, property, sales, purchases and payroll. As a result, the tax expense we incur can be adversely affected by changes in tax law. We frequently cannot anticipate these changes in tax law, which can cause unexpected volatility in our results of operations. Changes in the tax law at the federal and state/provincial levels, in particular in the U.S. and Canada, can have a material adverse effect on our results of operations.

Additionally, the tax laws to which the Company is subject are inherently complex and ambiguous. Therefore, we must interpret the applicable laws and make subjective judgments about the expected outcome upon challenge by the applicable taxing authorities. As a result, the impact on our results from operations of the application of enacted tax laws to our facts and circumstances is sometimes uncertain. If a tax authority successfully challenges our interpretation and application of the tax law to our facts and circumstances, there can be no assurance that we can accurately predict the outcome and the taxes ultimately owed upon effective settlement, which may differ from the tax expense recognized in our consolidated statements of income and comprehensive income (loss) and accrued in our consolidated balance sheets. Additionally, if we cannot meet liquidity requirements in the U.S., we may have to repatriate funds from overseas, which would result in additional income taxes being incurred on the amount repatriated.

Risks Related to Our Indebtedness and Capital Structure

Our outstanding indebtedness requires debt service commitments that could adversely affect our ability to fulfill our obligations and could limit our growth and impose restrictions on our business.

In 2020, we incurred significant additional indebtedness to finance the acquisition of Anixter, which increased our interest expense from historical levels. As a result, a substantial portion of our cash flow from operations must be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes. As of December 31, 2020, excluding debt discount and debt issuance costs, we had \$5.0 billion of consolidated indebtedness. We and our subsidiaries may also undertake additional borrowings in the future, subject to certain limitations contained in the debt instruments governing our indebtedness.

Over the next three years, we will be required to repay or refinance approximately \$1.6 billion of our currently outstanding indebtedness.

Our debt service obligations impact our ability to operate and grow our business. Our payments of principal and interest on our indebtedness reduce the amount of funds available to us to invest in operations, future business opportunities, acquisitions, and other potentially beneficial activities. Our debt service obligations also reduce our flexibility to adjust to changing market conditions and may increase our vulnerability to adverse economic, financial market and industry conditions. Our ability to service and refinance our indebtedness, make scheduled payments on our operating leases and fund capital expenditures, acquisitions or other business opportunities, will depend in large part on both our future performance and the availability of additional financing in the future, as well as prevailing market conditions and other factors beyond our control. We cannot assure you that it will be able to obtain additional financing on terms acceptable to us or at all.

There can be no assurance that our business will continue to generate sufficient cash flows from operations in the future to service our debt, make necessary capital expenditures, or meet other cash needs. If we do not achieve the expected benefits and cost savings from the merger with Anixter, or if the financial performance of the combined company does not meet current expectations, then our ability to service or repay our indebtedness may be adversely impacted. If unable to do so, we may be required to refinance all or a portion of our existing debt, sell assets, or obtain additional financing. We cannot make assurances that we will be able to refinance our debt on terms acceptable to us, or at all. If we are unable to repay indebtedness, lenders having secured obligations could proceed against the collateral securing these obligations.

Our debt agreements contain restrictive covenants that may limit our ability to operate our business.

Our credit facilities and our other debt agreements, including those governing the debt financings incurred in connection with the recent merger, contain various covenants that restrict or limit our ability to, among other things:

- incur additional indebtedness or create liens on assets
- engage in mergers, acquisitions or consolidations,
- make loans or other investments,
- transfer, lease or dispose of assets outside the ordinary course of business,
- pay dividends, repurchase equity interests, make other payments with respect to equity interests, repay or repurchase subordinated debt, and
- engage in affiliate transactions.

In addition, certain of these debt agreements contain financial covenant that may require us to maintain certain financial ratios and other requirements in certain circumstances. As a result of these covenants, our ability to respond to changes in business and economic conditions and to obtain additional financing, if needed, may be significantly restricted, and we may be prevented from engaging in transactions or taking advantage of new business opportunities that might otherwise be beneficial to us. Our ability to comply with these covenants and restrictions may be affected by economic, financial and industry conditions or regulatory changes beyond our control. Failure to comply with these covenants or restrictions could result in an event of default, under our revolving lines of credit or the indentures governing certain of our outstanding notes which, if not cured or waived, could accelerate our repayment obligations. See the liquidity section in "Item 7. Management's Discussion and Analysis" for further details.

General Risk Factors

We are subject to costs and risks associated with global laws and regulations affecting our business, as well as litigation for product liability or other matters affecting our business.

The global legal and regulatory environment is complex and exposes us to compliance costs and risks, as well as litigation and other legal proceedings, which could materially affect our operations and financial results. These laws and regulations may change, sometimes significantly, as a result of political or economic events, and some changes are anticipated to occur in the coming year. They include tax laws and regulations, import and export laws and regulations, labor and employment laws and regulations, product safety, occupational safety and health laws and regulations, securities and exchange laws and regulations, data privacy laws and regulations (and other laws applicable to publicly-traded companies such as the Foreign Corrupt Practices Act), and environmental laws and regulations. Furthermore, as a government contractor selling to federal, state and local government entities, we are also subject to a wide variety of additional laws and regulations. Proposed laws and regulations in these and other areas could affect the cost of our business operations.

From time to time we are involved in legal proceedings, audits or investigations which may relate to, for example, product liability, labor and employment (including wage and hour), tax, escheat, import and export compliance, government contracts, worker health and safety, and general commercial and securities matters. While we believe the outcome of any pending matter is unlikely to have a material adverse effect on our financial condition or liquidity, additional legal proceedings may arise in the future and the outcome of these as well as other contingencies could require us to take actions, which could adversely affect our operations or could require us to pay substantial amounts of money.

We must attract, retain and motivate key employees, and the failure to do so may adversely affect our business.

Our success depends on hiring, retaining and motivating key employees, including executive, managerial, sales, technical, marketing and support personnel. We may have difficulty locating and hiring qualified personnel. In addition, we may have difficulty retaining such personnel once hired, and key people may leave and compete against us. The loss of key personnel or our failure to attract and retain other qualified and experienced personnel could disrupt or adversely affect our business, its sales and operating results. In addition, our operating results could be adversely affected by increased costs due to increased competition for employees, higher employee turnover, which may also result in loss of significant customer business, or increased employee benefit costs.

There is a risk that the market value of our common stock may decline.

Stock markets have experienced significant price and trading volume fluctuations, and the market prices of companies in our industry have been volatile. For some issuers, the markets have exerted downward pressure on stock prices and credit capacity. It is impossible to predict whether the price of our common stock will rise or fall. Trading prices of our common stock will be influenced by our operating results and prospects and by economic, political, financial, and other factors.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We operate a network of nearly 700 branches and warehouse locations that hold inventory, and over 100 sales offices, with operations in more than 50 countries throughout the world. This includes 42 facilities with square footage between 100,000 and 500,000 that operate as regional distribution centers or large branch locations, of which 33 are located in the U.S., six are in Canada, two are in Europe and one is in Latin America. Approximately 8% of our facilities are owned, and the remainder are leased.

We also lease our 118,000 square-foot headquarters in Pittsburgh, Pennsylvania. We do not regard the real property associated with any single facility as material to our operations. We believe our facilities are in good operating condition and are adequate for their respective uses.

Item 3. Legal Proceedings.

From time to time, a number of lawsuits and claims have been or may be asserted against us relating to the conduct of our business, including litigation relating to commercial, product and employment matters. The outcome of any litigation cannot be predicted with certainty, and some lawsuits may be determined adversely to us. However, management does not believe that the ultimate outcome of any such pending matters is likely to have a material adverse effect on our financial condition or liquidity, although the resolution in any fiscal period of one or more of these matters may have a material adverse effect on our results of operations for that period.

Information relating to legal proceedings is disclosed in Note 16, "Commitments and Contingencies" of the Notes to Consolidated Financial Statements and is incorporated herein by reference.

Item 4. Mine Safety Disclosures.

Not applicable.

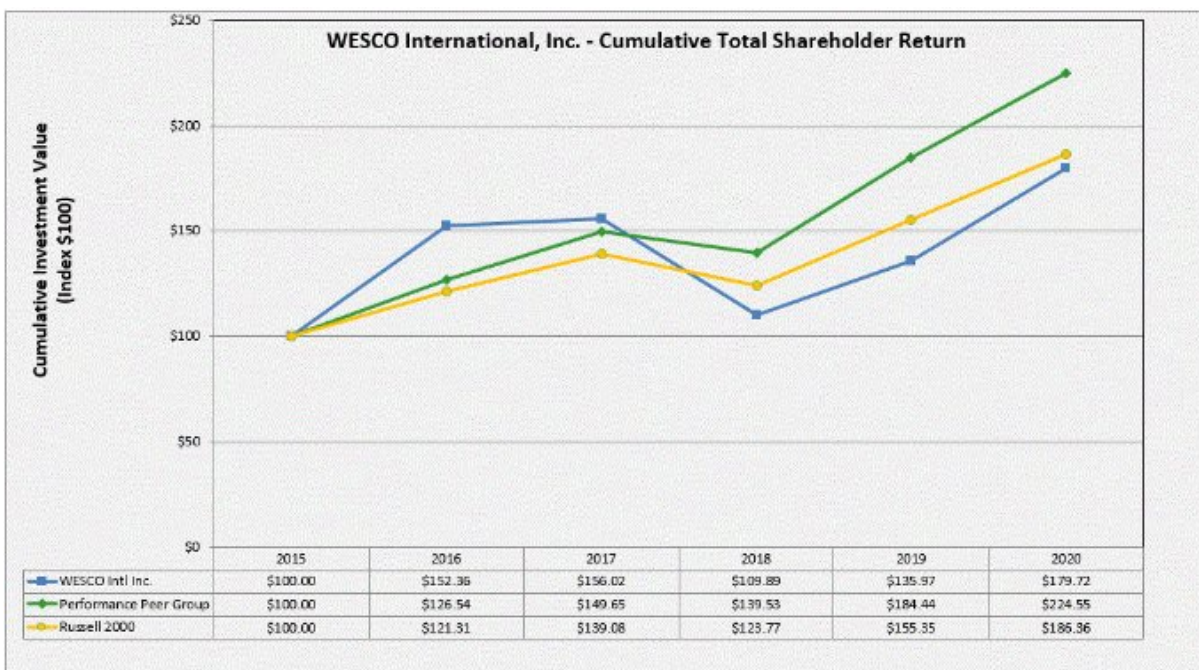
PART II

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

Market, Stockholder and Dividend Information. Our common stock is listed on the New York Stock Exchange under the symbol “WCC.” As of February 25, 2021, there were 50,161,831 shares of common stock outstanding held by approximately 800 holders of record. We have not paid dividends on our common stock and do not currently plan to pay common dividends. We do, however, evaluate the possibility from time to time. In addition, the terms of the Revolving Credit Facility, as well as the indentures governing the 5.375% Senior Notes due 2021, 5.375% Senior Notes due 2024, 7.125% Senior Notes due 2025 and 7.250% Senior Notes due 2028 limit our ability to pay dividends and repurchase our common stock. See Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources.”

Issuer Purchases of Equity Securities. On December 13, 2017, WESCO announced that its Board of Directors approved, on December 7, 2017, the repurchase of up to \$300 million of the Company's common stock through December 31, 2020. On October 31, 2018, the Company's Board of Directors approved an increase to the authorization from \$300 million to \$400 million. As disclosed in Note 13, "Earnings Per Share" of the Notes to Consolidated Financial Statements, as of December 31, 2020, 5,459,030 shares had been repurchased for \$275.0 million under this repurchase authorization.

Company Performance. The following stock price performance graph illustrates the cumulative total return on an investment in WESCO International, a 2020 Performance Peer Group, and the Russell 2000 Index. The graph covers the period from December 31, 2015 to December 31, 2020, and assumes that the value for each investment was \$100 on December 31, 2015, and that all dividends were reinvested.



2020 Performance Peer Group:

Applied Industrial Technologies, Inc.
 Arrow Electronics, Inc.
 Avnet, Inc.
 Barnes Group
 Eaton Corporation Plc

Fastenal Company
 Genuine Parts Company
 HD Supply Holdings, Inc.
 Hubbell, Inc.
 MRC Global, Inc.

MSC Industrial Direct Co., Inc.
 Rexel SA
 Rockwell Automation, Inc.
 W.W. Grainger, Inc.

Item 6. Selected Financial Data.

The following selected financial data for the last five fiscal years has been derived from the Company's Consolidated Financial Statements for those years. This financial data should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in Item 8, and with Management's Discussion and Analysis of Financial Condition and Results of Operations, included in Item 7.

Income Statement Data: <i>(In millions, except per share data)</i>	Year Ended December 31,				
	2020⁽¹⁾	2019	2018	2017	2016
Net sales	\$ 12,326.0	\$ 8,358.9	\$ 8,176.6	\$ 7,679.0	\$ 7,336.0
Cost of goods sold (excluding depreciation and amortization)	9,998.3	6,777.5	6,609.2	6,194.4	5,887.8
Selling, general and administrative expenses	1,859.0	1,173.1	1,151.9	1,101.5	1,050.8
Depreciation and amortization	121.6	62.1	63.0	64.0	66.9
Income from operations	347.1	346.2	352.5	319.1	330.5
Net interest and other	224.2	64.2	71.4	66.6	75.1
Loss on debt extinguishment ⁽²⁾	—	—	—	—	123.9
Income before income taxes	122.9	282.0	281.1	252.5	131.5
Provision for income taxes	22.8	59.9	55.7	89.3	30.4
Net income	100.1	222.2	225.4	163.2	101.1
Net loss attributable to noncontrolling interests	(0.5)	(1.2)	(2.0)	(0.3)	(0.5)
Net income attributable to WESCO International, Inc.	100.6	223.4	227.4	163.5	101.6
Less: Preferred stock dividends	30.1	—	—	—	—
Net income attributable to common stockholders	\$ 70.5	\$ 223.4	\$ 227.4	\$ 163.5	\$ 101.6
Earnings per share attributable to common stockholders					
Basic	\$ 1.53	\$ 5.18	\$ 4.87	\$ 3.42	\$ 2.30
Diluted	\$ 1.51	\$ 5.14	\$ 4.82	\$ 3.38	\$ 2.10
Weighted-average common shares outstanding					
Basic	46.2	43.1	46.7	47.8	44.1
Diluted	46.6	43.5	47.2	48.4	48.3
Other Financial Data:					
Capital expenditures	\$ 56.7	\$ 44.1	\$ 36.2	\$ 21.5	\$ 18.0
Net cash provided by operating activities	543.9	224.4	296.7	149.1	300.2
Net cash used in investing activities	(3,735.1)	(60.8)	(34.1)	(5.3)	(70.5)
Net cash provided by (used in) financing activities	3,480.7	(109.8)	(275.1)	(141.2)	(276.3)
Balance Sheet Data:					
Total assets	\$ 11,880.2	\$ 5,017.6	\$ 4,605.0	\$ 4,735.5	\$ 4,431.8
Total debt (including current and short-term debt) ⁽³⁾	4,898.8	1,283.8	1,223.5	1,348.6	1,385.3
Stockholders' equity	3,336.4	2,258.7	2,129.7	2,116.1	1,963.6

⁽¹⁾ Year-over-year changes from 2020 to 2019 are primarily due to the merger with Anixter and related financing costs such as interest on borrowings, as well as amortization of intangible assets.

⁽²⁾ Represents the loss recognized in 2016 related to the redemption of the then outstanding 6.0% Convertible Senior Debentures due 2029 (the "2029 Debentures").

⁽³⁾ Includes the discount related to the 7.250% Senior Notes due 2028, the then outstanding 2029 Debentures, and the then outstanding Term Loan Facility. For 2020, 2018, 2017 and 2016, also includes debt issuance costs and adjustments to record the long-term debt assumed in the merger with Anixter at its acquisition date fair value. See Note 10, "Debt" of the Notes to Consolidated Financial Statements.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the audited consolidated financial statements and notes thereto included in Item 8 of this Annual Report on Form 10-K.

Company Overview

WESCO International, Inc. (“WESCO International”), incorporated in 1993 and effectively formed in February 1994 upon acquiring a distribution business from Westinghouse Electric Corporation, is a leading provider of business-to-business distribution, logistics services and supply chain solutions.

On June 22, 2020, WESCO completed its previously announced acquisition of Anixter, a Delaware corporation. Pursuant to the terms of the Agreement and Plan of Merger, dated January 10, 2020 (the “Merger Agreement”), by and among Anixter, WESCO and Merger Sub, Merger Sub was merged with and into Anixter (the “Merger”), with Anixter surviving the Merger and continuing as a wholly owned subsidiary of WESCO. On June 23, 2020, Anixter merged with and into Anixter Inc., with Anixter Inc. surviving to become a wholly owned subsidiary of WESCO.

As a result of the Merger, the Company now employs nearly 18,000 people, maintains relationships with approximately 30,000 suppliers, and serves more than 125,000 customers worldwide. With nearly 1,500,000 products, end-to-end supply chain services, and extensive digital capabilities, WESCO provides innovative solutions to meet current customer needs across commercial and industrial businesses, contractors, government agencies, institutions, telecommunications providers, and utilities. WESCO has approximately 800 branches, warehouses and sales offices with operations in more than 50 countries, providing a local presence for customers and a global network to serve multi-location businesses and multi-national corporations.

Prior to the completion of its merger with Anixter on June 22, 2020, as described in Note 6, "Acquisitions" of our Notes to Consolidated Financial Statements, WESCO had four operating segments that had been aggregated as one reportable segment. Effective on the date of acquisition, the Company added Anixter as a separate reportable segment for the quarterly period ended June 30, 2020. At the beginning of the third quarter of 2020, the Company identified new operating segments organized around three strategic business units consisting of Electrical & Electronic Solutions ("EES"), Communications & Security Solutions ("CSS") and Utility and Broadband Solutions ("UBS"). The applicable comparative financial information reported in the Company's previously issued consolidated financial statements for the years ended December 31, 2019 and 2018 have been recast in this Annual Report on Form 10-K to conform to the basis of the new segments.

The following is a description of each of the Company's reportable segments and their business activities.

Electrical & Electronic Solutions

The EES segment supplies a broad range of products and supply chain solutions primarily to the Construction, Industrial and Original Equipment Manufacturer ("OEM") markets. Product categories include a broad range of electrical equipment and supplies, wire and cable, lubricants, pipe, valves, fittings, fasteners, cutting tools, power transmission, and safety products. In addition, OEM customers require a reliable supply of assemblies and components to incorporate into their own products as well as value-added services such as supplier consolidation, design and technical support, just-in-time supply and electronic commerce, and supply chain management. EES includes the “Electrical and Electronic Solutions” business acquired from Anixter and the majority of the legacy WESCO industrial and construction businesses.

Communications & Security Solutions

The CSS segment supplies products and customized supply chain solutions to customers in a diverse range of industries including technology, finance, telecommunications service providers, transportation, education, government, healthcare and retail. CSS sells these products directly to end users or through various channels including data communications contractors, security, network, professional audio/visual and systems integrators. CSS has a broad product portfolio that includes copper and fiber optic cable and connectivity, access control, video surveillance, intrusion and fire/life safety, cabinets, power, cable management, wireless, professional audio/video, voice and networking switches and other ancillary products. CSS includes the “Network and Security Solutions” business acquired from Anixter and the legacy WESCO data communications and safety businesses.

Utility & Broadband Solutions

The UBS segment supplies electrical transmission and distribution products, power plant maintenance, repair and operations supplies and smart-grid products, and arranges materials management and procurement outsourcing for the power generation, power transmission and electricity distribution industries. The UBS segment combines the “Utility Power Solutions” business acquired from Anixter, the legacy WESCO utility business, the legacy WESCO broadband business and the legacy WESCO integrated supply business.

Overall Financial Performance

Our 2020 financial results reflect the half year impact of the merger with Anixter, partially offset by unfavorable business conditions caused by the COVID-19 pandemic. Net sales increased \$4.0 billion, or 47.5%, over the prior year. Cost of goods sold as a percentage of net sales and gross profit margin was 81.1% and 18.9%, respectively, for both 2020 and 2019. Cost of goods sold for 2020 includes merger-related fair value adjustments of \$43.7 million, as well as an out-of-period adjustment of \$18.9 million related to inventory absorption accounting. Adjusted for these amounts, gross profit as a percentage of net sales for 2020 was 19.4%. Selling, general and administrative ("SG&A") expenses as a percentage of net sales were 15.1% and 14.0% for 2020 and 2019, respectively. SG&A expenses for 2020 include merger-related costs of \$132.2 million, as well as a gain on the sale of a U.S. operating branch of \$19.8 million. Adjusted for these amounts, SG&A expenses for 2020 were \$1.7 billion, or 14.2% of net sales, reflecting lower sales and the merger with Anixter, partially offset by cost reduction actions taken in response to the COVID-19 pandemic. SG&A expenses for 2019 include \$3.1 million of merger-related costs. Operating income was \$347.0 million for 2020, compared to \$346.2 million for 2019. Operating income for 2020 includes the aforementioned merger-related costs, merger-related fair value adjustments, out-of-period adjustment, and gain on the sale of a U.S. operating branch. Adjusted for these items, operating profit was \$522.0 million, or 4.2% of net sales. For 2019, operating profit adjusted for merger-related costs of \$3.1 million was \$349.3 million, or 4.2% of net sales. Net income attributable to common stockholders for 2020 and 2019 was \$70.4 million and \$223.4 million, respectively. As adjusted for the aforementioned items, including the related income tax effects, net income attributable to common stockholders was \$203.6 million and \$225.9 million for 2020 and 2019, respectively. Earnings per diluted share attributable to common stockholders was \$1.51 in 2020, based on 46.6 million diluted shares, compared with earnings per diluted share of \$5.14 in 2019, based on 43.5 million diluted shares. As adjusted, earnings per diluted share for 2020 and 2019 was \$4.37 and \$5.20, respectively.

During 2020, the COVID-19 pandemic had a significant impact on our business and adversely impacted our results of operations. We expect these negative impacts to continue during the first quarter of 2021, and potentially longer, depending on the duration and severity of the pandemic, any resurgence of COVID-19, the development and availability of effective treatments and vaccines, and other future developments that are currently uncertain and cannot be predicted.

Events and factors relating to the COVID-19 pandemic include limitations on the ability of our suppliers to manufacture or procure the products we sell or to meet delivery requirements and commitments; disruptions to our global supply chains; limitations on the ability of our employees to perform their work due to travel or other restrictions; limitations on the ability of carriers to deliver our products to our customers; limitations on the ability of our customers to conduct their business and purchase our products and services, or pay us on a timely basis; and disruptions to our customers' purchasing patterns. In response to the COVID-19 pandemic, we have taken actions focused on protecting the health and safety of our employees, which is our top priority. We have restricted non-essential business travel, implemented remote work protocols, and instituted preventive measures at our facilities, including enhanced health and safety protocols, temperature screening and requiring face coverings for employees.

The products and services that we provide are integral to the daily operations of our essential business customers and accordingly, we have taken actions to maintain the continuity of our operations in response to the pandemic. To date, our branch locations have remained operational consistent with governmental and public health authority directives. Beginning in March 2020, and continuing throughout 2020, we have taken, and continue to take, actions to reduce costs consistent with the expected decline in demand, including reductions in administrative expenses, payroll and benefits, and other spending across the company. Given the ongoing uncertainty regarding the duration, severity and scope of the COVID-19 pandemic, we are continuing to monitor the situation and may take further actions in light of future developments.

We have experienced, and may continue to experience, reduced customer demand for certain of our products and services, including delays or cancellations of ongoing or anticipated projects due to our clients', suppliers' and other third parties' diminished financial conditions. We cannot predict the timeframe for recovery of our customer's demand for our products and services. The full extent to which the COVID-19 pandemic will continue to impact our business and financial results going forward is highly uncertain and will depend on many factors outside of our control, including the duration and scope of the crisis, the development and availability of effective treatments and vaccines, imposition of protective public safety measures, and the overall impact of the COVID-19 pandemic on the global economy and capital markets.

Certain triggering events occurred during the first quarter of 2020, including the effect of the ongoing macroeconomic disruption and uncertainty caused by the COVID-19 pandemic, as well as the decline in our share price and market capitalization, both of which indicated that the carrying value of goodwill and indefinite-lived intangible assets may not be recoverable. Accordingly, we performed an interim test for impairment as of March 31, 2020. There were no impairment losses identified as a result of this interim test.

As disclosed in Note 2, "Accounting Policies" of our Notes to Consolidated Financial Statements, we identified new operating segments during the third quarter of 2020, which changed the composition of our reporting units. Accordingly, we reassigned goodwill to the new reporting units using a relative fair value allocation approach. We performed a goodwill impairment test immediately before and after we reorganized our reporting structure. Goodwill was tested for impairment on a reporting unit level and the evaluation involved comparing the fair value of each reporting unit to its carrying value. The fair values of our reporting units were determined using a discounted cash flow analysis, and consideration was also given to market multiples. In performing the quantitative assessments, management used expected operating margins supported by a combination of historical results, current forecasts, market data and recent economic events, which are categorized within Level 3 of the fair value hierarchy. We used a discount rate that reflects market participants' cost of capital. There were no impairment losses identified as a result of these tests. Although our reorganized reporting units had fair values that exceeded the respective carrying values, the EES reporting unit had an estimated fair value that exceeded its respective carrying value by less than 10%. As a result, the EES reporting unit is more susceptible to impairment risk from adverse macroeconomic conditions and if such conditions were to persist the underlying cash flows used to estimate fair value may impact the recoverability of goodwill.

We performed our annual impairment tests of goodwill and indefinite-lived intangible assets during the fourth quarter of 2020 by assessing qualitative factors to determine whether it was more likely than not that the fair value of a reporting unit was less than its carrying amount. In performing this qualitative assessment, we assessed relevant events and circumstances, including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, other relevant events such as changes in key personnel, changes in the composition or carrying amount of the net assets of a reporting unit, and sustained decreases in share price. As a result of this assessment, we determined that the fair values of our reporting units continued to exceed the respective carrying amounts and, therefore, a quantitative impairment test was unnecessary.

The determination of fair value of the reporting units involves significant management judgment, particularly as it relates to the underlying assumptions and factors around expected operating margins and discount rate. Due to the ongoing uncertainty surrounding the current macroeconomic environment and conditions in the markets in which we operate, as well as the risk that we may not fully realize cost savings, operating synergies or revenue improvement as a result of its acquisition of Anixter, there can be no assurance that the fair values of our reporting units will exceed their carrying values in the future, and that goodwill and indefinite-lived intangible assets will be fully recoverable.

Cash Flow

We generated \$543.9 million in operating cash flow during 2020. Cash provided by operating activities included net income of \$100.0 million, adjustments to net income totaling \$113.7 million, and changes in assets and liabilities of \$330.2 million. Investing activities included \$3,707.6 million to fund a portion of the merger with Anixter, as described in Note 6, "Acquisitions" of our Notes to Consolidated Financial Statements, and \$56.7 million of capital expenditures. Financing activities were comprised of \$2,815.0 million of net proceeds from the issuance of senior unsecured notes to finance a portion of the merger with Anixter, borrowings and repayments of \$1.2 billion and \$948.0 million, respectively, related to our prior and new revolving credit facilities, as well as borrowings and repayments of \$1.1 billion and \$565.0 million, respectively, related to our prior and amended accounts receivable securitization facility. Financing activities for 2020 also included net repayments related to our various international lines of credit of \$9.7 million, \$80.2 million of debt issuance costs associated with financing the merger with Anixter, and \$30.1 million of dividends paid to holders of our Series A Preferred Stock.

Free cash flow for the years ended December 31, 2020 and 2019 was \$586.1 million and \$180.3 million, respectively.

The following table sets forth the components of free cash flow:

(In millions)	Twelve Months Ended December 31,	
	2020	2019
Cash flow provided by operations	\$ 543.9	\$ 224.4
Less: Capital expenditures	(56.7)	(44.1)
Add: Merger-related expenditures	98.9	—
Free cash flow	<u>\$ 586.1</u>	<u>\$ 180.3</u>

Note: The table above reconciles cash flow provided by operations to free cash flow. Free cash flow is a non-GAAP financial measure of liquidity. Capital expenditures are deducted from operating cash flow to determine free cash flow. Free cash flow is available to fund investing and financing activities. For the twelve months ended December 31, 2020, the Company paid certain fees, expenses and other costs to consummate the merger with Anixter. Such expenditures have been added back to cash flow provided by operations to determine free cash flow for such period.

Financing Availability

On June 22, 2020, in connection with the Merger, we entered into a \$1,100 million revolving credit facility (the "Revolving Credit Facility"), as a replacement of our existing revolving credit facility entered into on September 26, 2019. Also concurrent with the completion of the Merger, we amended our accounts receivable securitization facility (the "Receivables Facility"). On December 14, 2020, we amended the Revolving Credit Facility and Receivables Facility to permit an increase of the borrowing capacities under such facilities from \$1,100 million to \$1,200 million, and from \$1,025 million to \$1,200 million, respectively. Borrowings under the amended revolving credit and accounts receivable securitization facilities will be used to redeem our \$500 million aggregate principal amount of 5.375% Senior Notes due 2021, as described in Note 19, "Subsequent Events" of the Notes to Consolidated Financial Statements.

As of December 31, 2020, we had \$801.5 million in total available borrowing capacity under our Revolving Credit Facility, which was comprised of \$684.3 million of availability under the U.S. sub-facility and \$117.3 million of availability under the Canadian sub-facility. Available borrowing capacity under our Receivables Facility was \$75.0 million. The Revolving Credit Facility and the Receivables Facility mature in June 2025 and June 2023, respectively.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to supplier rebate income, expected credit losses, inventories, insurance costs, goodwill and indefinite-lived intangible assets, income taxes, contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. If actual market conditions are less favorable than those projected by management, additional adjustments to reserve items may be required. We believe the following critical accounting policies affect our judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

Our revenue arrangements generally consist of single performance obligations to transfer a promised good or service, or a combination of goods and services. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods or providing services. Revenue is recognized when control has transferred to the customer, which is generally when the product has shipped from our facility or directly from a supplier. However, transfer may occur at a later date depending on the agreed upon terms, such as delivery at the customer's designated location, or based on consignment terms. For products that ship directly from suppliers to customers, we act as the principal in the transaction and recognize revenue on a gross basis. When providing services, sales are recognized over time as control transfers to the customer, which occurs as services are rendered. We generally satisfy our performance obligations within a year or less.

We generally do not have significant financing terms associated with our contracts; payments are normally received within 60 days. There are generally no significant costs associated with obtaining customer contracts. We typically pass through warranties offered by manufacturers or suppliers to our customers. Sales taxes (and value added taxes in foreign jurisdictions) collected from customers and remitted to governmental authorities are excluded from net sales.

Supplier Volume Rebates

We receive volume rebates from certain suppliers based on contractual arrangements with such suppliers. Volume rebates are included within other accounts receivable in the Consolidated Balance Sheets, and represent the estimated amounts due to us based on forecasted purchases and the rebate provisions of the various supplier contracts. The corresponding volume rebate income is recorded as a reduction to cost of goods sold.

Allowance for Expected Credit Losses

We recognize expected credit losses resulting from the inability of our customers to make required payments through an allowance account that is measured each reporting date. We estimate credit losses over the life of our trade accounts receivable using a combination of historical loss data, current credit conditions, specific customer circumstances, and reasonable and supportable forecasts of future economic conditions.

Inventories

Inventories primarily consist of merchandise purchased for resale and are stated at the lower of cost and net realizable value. Cost is determined principally under the average cost method. We reduce the carrying value of our inventories at the earlier of identifying an item that is considered to be obsolete or in excess of supply relative to demand, or no movement in the past 15 months.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill and indefinite-lived intangible assets are tested for impairment annually during the fourth quarter using information available at the end of September, or more frequently if triggering events occur, indicating that their carrying value may not be recoverable. We test for goodwill impairment on a reporting unit level. We first assess qualitative factors, including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, other relevant events such as changes in key personnel, changes in the composition or carrying amount of the net assets of a reporting unit, and sustained decreases in share price, to determine whether it is more likely than not that the fair value of our reporting units are less than their carrying values. If the qualitative assessment indicates that the fair values of our reporting units may not exceed their respective carrying values, then we perform a quantitative test for impairment by comparing the fair value of each reporting unit to its carrying value. We determine the fair values of our reporting units using a discounted cash flow analysis and consideration of market multiples. The discounted cash flow analysis uses certain assumptions, including expected operating margins supported by a combination of historical results, current forecasts, market data and recent economic events, which are categorized within Level 3 of the fair value hierarchy. We use a discount rate that reflects market participants' cost of capital. We evaluate the recoverability of indefinite-lived intangible assets using the relief-from-royalty method based on projected financial information.

The determination of fair value involves significant management judgment, particularly as it relates to the underlying assumptions and factors around expected operating margins and discount rate. Management applies its best judgment when assessing the reasonableness of financial projections. Fair values are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the annual goodwill and indefinite-lived intangible impairment tests will prove to be an accurate prediction of future results.

Intangible Assets

We account for certain economic benefits purchased as a result of our acquisitions, including customer relations, distribution agreements, technology and trademarks, as intangible assets. Most trademarks have an indefinite life. We amortize all other intangible assets over a useful life determined by the expected cash flows produced by such intangibles and their respective tax benefits. Useful lives vary between 2 and 20 years, depending on the specific intangible asset.

Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred income taxes for events that have future tax consequences. Under this method, deferred income taxes are recognized (using enacted tax laws and rates) based on the future income tax effects of differences in the carrying amounts of assets and liabilities for financial reporting and tax purposes. The effect of a tax rate change on deferred tax assets and liabilities is recognized in income in the period of change.

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We recognize deferred tax assets at amounts that are expected to be realized. To make such determination, management evaluates all positive and negative evidence, including but not limited to, prior, current and future taxable income, tax planning strategies and future reversals of existing taxable temporary differences. A valuation allowance is recognized if it is “more-likely-than-not” that some or all of a deferred tax asset will not be realized. We regularly assess the realizability of deferred tax assets.

We account for uncertainty in income taxes using a “more-likely-than-not” recognition threshold. Due to the subjectivity inherent in the evaluation of uncertain tax positions, the tax benefit ultimately recognized may materially differ from the estimate recognized in the consolidated financial statements. We recognize interest and penalties related to uncertain tax benefits as part of interest expense and income tax expense, respectively.

The Tax Cuts and Jobs Act of 2017 (the “TCJA”) imposed a one-time tax on the deemed repatriation of undistributed foreign earnings (the “transition tax”). Except for a portion of foreign earnings previously taxed in the U.S. that can effectively be distributed without further material U.S. or foreign taxation, we continue to assert that the undistributed earnings of our foreign subsidiaries are indefinitely reinvested. To the extent the earnings of our foreign subsidiaries are distributed in the form of dividends, such earnings may be subject to additional taxes. We believe that we are able to maintain a sufficient level of liquidity for our domestic operations and commitments without incurring any material tax cost to repatriate cash held by our foreign subsidiaries.

The provisions of the TCJA also introduced U.S. taxation on certain global intangible low-taxed income (“GILTI”). We have elected to account for GILTI tax as a component of income tax expense.

Results of Operations

The following table sets forth the percentage relationship to net sales of certain items in our Consolidated Statements of Income and Comprehensive Income for the periods presented:

	Year Ended December 31,		
	2020	2019	2018
Net sales	100.0 %	100.0 %	100.0 %
Cost of goods sold (excluding depreciation and amortization)	81.1	81.1	80.8
Selling, general and administrative expenses	15.1	14.0	14.1
Depreciation and amortization	1.0	0.8	0.8
Income from operations	2.8	4.1	4.3
Interest expense, net	1.8	0.8	0.8
Other, net	—	(0.1)	0.1
Income before income taxes	1.0	3.4	3.4
Provision for income taxes	0.2	0.7	0.6
Net income attributable to WESCO International, Inc.	0.8	2.7	2.8
Preferred stock dividends	0.2	—	—
Net income attributable to common stockholders	0.6 %	2.7 %	2.8 %

*2020 Compared to 2019***Net Sales**

The following table sets forth net sales by segment for the periods presented:

(In thousands)	Year Ended December 31,		Growth (Decline)
	2020	2019	
EES	\$ 5,479,760	\$ 4,860,541	12.7 %
CSS	3,323,264	909,496	265.4 %
UBS	3,522,971	2,588,880	36.1 %
Total net sales	\$ 12,325,995	\$ 8,358,917	47.5 %

Net sales were \$12.3 billion in 2020 compared with \$8.4 billion in 2019, an increase of 47.5% due to the merger with Anixter that was completed on June 22, 2020, partially offset by the impact of weakened demand from the COVID-19 pandemic.

EES reported net sales of \$5.5 billion in 2020, compared to \$4.9 billion in 2019, an increase of 12.7%. The increase reflects the impact of the merger with Anixter, partially offset by weakened global demand in construction and industrial markets due to local and government shutdowns associated with the COVID-19 pandemic, as well as related disruptions to our suppliers and customers that have caused delays to projects.

CSS reported net sales of \$3.3 billion in 2020, compared to \$0.9 billion in 2019, an increase of 265.4%. The increase reflects the impact of the merger with Anixter. The COVID-19 pandemic had an overall negative impact on CSS sales, although some customers and end users are considered essential businesses that saw increased demand.

UBS reported net sales of \$3.5 billion in 2020, compared to \$2.6 billion in 2019, an increase of 36.1%. The increase reflects the impact of the merger with Anixter. The COVID-19 pandemic had a limited impact on UBS sales as the primary customers in this segment are public power and investor owned utilities, which are considered essential business and have maintained normal operations.

Cost of Goods Sold

Cost of goods sold for 2020 was \$10.0 billion, compared to \$6.8 billion for 2019. Cost of goods sold as a percentage of net sales was 81.1% in both 2020 and 2019. Cost of goods sold for 2020 includes merger-related fair value adjustments of \$43.7 million, as well as an out-of-period adjustment of \$18.9 million related to inventory absorption accounting. Adjusted for these amounts, cost of goods sold as a percentage of net sales for 2020 was 80.6%.

Selling, General and Administrative Expenses

SG&A expenses include costs associated with personnel, shipping and handling, travel, advertising, facilities, utilities and credit losses. SG&A expenses for 2020 were \$1.9 billion, an increase of \$685.9 million, or 58.5%, from 2019. SG&A expenses as a percentage of net sales increased to 15.1% in 2020 from 14.0% in 2019. SG&A expenses for 2020 include merger-related costs of \$132.2 million, as well as a gain on the sale of a U.S. operating branch of \$19.8 million. Adjusted for these amounts, SG&A expenses for 2020 were \$1.7 billion, or 14.2% of net sales, reflecting the merger with Anixter and lower sales, partially offset by cost reduction actions taken in response to the COVID-19 pandemic. SG&A expenses for 2019 include \$3.1 million of merger-related costs.

SG&A payroll expenses for 2020 of \$1.2 billion increased by \$398.1 million compared to 2019 primarily due to the merger with Anixter. Excluding the impact of the merger, SG&A payroll expenses were down \$35.0 million due to lower salaries and wages, variable compensation expense and benefit costs resulting from cost reduction actions associated with the COVID-19 pandemic.

The remaining SG&A expenses for 2020 of \$648.0 million increased by \$287.8 million compared to 2019. The increase in the remaining SG&A expenses was primarily due to the impact of the merger with Anixter.

Depreciation and Amortization

Depreciation and amortization increased \$59.5 million to \$121.6 million in 2020, compared with \$62.1 million in 2019. The current period includes \$33.0 million of amortization attributable to identifiable intangible assets acquired in the merger with Anixter.

Income from Operations

The following tables set forth income from operations by segment for the periods presented:

(In thousands)	Year Ended December 31, 2020				
	EES	CSS	UBS	Corporate	Total
Income from operations	\$ 260,207	\$ 217,163	\$ 231,702	\$ (362,034)	\$ 347,038

(In thousands)	Year Ended December 31, 2019				
	EES	CSS	UBS	Corporate	Total
Income from operations	\$ 261,788	\$ 43,835	\$ 184,931	\$ (144,337)	\$ 346,217

EES reported operating profit of \$260.2 million in 2020, compared to \$261.8 million in 2019. The decrease reflects lower demand caused by the COVID-19 pandemic, offset by the merger with Anixter and cost reduction actions taken in response to the lower demand.

CSS reported operating profit of \$217.2 million in 2020, compared to \$43.8 million in 2019. The increase reflects the impact of the merger with Anixter. The benefits of cost reduction actions taken in response to the COVID-19 pandemic, as well as operating synergies resulting from the business combination, had a favorable impact on operating profit.

UBS reported operating profit of \$231.7 million in 2020, compared to \$184.9 million in 2019. The increase reflects the impact of the merger with Anixter. The impact of the COVID-19 pandemic on the UBS segment was limited as many of its primary customers are public power and investor owned utilities that are considered essential businesses and have maintained normal operations.

Interest Expense, net

Interest expense, net totaled \$226.6 million in 2020, compared with \$65.7 million in 2019, an increase of 244.8%. The increase in interest expense was driven by financing activity related to the Anixter merger.

Other, net

Other non-operating income ("other, net") totaled \$2.4 million in 2020, compared to \$1.6 million in 2019.

Income Taxes

Our effective tax rate was 18.6% in 2020 compared to 21.2% in 2019. The lower effective tax rate in the current year was primarily due to one-time impacts from the merger with Anixter.

Net Income and Earnings per Share

Net income for 2020 was \$100.0 million, compared to \$222.2 million for 2019.

Net loss attributable to noncontrolling interests in 2020 and 2019 was \$0.5 million and \$1.2 million, respectively.

Preferred stock dividends expense of \$30.1 million in 2020 relates to the fixed-rate reset cumulative perpetual preferred stock, Series A, that was issued in connection with the merger.

Net income and earnings per diluted share attributable to common stockholders were \$70.4 million and \$1.51 per diluted share, respectively, in 2020, compared with \$223.4 million and \$5.14 per diluted share, respectively, in 2019. Adjusted for the items mentioned above, net income and earnings per diluted share attributable to common stockholders were \$203.6 million and \$4.37 per diluted share, respectively, for the year ended December 31, 2020. Adjusted net income and adjusted earnings per diluted share attributable to common stockholders were \$225.9 million and \$5.20 per diluted share, respectively, for the year ended December 31, 2019.

The following tables reconcile income from operations, provision for income taxes and earnings per diluted share to adjusted net income from operations, adjusted provision for income taxes and adjusted earnings per diluted share, which are non-GAAP financial measures, for the periods presented:

Adjusted Income from Operations:	Year Ended December 31,	
	2020	2019
	(In thousands)	
Income from operations	\$ 347,038	\$ 346,217
Merger-related costs	132,236	3,130
Merger-related fair value adjustments	43,693	—
Out-of-period adjustment	18,852	—
Gain on sale of asset	(19,816)	—
Adjusted income from operations	\$ 522,003	\$ 349,347

Adjusted Provision for Income Taxes:	Year Ended December 31,	
	2020	2019
	(In thousands)	
Provision for income taxes	\$ 22,803	\$ 59,863
Income tax effect of adjustments to income from operations ⁽¹⁾	41,817	664
Adjusted provision for income taxes	\$ 64,620	\$ 60,527

⁽¹⁾ The adjustments to income from operations have been tax effected at a rate of 23.9% and 21.2% for the years ended December 31, 2020 and December 31, 2019, respectively.

Adjusted Earnings Per Diluted Share: (In thousands, except per share data)	Year Ended December 31,	
	2020	2019
Adjusted income from operations	\$ 522,003	\$ 349,347
Interest expense, net	226,591	65,710
Other, net	(2,395)	(1,554)
Adjusted income before income taxes	297,807	285,191
Adjusted provision for income taxes	64,620	60,527
Adjusted net income	233,187	224,664
Net loss attributable to noncontrolling interests	(521)	(1,228)
Adjusted net income attributable to WESCO International, Inc.	233,708	225,892
Preferred stock dividends	30,139	—
Adjusted net income attributable to common stockholders	\$ 203,569	\$ 225,892
Diluted shares	46,625	43,487
Adjusted earnings per diluted share	\$ 4.37	\$ 5.20

Note: For the twelve months ended December 31, 2020, income from operations, the provision for income taxes and earnings per diluted share have been adjusted to exclude merger-related costs and fair value adjustments, an out-of-period adjustment related to inventory absorption accounting, gain on sale of a U.S. operating branch, and the related income tax effects. For the twelve months ended December 31, 2019, income from operations, the provision for income taxes and earnings per diluted share have been adjusted to exclude merger-related costs and the related income tax effects. These non-GAAP financial measures provide a better understanding of the Company's financial results on a comparable basis.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin %

The following tables reconcile net income attributable to common stockholders to EBITDA, adjusted EBITDA and adjusted EBITDA margin % by segment, which are non-GAAP financial measures, for the periods presented:

(In thousands)	Year Ended December 31, 2020				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 262,829	\$ 217,211	\$ 231,678	\$ (641,297)	\$ 70,421
Net loss attributable to noncontrolling interests	(842)	—	—	321	(521)
Preferred stock dividends	—	—	—	30,139	30,139
Provision for income taxes	—	—	—	22,803	22,803
Interest expense, net	—	—	—	226,591	226,591
Depreciation and amortization	35,811	37,765	22,380	25,644	121,600
EBITDA	\$ 297,798	\$ 254,976	\$ 254,058	\$ (335,799)	\$ 471,033
Other, net	(1,780)	(48)	24	(591)	(2,395)
Stock-based compensation expense ⁽¹⁾	991	59	298	15,366	16,714
Merger-related costs	—	—	—	132,236	132,236
Merger-related fair value adjustments	15,411	22,000	6,282	—	43,693
Out-of-period adjustment	2,325	12,634	3,893	—	18,852
Gain on sale of asset	(19,816)	—	—	—	(19,816)
Adjusted EBITDA	\$ 294,929	\$ 289,621	\$ 264,555	\$ (188,788)	\$ 660,317
Adjusted EBITDA margin %	5.4 %	8.7 %	7.5 %		5.4 %

⁽¹⁾ Stock-based compensation expense in the calculation of adjusted EBITDA for the year ended December 31, 2020 excludes \$2.6 million as this amount is included in merger-related costs.

(In thousands)	Year Ended December 31, 2019				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 264,570	\$ 43,835	\$ 184,931	\$ (269,910)	\$ 223,426
Net loss attributable to noncontrolling interests	(1,228)	—	—	—	(1,228)
Provision for income taxes	—	—	—	59,863	59,863
Interest expense, net	—	—	—	65,710	65,710
Depreciation and amortization	28,569	7,155	13,583	12,800	62,107
EBITDA	\$ 291,911	\$ 50,990	\$ 198,514	\$ (131,537)	\$ 409,878
Other, net	(1,554)	—	—	—	(1,554)
Stock-based compensation expense	1,116	77	231	17,638	19,062
Merger-related costs	—	—	—	3,130	3,130
Adjusted EBITDA	\$ 291,473	\$ 51,067	\$ 198,745	\$ (110,769)	\$ 430,516
Adjusted EBITDA margin %	6.0 %	5.6 %	7.7 %		5.2 %

Note: EBITDA, Adjusted EBITDA and Adjusted EBITDA margin % are non-GAAP financial measures that provide indicators of our performance and ability to meet debt service requirements. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before other non-operating expenses ("other, net"), non-cash stock-based compensation, merger-related costs and fair value adjustments, an out-of-period adjustment costs related to inventory absorption accounting, and gain on sale of a U.S. operating branch. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

Adjusted EBITDA for EES was \$294.9 million in 2020, or 5.4% of net sales, compared to \$291.5 million in 2019, or 6.0% of net sales.

Adjusted EBITDA for CSS was \$289.6 million in 2020, or 8.7% of net sales, compared to \$51.1 million in 2019, or 5.6% of net sales.

Adjusted EBITDA for UBS was \$264.6 million in 2020, or 7.5% of net sales, compared to \$198.7 million in 2019, or 7.7% of net sales.

*2019 Compared to 2018***Net Sales**

The following table sets forth net sales by segment for the periods presented:

(In thousands)	Year Ended December 31,		Growth (Decline)
	2019	2018	
EES	\$ 4,860,541	\$ 4,878,836	(0.4) %
CSS	909,496	857,481	6.1 %
UBS	2,588,880	2,440,284	6.1 %
Total net sales	\$ 8,358,917	\$ 8,176,601	2.2 %

Net sales were \$8.4 billion in 2019 compared with \$8.2 billion in 2018, an increase of 2.2%.

EES reported net sales of \$4.9 billion in both 2019 and 2018. The moderate decline of 0.4% reflects skilled labor constraints and overall uncertainty related to the macroeconomic environment and international trade concerns.

CSS reported net sales of \$909.5 million in 2019, compared to \$857.5 million in 2018. The increase of 6.1% reflects growth in the data communications and security categories.

UBS reported net sales of \$2.6 billion in 2019, compared to \$2.4 billion in 2018. The increase of 6.1% reflects the benefit of secular trends in the utility sector, including grid hardening and reliability projects, construction market growth, higher industrial output and increased demand for renewable energy.

Cost of Goods Sold

Cost of goods sold for 2019 was \$6.8 billion, compared to \$6.6 billion for 2018. Cost of goods sold as a percentage of net sales was 81.1% and 80.8% in 2019 and 2018, respectively. Cost of goods sold as a percentage of net sales was negatively impacted by a challenging pricing environment, as well as business mix.

Selling, General and Administrative Expenses

SG&A expenses include costs associated with personnel, shipping and handling, travel, advertising, facilities, utilities and credit losses. SG&A expenses for 2019 were \$1.2 billion, an increase of \$21.2 million, or 1.8%, from 2018. SG&A expenses as a percentage of net sales improved to 14.0% in 2019 from 14.1% in 2018. The increase in SG&A expenses reflects the impact of the SLS acquisition and merger-related costs, partially offset by lower variable payroll expenses and the absence of a bad debt charge that was recorded in the prior year.

SG&A payroll expenses for 2019 of \$812.9 million increased by \$8.7 million compared to 2018. The increase in SG&A payroll expenses was primarily due to wage inflation and the impact of the SLS acquisition, which were partially offset by lower variable compensation expense and benefit costs.

The remaining SG&A expenses for 2019 of \$360.2 million increased by \$12.4 million compared to 2018. The increase in the remaining SG&A expenses was primarily due to the impact of the SLS acquisition.

Depreciation and Amortization

Depreciation and amortization decreased \$0.9 million to \$62.1 million in 2019, compared with \$63.0 million in 2018.

Income from Operations

The following tables set forth income from operations by segment for the periods presented:

	Year Ended December 31, 2019				
(In thousands)	EES	CSS	UBS	Corporate	Total
Income from operations	\$ 261,788	\$ 43,835	\$ 184,931	\$ (144,337)	\$ 346,217

	Year Ended December 31, 2018				
(In thousands)	EES	CSS	UBS	Corporate	Total
Income from operations	\$ 289,065	\$ 34,592	\$ 165,149	\$ (136,366)	\$ 352,440

EES reported operating profit of \$261.8 million in 2019, compared to \$289.1 million in 2018. The decrease in operating profit is due to the impact of higher SG&A expenses resulting from the SLS acquisition.

CSS reported operating profit of \$43.8 million in 2019, compared to \$34.6 million in 2018. The increase in operating profit is due to higher sales, as described above.

UBS reported operating profit of \$184.9 million in 2019, compared to \$165.1 million in 2018. The increase in operating profit is due to higher sales, as described above.

Interest Expense, net

Interest expense, net totaled \$65.7 million in 2019, compared with \$68.7 million in 2018, a decrease of 4.3%. The resolution of transfer pricing matters associated with the Canadian taxing authority resulted in non-cash interest income of \$3.7 million for the year ended December 31, 2019.

Other, net

Other non-operating income ("other, net") totaled \$1.6 million in 2019, compared to expense of \$2.8 million in 2018. For the year ended December 31, 2018, other non-operating expense includes a foreign exchange loss of \$3.0 million from the remeasurement of a financial instrument, as well as accelerated amortization of debt discount and debt issuance costs totaling \$0.8 million due to early repayments of our then outstanding term loan facility.

Income Taxes

Our effective tax rate was 21.2% in 2019 compared to 19.8% in 2018. The higher effective tax rate in 2019 as compared to the prior year was primarily due to the full application of the international provisions of U.S. tax reform.

Net Income and Earnings per Share

Net income decreased by \$3.2 million, or 1.4%, to \$222.2 million in 2019, compared to \$225.4 million in 2018.

Net loss attributable to noncontrolling interests in 2019 and 2018 was \$1.2 million and \$2.0 million, respectively.

Net income and earnings per diluted share attributable to common stockholders were \$223.4 million and \$5.14 per share, respectively, in 2019, compared with \$227.3 million and \$4.82 per share, respectively, in 2018. Adjusted net income and earnings per diluted share attributable to common stockholders were \$225.9 million and \$5.20 per share, respectively, for the year ended December 31, 2019.

The following tables reconcile income from operations, provision for income taxes and earnings per diluted share to adjusted net income from operations, adjusted provision for income taxes and adjusted earnings per diluted share, which are non-GAAP financial measures, for the periods presented:

Adjusted Income from Operations:	Year Ended December 31,	
	2019	2018
	(In thousands)	
Income from operations	\$ 346,217	\$ 352,440
Merger-related costs	3,130	—
Adjusted income from operations	\$ 349,347	\$ 352,440

Adjusted Provision for Income Taxes:	Year Ended December 31,	
	2019	2018
	(In thousands)	
Provision for income taxes	\$ 59,863	\$ 55,670
Income tax effect of adjustments to income from operations ⁽¹⁾	664	—
Adjusted provision for income taxes	\$ 60,527	\$ 55,670

⁽¹⁾ The adjustment to income from operations has been tax effected at a rate of 21.2% for the year ended December 31, 2019.

Adjusted Earnings Per Diluted Share: (In thousands, except per share data)	Year Ended December 31,	
	2019	2018
	Adjusted income from operations	\$ 349,347
Interest expense, net	65,710	68,661
Other, net	(1,554)	2,754
Adjusted income before income taxes	285,191	281,025
Adjusted provision for income taxes	60,527	55,670
Adjusted net income	224,664	225,355
Net loss attributable to noncontrolling interests	(1,228)	(1,988)
Adjusted net income attributable to WESCO International, Inc.	\$ 225,892	\$ 227,343
Diluted shares	43,487	47,199
Adjusted earnings per diluted share	\$ 5.20	\$ 4.82

Note: Income from operations, the provision for income taxes and earnings per diluted share for the year ended December 31, 2019 are adjusted to exclude merger-related costs and the related income tax effect. These non-GAAP financial measures provide a better understanding of our financial results on a comparable basis.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin %

The following tables reconcile net income attributable to common stockholders to EBITDA, adjusted EBITDA and adjusted EBITDA margin % by segment, which are non-GAAP financial measures, for the periods presented:

(In thousands)	Year Ended December 31, 2019				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 264,570	\$ 43,835	\$ 184,931	\$ (269,910)	\$ 223,426
Net loss attributable to noncontrolling interests	(1,228)	—	—	—	(1,228)
Provision for income taxes	—	—	—	59,863	59,863
Interest expense, net	—	—	—	65,710	65,710
Depreciation and amortization	28,569	7,155	13,583	12,800	62,107
EBITDA	\$ 291,911	\$ 50,990	\$ 198,514	\$ (131,537)	\$ 409,878
Other, net	(1,554)	—	—	—	(1,554)
Stock-based compensation expense	1,116	77	231	17,638	19,062
Merger-related costs	—	—	—	3,130	3,130
Adjusted EBITDA	\$ 291,473	\$ 51,067	\$ 198,745	\$ (110,769)	\$ 430,516
Adjusted EBITDA margin %	6.0 %	5.6 %	7.7 %		5.2 %

(In thousands)	Year Ended December 31, 2018				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 288,299	\$ 34,592	\$ 165,149	\$ (260,697)	\$ 227,343
Net loss attributable to noncontrolling interests	(1,988)	—	—	—	(1,988)
Provision for income taxes	—	—	—	55,670	55,670
Interest expense, net	—	—	—	68,661	68,661
Depreciation and amortization	30,198	7,413	13,447	11,939	62,997
EBITDA	\$ 316,509	\$ 42,005	\$ 178,596	\$ (124,427)	\$ 412,683
Other, net	2,754	—	—	—	2,754
Stock-based compensation expense	605	116	351	15,373	16,445
Adjusted EBITDA	\$ 319,868	\$ 42,121	\$ 178,947	\$ (109,054)	\$ 431,882
Adjusted EBITDA margin %	6.6 %	4.9 %	7.3 %		5.3 %

Note: EBITDA, Adjusted EBITDA and Adjusted EBITDA margin % are non-GAAP financial measures that provide indicators of our performance and ability to meet debt service requirements. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before other non-operating expenses ("other, net"), non-cash stock-based compensation, and costs associated with the merger with Anixter. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

Adjusted EBITDA for EES was \$291.5 million in 2019, or 6.0% of net sales, compared to \$319.9 million in 2018, or 6.6% of net sales.

Adjusted EBITDA for CSS was \$51.1 million in 2019, or 5.6% of net sales, compared to \$42.1 million in 2018, or 4.9% of net sales.

Adjusted EBITDA for UBS was \$198.7 million in 2019, or 7.7% of net sales, compared to \$178.9 million in 2018, or 7.3% of net sales.

Liquidity and Capital Resources

Total assets were \$11.9 billion and \$5.0 billion at December 31, 2020 and 2019, respectively. Total liabilities at December 31, 2020 and 2019 were \$8.5 billion and \$2.8 billion, respectively. Total stockholders' equity was \$3.3 billion and \$2.3 billion at December 31, 2020 and 2019, respectively.

The following table sets forth our outstanding indebtedness:

	As of December 31,	
	2020	2019
	(In millions)	
International lines of credit	\$ 29.6	\$ 26.3
Accounts Receivable Securitization Facility	950.0	415.0
Revolving Credit Facility	250.0	—
5.375% Senior Notes due 2021	500.0	500.0
5.50% Senior Notes due 2023	58.6	—
5.375% Senior Notes due 2024	350.0	350.0
6.00% Senior Notes due 2025	4.2	—
7.125% Senior Notes due 2025	1,500.0	—
7.250% Senior Notes due 2028, less debt discount of \$9.3	1,315.7	—
Finance lease obligations	17.9	1.3
Total debt	4,976.0	1,292.6
Plus: Fair value adjustment to the Anixter Senior Notes	1.7	—
Less: Unamortized debt issuance costs	(78.9)	(8.8)
Less: Short-term debt and current portion of long-term debt	(528.8)	(26.7)
Total long-term debt	\$ 4,370.0	\$ 1,257.1

The required annual principal repayments for all indebtedness for the next five years and thereafter, as of December 31, 2020, is set forth in the following table:

<i>(In millions)</i>	
2021	\$ 529.9
2022	4.1
2023	1,016.3
2024	352.2
2025	1,756.1
Thereafter	1,326.7
Total payments on debt	\$ 4,985.3
Debt discount	(9.3)
Total debt	\$ 4,976.0

Our liquidity needs generally arise from fluctuations in our working capital requirements, capital expenditures, acquisitions and debt service obligations. As of December 31, 2020, we had \$801.5 million in available borrowing capacity under our Revolving Credit Facility and \$75.0 million in available borrowing capacity under our Receivables Facility, which combined with available cash of \$259.5 million, provided liquidity of \$1.1 billion. Cash included in our determination of liquidity represents cash in certain deposit and interest bearing investment accounts. We believe cash provided by operations and financing activities will be adequate to cover our operational and business needs for at least the next twelve months. In addition, we regularly review our mix of fixed versus variable rate debt, and we may, from time to time, issue or retire borrowings and/or refinance existing debt in an effort to mitigate the impact of interest rate and foreign exchange rate fluctuations, and to maintain a cost-effective capital structure consistent with our anticipated capital requirements. At December 31, 2020, approximately 75% of our debt portfolio was comprised of fixed rate debt.

In connection with the Merger, we obtained debt financing comprised of senior unsecured notes in aggregate principal amount of \$2.8 billion, a new senior secured asset-based revolving credit facility in aggregate principal amount of \$1.1 billion, and an amended accounts receivable securitization facility with a purchase limit up to \$1.0 billion. Prior to the completion of the Merger, we also simultaneously entered into tender offers and consent solicitations with respect to Anixter's 5.50% Senior Notes due 2023 and 6.00% Senior Notes due 2025 (collectively, the "Anixter Senior Notes"). Upon the expiration and settlement of the tender offers and consent solicitations, \$62.8 million in aggregate principal amount of the Anixter Senior Notes remain outstanding.

We used the net proceeds from the issuance of senior unsecured notes, together with borrowings under the new senior secured asset-based revolving credit facility and amended accounts receivable securitization facility, as well as existing cash on hand to consummate the merger. Since the acquisition, we have reduced our outstanding indebtedness by approximately \$205 million. Over the next several quarters, it is expected that excess liquidity will be directed primarily at debt reduction and merger-related integration activities, and we expect to maintain sufficient liquidity through our credit facilities and cash balances. We expect to spend between \$100 million to \$120 million on capital expenditures in 2021, much of which will be invested to align the systems of our legacy businesses and enhance our digital tools.

We monitor the depository institutions that hold our cash and cash equivalents on a regular basis, and we believe that we have placed our deposits with creditworthy financial institutions. We also communicate on a regular basis with our lenders regarding our financial and working capital performance, liquidity position and financial leverage. Our financial leverage ratio was 5.3 as of December 31, 2020, on a pro forma basis, and 2.7 as of December 31, 2019, as reported. In addition, we are in compliance with all covenants and restrictions contained in our debt agreements as of December 31, 2020.

The following table sets forth our financial leverage ratio, which is a non-GAAP financial measure, for the periods presented:

	Pro Forma ⁽¹⁾		Reported	
	Twelve months ended		Twelve months ended	
	December 31, 2020		December 31, 2019	
(In millions of dollars, except ratios)				
Net income attributable to common stockholders	\$	115.6	\$	223.4
Net loss attributable to noncontrolling interests		(0.5)		(1.2)
Preferred stock dividends		30.1		—
Provision for income taxes		55.7		59.9
Interest expense, net		255.8		65.7
Depreciation and amortization		153.5		62.1
EBITDA	\$	610.2	\$	409.9
Other, net		4.6		(1.6)
Stock-based compensation		34.7		19.1
Merger-related costs and fair value adjustments		206.7		3.1
Out-of-period adjustment		18.9		—
Gain on sale of asset		(19.8)		—
Adjusted EBITDA	\$	855.3	\$	430.5
		December 31, 2020		December 31, 2019
Short-term borrowings and current portion of long-term debt	\$	528.8	\$	26.7
Long-term debt		4,370.0		1,257.1
Debt discount and debt issuance costs ⁽²⁾		88.2		8.8
Fair value adjustments to Anixter Notes due 2023 and 2025 ⁽²⁾		(1.7)		—
Total debt		4,985.3		1,292.6
Less: cash and cash equivalents		449.1		150.9
Total debt, net of cash	\$	4,536.2	\$	1,141.7
Financial leverage ratio		5.3		2.7

⁽¹⁾ Pro forma EBITDA and pro forma adjusted EBITDA for the trailing twelve month period ended December 31, 2020 gives effect to the combination of WESCO and Anixter as if it had occurred at the beginning of such period.

⁽²⁾ Long-term debt is presented in the consolidated balance sheets net of debt discount and debt issuance costs, and include adjustments to record the long-term debt assumed in the merger with Anixter at its acquisition date fair value.

Note: Financial leverage is a non-GAAP financial measure of the use of debt. Financial leverage ratio is calculated by dividing total debt, excluding debt discount, debt issuance costs and fair value adjustments, less cash and cash equivalents, by adjusted EBITDA. EBITDA is defined as the trailing twelve months earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as the trailing twelve months EBITDA before foreign exchange and other non-operating expenses, non-cash stock-based compensation, merger-related costs and fair value adjustments, an out-of-period adjustment related to inventory absorption accounting, and gain on sale of a U.S. operating branch. Pro forma financial leverage ratio is calculated by dividing total debt, excluding debt discount and debt issuance costs, less cash and cash equivalents, by pro forma adjusted EBITDA.

Undistributed earnings of our foreign subsidiaries amounted to approximately \$1,835.0 million at December 31, 2020. Most of these earnings have been taxed in the U.S. under either the one-time transition tax or the GILTI tax regime imposed by the TCJA. Except for a portion of foreign earnings previously taxed in the U.S. that can effectively be distributed without further material U.S. or foreign taxation, we continue to assert that the undistributed earnings of our foreign subsidiaries are indefinitely reinvested. To the extent the earnings of our foreign subsidiaries are distributed in the form of dividends, such earnings may be subject to additional taxes. We estimate that additional taxes of approximately \$75.0 million would be payable upon the remittance of foreign earnings as dividends at December 31, 2020, based upon the laws in effect on that date. We

believe that we are able to maintain a sufficient level of liquidity for our domestic operations and commitments without incurring any material tax cost to repatriate cash held by our foreign subsidiaries.

We finance our operating and investing needs as follows:

International Lines of Credit

Certain foreign subsidiaries of WESCO have entered into uncommitted lines of credit, some of which are overdraft facilities, to support local operations. The maximum borrowing limit varies by facility and ranges between \$2.0 million and \$31.0 million. The international lines of credit generally are renewable on an annual basis and certain facilities are fully and unconditionally guaranteed by WESCO Distribution. Accordingly, certain borrowings under these lines directly reduce availability under the Revolving Credit Facility. The applicable interest rate for borrowings under these lines of credit varies by country and is governed by the applicable loan agreement. The average interest rate for these facilities was 3.4% and 6.3% at December 31, 2020 and 2019, respectively.

Accounts Receivable Securitization Facility

On June 22, 2020, WESCO Distribution amended its Receivables Facility pursuant to the terms and conditions of a Fifth Amended and Restated Receivables Purchase Agreement (the "Receivables Purchase Agreement"), by and among WESCO Receivables Corp. ("WESCO Receivables"), WESCO Distribution, the various purchaser groups from time to time party thereto and PNC Bank, National Association, as Administrator. The Receivables Purchase Agreement amends and restates the amended and restated receivables purchase agreement entered into on September 24, 2015 (the "Existing Receivables Purchase Agreement").

The Receivables Purchase Agreement, among other things, increased the purchase limit under the Existing Receivables Purchase Agreement from \$600 million to \$1,025 million, with the opportunity to exercise an accordion feature that permits increases in the purchase limit of up to \$375 million, extended the term of the Receivables Facility to June 22, 2023 and added and amended certain defined terms. Borrowings under the Receivables Facility bear interest at the 30-day LIBOR rate, with a LIBOR floor of 0.5%, plus applicable spreads. The interest rate spread of the Receivables Facility increased from 0.95% to 1.20%. The commitment fee remained unchanged at 0.45%.

On December 14, 2020, WESCO Distribution amended its Receivables Facility pursuant to the terms and conditions of a First Amendment to the Fifth Amended and Restated Receivables Purchase Agreement (the "Receivables Amendment"). The Receivables Amendment amends the Receivables Purchase Agreement and permits an increase to the purchase limit from \$1,025 million to \$1,200 million. The maturity date, interest rate spread, and commitment fee of the Receivables Facility remain unchanged.

Under the Receivables Facility, WESCO sells, on a continuous basis, an undivided interest in all domestic accounts receivable to WESCO Receivables, a wholly owned special purpose entity (the "SPE"). The SPE sells, without recourse, a senior undivided interest in the receivables to financial institutions for cash while maintaining a subordinated undivided interest in the receivables, in the form of overcollateralization. Since WESCO maintains control of the transferred receivables, the transfers do not qualify for "sale" treatment. As a result, the transferred receivables remain on the balance sheet, and WESCO recognizes the related secured borrowing. WESCO has agreed to continue servicing the sold receivables for the third-party conduits and financial institutions at market rates; accordingly, no servicing asset or liability has been recorded.

As of December 31, 2020 and 2019, accounts receivable eligible for securitization totaled \$1,476.1 million and \$809.5 million, respectively. The Consolidated Balance Sheets as of December 31, 2020 and 2019 include \$950.0 million and \$415.0 million, respectively, of accounts receivable balances legally sold to third parties, as well as borrowings for equal amounts. At December 31, 2020, the interest rate for this facility was approximately 1.6%.

Revolving Credit Facility

On June 22, 2020, WESCO, WESCO Distribution and certain other subsidiaries of WESCO entered into a \$1,100 million revolving credit facility (the "Revolving Credit Facility"), as a replacement of WESCO Distribution's revolving credit facility entered into on September 26, 2019, pursuant to the terms and conditions of a Fourth Amended and Restated Credit Agreement, dated as of June 22, 2020 (the "Revolving Credit Agreement"), among WESCO Distribution, the other U.S. borrowers party thereto (collectively, the "U.S. Borrowers"), WESCO Distribution Canada LP ("WESCO Canada"), the other Canadian borrowers party thereto (collectively, the "Canadian Borrowers"), WESCO, the lenders party thereto and Barclays Bank PLC, as the administrative agent. The Revolving Credit Facility contains a letter of credit sub-facility of up to \$175 million and an accordion feature allowing WESCO Distribution to request increases to the borrowing commitments under the Revolving Credit Facility of up to \$500 million in the aggregate, subject to customary conditions. The Revolving Credit Facility matures in June 2025.

On December 14, 2020, WESCO Distribution and certain other subsidiaries of WESCO entered into an amendment to the Revolving Credit Facility pursuant to the terms and conditions of a First Amendment to Fourth Amended and Restated Credit Agreement, dated as of December 14, 2020 (the "Revolver Amendment"), among WESCO Distribution, the other U.S. borrowers party thereto, WESCO Distribution Canada LP, the other Canadian borrowers party thereto, WESCO, the lenders party thereto and Barclays Bank PLC, as administrative agent. The Revolver Amendment permits an increase to the revolving commitments from \$1,100 million to \$1,200 million and amends certain other defined terms. No other material terms were changed.

The obligations of WESCO Distribution and the other U.S. Borrowers under the Revolving Credit Facility have been guaranteed by WESCO and certain of WESCO Distribution's subsidiaries (including certain subsidiaries of Anixter). The obligations of WESCO Canada and the other Canadian Borrowers under the Revolving Credit Facility (including certain subsidiaries of Anixter) have been guaranteed by certain subsidiaries of WESCO Canada and the other Canadian Borrowers. The Revolving Credit Facility is secured by (i) substantially all assets of WESCO Distribution, the other U.S. Borrowers and certain of WESCO Distribution's subsidiaries (including certain subsidiaries of Anixter), other than, among other things, real property and accounts receivable sold or intended to be sold pursuant to WESCO Distribution's Receivables Facility, and (ii) substantially all assets of WESCO Canada, the other Canadian Borrowers and certain of WESCO Canada's subsidiaries, other than, among other things, real property, in each case, subject to customary exceptions and limitations. The applicable interest rate for borrowings under the Revolving Credit Facility includes interest rate spreads based on available borrowing capacity that range between 1.25% and 1.50% for LIBOR-based borrowings and 0.25% and 0.50% for prime rate-based borrowings. At December 31, 2020, the interest rate for this facility was approximately 1.6%.

The Revolving Credit Agreement requires compliance with conditions that must be satisfied prior to any borrowing as well as ongoing compliance with certain customary affirmative and negative covenants. The Revolving Credit Agreement contains customary events of default. Upon the occurrence and during the continuance of an event of default, the commitments of the lenders may be terminated, and all outstanding obligations of the loan parties under the Revolving Credit Facility may be declared immediately due and payable.

During 2020, WESCO borrowed \$1,197.9 million under the prior and new revolving credit facilities and made repayments in the aggregate amount of \$948.0 million. During 2019, aggregate borrowings and repayments under prior revolving credit agreements were \$715.4 million and \$767.4 million, respectively. WESCO had \$801.5 million available under the Revolving Credit facility at December 31, 2020, after giving effect to \$48.5 million of outstanding letters of credit, as compared to \$563.8 million available under the prior revolving credit facility at December 31, 2019, after giving effect to \$28.4 million of outstanding letters of credit, \$36.1 million of surety bonds, and \$7.8 million of other reserves.

5.375% Senior Notes due 2021

In November 2013, WESCO Distribution issued \$500 million aggregate principal amount of 5.375% Senior Notes due 2021 (the "2021 Notes") through a private offering exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). The 2021 Notes were issued at 100% of par and are governed by an indenture (the "2021 Indenture") entered into on November 26, 2013 between WESCO International and U.S. Bank National Association, as trustee. The 2021 Notes are unsecured senior obligations of WESCO Distribution and are guaranteed on a senior unsecured basis by WESCO International. The 2021 Notes bear interest at a stated rate of 5.375% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. In addition, WESCO incurred costs related to the issuance of the 2021 Notes totaling \$8.4 million, which are recorded as a reduction to the carrying value of the debt and are being amortized over the life of the notes. The 2021 Notes mature on December 15, 2021 and at any time all or a part may be redeemed by WESCO Distribution. The net proceeds of the 2021 Notes were used to prepay a portion of the U.S. sub-facility of the term loan due 2019.

Under the terms of a registration rights agreement dated as of November 26, 2013 among WESCO Distribution, WESCO International and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as the representative of the initial purchasers of the 2021 Notes, WESCO Distribution and WESCO International agreed to register under the Securities Act notes having terms identical in all material respects to the 2021 Notes (the "2021 Exchange Notes") and to make an offer to exchange the 2021 Exchange Notes for the 2021 Notes. WESCO Distribution launched the exchange offer on June 12, 2014 and the exchange offer expired on July 17, 2014.

On December 15, 2020, WESCO Distribution exercised its right to redeem the entire \$500 million aggregate principal amount of the 2021 Notes, and U.S. Bank, National Association, as trustee under the indenture governing the 2021 Notes, issued a notice of redemption to registered holders of the 2021 Notes. The date fixed for the redemption of the 2021 Notes is January 14, 2021 (the "Redemption Date"). The 2021 Notes will be redeemed at a redemption price equal to 100% of the principal amount of the 2021 Notes plus accrued interest on the 2021 Notes to, but not including, the Redemption Date.

5.375% Senior Notes due 2024

In June 2016, WESCO Distribution issued \$350 million aggregate principal amount of 5.375% Senior Notes due 2024 (the "2024 Notes") through a private offering exempt from the registration requirements of the Securities Act. The 2024 Notes were issued at 100% of par and are governed by an indenture (the "2024 Indenture") entered into on June 15, 2016 among WESCO Distribution, as issuer, WESCO International, as parent guarantor, and U.S. Bank National Association, as trustee. The 2024 Notes are unsecured senior obligations of WESCO Distribution and are guaranteed on a senior unsecured basis by WESCO International. The 2024 Notes bear interest at a stated rate of 5.375% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. WESCO incurred costs totaling \$6.0 million to issue the 2024 Notes, which are recorded as a reduction to the carrying value of the debt and are being amortized over the life of the notes. The 2024 Notes mature on June 15, 2024. The Company used the net proceeds to redeem its 6.0% Convertible Senior Debentures due 2029 on September 15, 2016.

Under the terms of a registration rights agreement dated as of June 15, 2016 among WESCO Distribution, as the issuer, WESCO International, as parent guarantor, and Goldman, Sachs & Co., as representative of the initial purchasers of the 2024 Notes, WESCO Distribution and WESCO International agreed to register under the Securities Act notes having terms identical in all material respects to the 2024 Notes (the "2024 Exchange Notes") and to make an offer to exchange the 2024 Exchange Notes for the 2024 Notes. WESCO Distribution launched the exchange offer on December 28, 2016 and the exchange offer expired on January 31, 2017.

Any time between June 15, 2020 and June 14, 2021, WESCO Distribution may redeem all or a part of the 2024 Notes at a redemption price equal to 102.688% of the principal amount. Between June 15, 2021 and June 14, 2022, WESCO Distribution may redeem all or a part of the 2024 Notes at a redemption price equal to 101.344% of the principal amount. On and after June 15, 2022, WESCO Distribution may redeem all or a part of the 2024 Notes at a redemption price equal to 100% of the principal amount.

The 2024 Indenture contains customary covenants and events of default. Upon a change of control, the holders of the 2024 Notes have the right to require WESCO Distribution to repurchase all or any part of the 2024 Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest.

5.50% Senior Notes due 2023

6.00% Senior Notes due 2025

On April 30, 2020, in connection with the Merger, WESCO Distribution commenced offers to purchase for cash (each, a "WESCO Tender Offer" and, together the "WESCO Tender Offers") any and all of Anixter Inc.'s outstanding (i) 5.50% Senior Notes due 2023 (the "Anixter 2023 Senior Notes"), \$350.0 million aggregate principal amount, issued under the Indenture, dated as of August 18, 2015 (the "Anixter 2023 Indenture"), by and among Anixter Inc., Anixter and Wells Fargo Bank, National Association, as trustee, and (ii) 6.00% Senior Notes due 2025 (the "Anixter 2025 Senior Notes" and, together with the Anixter 2023 Senior Notes, the "Anixter Senior Notes"), \$250.0 million aggregate principal amount, issued under the Indenture, dated as of November 13, 2018 (the "Anixter 2025 Indenture" and, together with the Anixter 2023 Indenture, the "Anixter Indentures") by and among Anixter Inc., Anixter and Wells Fargo Bank, National Association, as trustee.

Concurrent with the WESCO Tender Offers, Anixter Inc. commenced consent solicitations to amend the definition of "Change of Control" under the applicable Indenture to exclude the Merger and related transactions and expressly permit a merger between Anixter Inc. and Anixter (the "Anixter Consent Solicitations").

On June 23, 2020 (the "Expiration Date"), following the completion of the Merger, the WESCO Tender Offers and Anixter Consent Solicitations expired and settled. Pursuant to the terms of the Offer to Purchase and Consent Solicitation Statement, dated April 30, 2020, holders of the Anixter Senior Notes that validly tendered and did not validly withdraw prior to such date, received total tender offer consideration of \$1,012.50 per \$1,000 principal amount of Anixter Senior Notes, which amount, in each case, included an early tender payment of \$50.00 per \$1,000 principal amount of Anixter Senior Notes. Holders who validly delivered their consents at or prior to the Expiration Date received a consent fee of \$2.50 per \$1,000 principal amount of Anixter Senior Notes.

As of December 31, 2020, \$58.6 million and \$4.2 million aggregate principal amount of the Anixter 2023 Senior Notes and Anixter 2025 Senior Notes, respectively, were outstanding.

7.125% Senior Notes due 2025

7.250% Senior Notes due 2028

On June 12, 2020, WESCO Distribution issued \$1,500 million aggregate principal amount of 7.125% Senior Notes due 2025 (the “2025 Notes”) and \$1,325 million aggregate principal amount of 7.250% Senior Notes due 2028 (the “2028 Notes”) and, together with the 2025 Notes, the “Notes”). The 2025 Notes were issued at a price of 100.000% of the aggregate principal amount. The 2028 Notes were issued at a price of 99.244% of the aggregate principal amount. WESCO incurred costs related to the issuance of the 2025 Notes and 2028 Notes totaling \$33.1 million and \$29.3 million, respectively, which were recorded as a reduction to the carrying value of the debt and are being amortized over the respective lives of the notes.

The Notes were issued pursuant to, and are governed by, an indenture (the “Notes Indenture”), dated as of June 12, 2020, between the Company, WESCO Distribution and U.S. Bank National Association, as trustee (the “Trustee”). The Notes and related guarantees were issued in a private transaction exempt from the Securities Act of 1933, as amended (the “Securities Act”) and have not been, and will not be, registered under the Securities Act and may not be offered or sold in the U.S. absent registration or an applicable exemption from, or in a transaction not subject to the registration requirements of the Securities Act and other applicable securities laws.

The Company used the net proceeds from the issuance of the Notes, together with borrowings under its new and amended credit facilities and existing cash on hand, to finance the Merger and the other transactions contemplated by the Merger Agreement. The use of proceeds included (i) paying the cash portion of the Merger consideration to stockholders of Anixter, (ii) refinancing certain existing indebtedness of Anixter contemplated by the Merger Agreement, including financing the satisfaction and discharge, defeasance, redemption or other repayment in full of the 5.125% Senior Notes due 2021 of Anixter Inc., a wholly owned subsidiary of Anixter, and financing payments in connection with the Anixter Consent Solicitations and WESCO Tender Offers, as described above, (iii) refinancing other indebtedness of the Company, and (iv) paying fees, costs and expenses in connection with the foregoing.

The Notes are unsecured and unsubordinated obligations of WESCO Distribution and are guaranteed on an unsecured, unsubordinated basis by the Company and Anixter Inc. The 2025 Notes accrue interest at a rate of 7.125% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. The 2025 Notes will mature on June 15, 2025. The 2028 Notes accrue interest at a rate of 7.250% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. The 2028 Notes will mature on June 15, 2028.

WESCO Distribution may redeem all or a part of the 2025 Notes at any time prior to June 15, 2022 by paying a “make-whole” premium plus accrued and unpaid interest, if any, to but excluding the redemption date. In addition, at any time prior to June 15, 2022, WESCO Distribution may redeem up to 35% of the 2025 Notes with the net cash proceeds from certain equity offerings. On or after June 15, 2022, WESCO Distribution may redeem all or a part of the 2025 Notes on the redemption dates and at the redemption prices specified in the Notes Indenture. WESCO Distribution may redeem all or a part of the 2028 Notes at any time prior to June 15, 2023 by paying a “make-whole” premium plus accrued and unpaid interest, if any, to but excluding the redemption date. In addition, at any time prior to June 15, 2023, WESCO Distribution may redeem up to 35% of the 2028 Notes with the net cash proceeds from certain equity offerings. On or after June 15, 2023, WESCO Distribution may redeem all or a part of the 2028 Notes on the redemption dates and at the redemption prices specified in the Notes Indenture.

The Notes Indenture contains certain covenants that, among other things, limit (i) the Company’s and its subsidiaries’ ability to pay dividends on or repurchase the Company’s capital stock, incur liens on assets, engage in certain sale and leaseback transactions or sell certain assets, and (ii) the Company’s and any guarantor’s ability to sell all or substantially all of its assets to, or merge or consolidate with or into, other persons, in the case of each of the foregoing, subject to certain qualifications and exceptions, including the termination of certain of these covenants upon the Notes receiving investment grade credit ratings.

The Notes Indenture contains certain events of default, including, among other things, failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, certain events of bankruptcy and insolvency, and failure to pay certain judgments. An event of default under the Notes Indenture will allow either the Trustee or the holders of at least 25% in aggregate principal amount of the applicable series of the then-outstanding Notes to accelerate, or in certain cases, will automatically cause the acceleration of the amounts due under the applicable series of Notes.

Covenant Compliance

We were in compliance with all relevant covenants and restrictions contained in our debt agreements as of December 31, 2020.

Cash Flow

An analysis of cash flows for 2020 and 2019 follows:

Operating Activities. Cash provided by operating activities for 2020 totaled \$543.9 million, compared with \$224.4 million of cash generated in 2019. Cash provided by operating activities included net income of \$100.0 million and adjustments to net income totaling \$113.7 million. Other sources of cash in 2020 were generated from a decrease in inventories of \$203.8 million, an increase in other current and noncurrent liabilities of \$78.2 million, an increase in accrued payroll and benefit costs of \$75.6 million, and a decrease in trade accounts receivable of \$47.9 million. Primary uses of cash in 2020 included a decrease in accounts payable of \$54.1 million and an increase in other current and noncurrent assets of \$21.2 million.

Cash provided by operating activities for 2019 totaled \$224.4 million, compared with \$296.7 million of cash generated in 2018. Cash provided by operating activities included net income of \$222.2 million and adjustments to net income totaling \$83.2 million. Sources of cash in 2019 were generated from an increase in accounts payable of \$23.5 million and a decrease in trade accounts receivable of \$11.5 million. Primary uses of cash in 2019 included: an increase in inventories of \$47.3 million; a decrease in accrued payroll and benefit costs of \$39.1 million; an increase in other current and noncurrent assets of \$28.8 million; and, a decrease in other current and noncurrent liabilities of \$0.8 million.

Investing Activities. Net cash used in investing activities in 2020 was \$3,735.1 million, compared with \$60.8 million in 2019. Included in 2020 was \$3,707.6 million to fund a portion of the merger with Anixter, as described in Note 6, "Acquisitions" of our Notes to Consolidated Financial Statements. In 2019, we made payments of \$27.6 million to acquire Sylvania Lighting Solutions ("SLS"). Capital expenditures were \$56.7 million in 2020, compared to \$44.1 million in 2019. Proceeds from the sale of assets were \$6.7 million and \$16.8 million in 2020 and 2019, respectively. Other investing activities in 2020 included \$22.4 million of cash inflows.

Net cash used in investing activities in 2019 was \$60.8 million, compared with \$34.1 million in 2018. Capital expenditures in 2019 of \$44.1 million increased from \$36.2 million in 2018 to support the growth of our business. Included in 2019 were payments of \$27.6 million for the acquisition of SLS. Proceeds from the sale of assets were \$16.8 million and \$12.5 million in 2019 and 2018, respectively. Other investing activities in 2019 included \$5.9 million of cash outflows.

Financing Activities. Net cash provided by financing activities in 2020 was \$3,480.7 million, compared with \$109.8 million of net cash used in financing activities for 2019. During 2020, financing activities consisted of \$2,815.0 million of net proceeds from the issuance of senior unsecured notes to finance a portion of the merger with Anixter, borrowings and repayments of \$1.2 billion and \$948.0 million, respectively, related to our prior and new revolving credit facilities, as well as borrowings and repayments of \$1.1 billion and \$565.0 million, respectively, related to our prior and amended accounts receivable securitization facilities. Financing activities for 2020 also included net repayments related to our various international lines of credit of \$9.7 million, \$80.2 million of debt issuance costs associated with financing the merger with Anixter, and \$30.1 million of dividends paid to holders of our Series A Preferred Stock.

Net cash used in financing activities in 2019 was \$109.8 million, compared with \$275.1 million in 2018. During 2019, financing activities consisted of borrowings and repayments of \$715.4 million and \$767.4 million, respectively, related to our prior revolving credit facility, borrowings and repayments of \$590.0 million and \$450.0 million, respectively, related to our prior accounts receivable securitization facility, \$24.8 million applied to fully repaying our Term Loan Facility, as well as net repayments of \$5.0 million related to our various international lines of credit. Additionally, financing activities for 2019 included the repurchase of \$150.0 million of the Company's common stock pursuant to the share repurchase plan announced on December 13, 2017 and amended on October 31, 2018.

Contractual Cash Obligations and Other Commercial Commitments

The following table summarizes our contractual obligations at December 31, 2020, including interest, and the effect such obligations are expected to have on liquidity and cash flow in future periods.

(In millions)	2021	2022 to 2023	2024 to 2025	2026 - After	Total
Contractual cash obligations (including interest):					
Debt, excluding debt discount and debt issuance costs	\$ 529.9	\$ 1,020.4	\$ 2,108.2	\$ 1,326.8	\$ 4,985.3
Interest on indebtedness ⁽¹⁾	246.4	479.9	368.3	240.2	1,334.7
Non-cancelable operating leases	155.1	228.6	119.6	124.1	627.4
Transition tax installments	2.6	8.7	38.3	13.7	63.3
Deferred compensation liability ⁽²⁾	55.2	17.3	—	—	72.5
Pension plans ⁽³⁾	29.5	—	—	—	29.5
Total contractual cash obligations	\$ 1,018.6	\$ 1,754.9	\$ 2,634.4	\$ 1,704.8	\$ 7,112.7

⁽¹⁾ Interest on the variable rate debt was calculated using the rates and balances outstanding at December 31, 2020.

⁽²⁾ WESCO Distribution and Anixter Inc. each sponsor a deferred compensation plan that permits select employees to make pre-tax deferrals of salary and bonus. The plans provide for benefit payments upon retirement, death, disability, termination or other scheduled dates determined by the participant. As a result of the termination of the Anixter Inc. deferred compensation plan, we estimate that \$45.1 million of lump sum payments will be made directly to participants of this plan in 2021.

⁽³⁾ The majority of our various pension plans are non-contributory and, with the exception of the U.S. and Canada, cover substantially all full-time employees in their respective countries. Retirement benefits are provided based on compensation as defined in the plans. Our policy is to fund these plans as required by the Employee Retirement Income Security Act, the Internal Revenue Service and local statutory law. We currently estimate that we will contribute \$11.4 million to our foreign pension plans in 2021. Due to the future impact of various market conditions, rates of return and changes in plan participants, we cannot provide a meaningful estimate of our future contributions beyond 2021. In addition, as a result of the termination of our two domestic non-qualified pension plans, we estimate that \$18.1 million of lump sum payments will be made directly to participants of those plans during 2021.

Purchase orders for inventory requirements and service contracts are not included in the table above. Generally, our purchase orders and contracts contain clauses allowing for cancellation. We do not have significant agreements to purchase material or goods that would specify minimum order quantities.

Liabilities related to unrecognized tax benefits, including interest and penalties, of \$75.1 million were excluded from the table above as we cannot reasonably estimate the timing of these potential cash settlements with taxing authorities. See Note 12, "Income Taxes" in our Notes to Consolidated Financial Statements for further information related to unrecognized tax benefits.

Inflation

The rate of inflation, as measured by changes in the producer price index, affects different commodities, the cost of products purchased and ultimately the pricing of our different products and product classes to our customers. For the year ended December 31, 2020, pricing related to inflation did not have a material impact on our sales.

Seasonality

Our operating results are not significantly affected by seasonal factors. Sales during the first and fourth quarters are usually affected by a reduced level of activity due to the impact of weather on projects. Sales typically increase beginning in March, with slight fluctuations per month through October. During periods of economic expansion or contraction, our sales by quarter have varied significantly from this pattern.

Impact of Recently Issued Accounting Standards

See Note 2, "Accounting Policies" of the Notes to Consolidated Financial Statements for information regarding the effect of new accounting pronouncements.

Guarantor Financial Statements

WESCO Distribution (the "Issuer") has outstanding \$500 million in aggregate principal amount of 5.375% Senior Notes due 2021 (the "2021 Notes") and \$350 million in aggregate principal amount of 5.375% Senior Notes due 2024 (the "2024 Notes" and, together with the 2021 Notes, the "Notes").

The Notes are unsecured senior obligations of WESCO Distribution and are fully and unconditionally guaranteed on a senior unsecured basis by WESCO International and Anixter Inc. (the “Guarantors”), ranking *pari passu* in right of payment with all other existing and future senior obligations of the Issuer, including obligations under other unsubordinated indebtedness. The Notes are effectively subordinated to all existing and future obligations of the Issuer that are secured by liens on any property or assets of the Issuer, including the Issuer’s Revolving Credit Facility and the then outstanding term loan facility (the “Senior Secured Credit Facilities”), to the extent of the value of the collateral securing such obligations, and are structurally subordinated to all liabilities (including trade payables) of any of the Guarantors’s or the Issuer’s subsidiaries (the “non-Guarantor Subsidiaries”) and senior in right of payment to all existing and future obligations of the Issuer that are, by their terms, subordinated in right of payment to the Notes.

The Notes are guaranteed by the Guarantors and not by the non-Guarantor Subsidiaries. In the event of a bankruptcy, liquidation or reorganization of any of the non-Guarantor Subsidiaries, such non-Guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute or contribute, as the case may be, any of their assets to the Issuer or the Guarantors. Therefore, the Notes and the guarantee of the Guarantors (the “Guarantee”) are effectively subordinated to the liabilities of the non-Guarantor Subsidiaries.

The Guarantee constitutes a senior obligation of the Guarantors, ranking *pari passu* in right of payment with all other senior obligations of the Guarantors, including obligations under other unsubordinated indebtedness. The Guarantee is effectively subordinated to all existing and future obligations incurred by the Guarantors that are secured by liens on any property or assets of the Guarantors, including the Senior Secured Credit Facilities, to the extent of the value of the collateral securing such obligations, structurally subordinated to all liabilities (including trade payables) of the non-Guarantor Subsidiaries and senior in right of payment to all existing and future obligations of the Guarantors that are, by their terms, subordinated in right of payment to the Guarantee.

The Guarantors guarantee to each holder of the Notes and to the respective trustees (i) the due and punctual payment of the principal of, premium, if any, and interest on each Note, when and as the same shall become due and payable, whether at maturity, by acceleration or otherwise, the due and punctual payment of interest on the overdue principal and interest on the Notes, to the extent lawful, and the due and punctual payment of all other obligations and due and punctual performance of all obligations of the Issuer to the holders or the respective trustee all in accordance with the terms of the Notes and the indentures governing the Notes and (ii) in the case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, at stated maturity, by acceleration or otherwise.

If the Issuer becomes a debtor in a case under the U.S. Bankruptcy Code or encounters other financial difficulty, under federal or state fraudulent transfer law, a court may void, subordinate or otherwise decline to enforce the Notes. A court might do so if it is found that when the Issuer issued the Notes, or in some states when payments became due under the Notes, the Issuer received less than reasonably equivalent value or fair consideration and either: (i) were insolvent or rendered insolvent by reason of such incurrence; (ii) were left with inadequate capital to conduct its business; or (iii) believed or reasonably should have believed that the Issuer would incur debts beyond its ability to pay.

The court might also void an issuance of the Notes without regard to the above factors, if the court found that the Issuer issued the Notes with actual intent to hinder, delay or defraud its creditors. A court would likely find that the Issuer did not receive reasonably equivalent value or fair consideration for the Notes, if the Issuer did not substantially benefit directly or indirectly from the issuance of the Notes. If a court were to void the issuance of the Notes, holders would no longer have any claim against the Issuer. Sufficient funds to repay the Notes may not be available from other sources. In addition, the court might direct holders to repay any amounts that they already received from the Issuer.

The following tables present summarized financial information for WESCO International, WESCO Distribution and Anixter Inc. on a combined basis after elimination of (i) intercompany transactions and balances among such entities and (ii) equity in earnings from and investments in any subsidiary that is a non-guarantor. The summarized financial information has been prepared in accordance with Rule 13-01 of Regulation S-X.

Summarized Balance Sheets

(In thousands)
(unaudited)

	As of	
	December 31, 2020	December 31, 2019
Assets		
Current assets	\$ 2,259,748	\$ 582,075
Due from non-guarantor subsidiaries	277,957	465,012
Total current assets	2,537,705	1,047,087
Noncurrent assets	3,368,247	484,552
Total assets	\$ 5,905,952	\$ 1,531,639
Liabilities		
Current liabilities	\$ 1,821,835	\$ 445,075
Due to non-guarantor subsidiaries	2,046,613	3,133,326
Total current liabilities	3,868,448	3,578,401
Noncurrent liabilities	4,169,639	1,067,486
Total liabilities	\$ 8,038,087	\$ 4,645,887

Summarized Statement of Income (Loss)

(In thousands)
(unaudited)

	Year ended	
	December 31, 2020	
Net sales ⁽¹⁾	\$	4,888,110
Gross profit ⁽¹⁾		901,992
Net loss	\$	(132,331)

⁽¹⁾ Includes \$35.2 million of net sales and cost of goods sold to non-guarantor subsidiaries.

Item 7A. Quantitative and Qualitative Disclosures about Market Risks.

Foreign Currency Risks

Approximately 25% of our sales in 2020 were from our foreign subsidiaries and are denominated in foreign currencies. Our exposure to currency rate fluctuations primarily relate to Canada (Canadian dollar), Europe (euro, British pound, Swedish krona and Swiss franc) and Australia (dollar). We also have exposure to currency rate fluctuations related to more volatile markets including Argentina (peso), Brazil (real), Chile (peso), Colombia (peso), Mexico (peso), and Turkey (lira). We may establish additional foreign subsidiaries in the future. Accordingly, we may derive a larger portion of our sales from international operations, and a portion of these sales may be denominated in foreign currencies. As a result, our future operating results could become subject to fluctuations in foreign exchange rates relative to the U.S. dollar. Furthermore, to the extent that we engage in international sales denominated in U.S. dollars, an increase in the value of the U.S. dollar relative to foreign currencies could make our products less competitive in international markets.

We purchase foreign currency forward contracts to minimize the effect of fluctuating foreign currency-denominated accounts on our reported income. The foreign currency forward contracts are not designated as hedges for accounting purposes. At December 31, 2020, the gross and net notional amounts of foreign currency forward contracts outstanding were approximately \$111.9 million. We prepared a sensitivity analysis of our foreign currency forward contracts assuming a 10% adverse change in the value of foreign currency contracts outstanding. The hypothetical adverse changes would have resulted in recording a \$11.2 million loss in 2020. However, since these forward contracts are intended to be effective economic hedges, we would record offsetting gains as a result of the remeasurement of the underlying foreign currency denominated monetary amounts being hedged.

Interest Rate Risk

Fixed Rate Borrowings: As of December 31, 2020, approximately 75% of our debt portfolio is comprised of fixed rate debt. As our 2021 Notes, Anixter 2023 Senior Notes, 2024 Notes, 2025 Notes, Anixter 2025 Senior Notes, and 2028 Notes were issued at fixed rates, interest expense would not be impacted by interest rate fluctuations. However, the fair value of our fixed rate debt will generally fluctuate with movements of interest rates, increasing in periods of declining rates of interest and declining in periods of increasing rates of interest. The fair value of our debt instruments with fixed interest rates is disclosed in Note 4, "Fair Value of Financial Instruments" of our Notes to Consolidated Financial Statements.

Floating Rate Borrowings: Our variable rate borrowings are comprised of the Revolving Credit Facility, the Receivables Facility, and international lines of credit. The fair value of these debt instruments at December 31, 2020 approximated carrying value. We borrow under our Revolving Credit Facility and Receivables Facility for general corporate purposes, including working capital requirements and capital expenditures. Borrowings under our Revolving Credit Facility bear interest at the applicable LIBOR / CDOR (Canadian Dealer Offered Rate) or base rates plus applicable spreads, whereas borrowings under the Receivables Facility bear interest at the 30-day LIBOR rate, with a LIBOR floor of 0.5%, plus applicable spreads. A 100 basis point increase or decrease in interest rates would not have a significant impact on future earnings under our current capital structure.

Defined Benefit Pension Plans: At the end of each fiscal year, we determine the interest rate to discount pension plan liabilities to their present value. The discount rate reflects the current rate at which the pension liabilities could be effectively settled at the end of the year. In estimating this rate at the end of 2020, we reviewed rates of return on relevant market indices and concluded that the Willis Towers Watson Global Rate Link Model was consistent with observable market conditions and industry standards for developing spot rate curves. At December 31, 2020, we determined the consolidated weighted-average discount rate of all plans was 2.2% and used this rate to measure the projected benefit obligation. Due to its long duration, the pension liability is sensitive to changes in the discount rate. As a sensitivity measure, the effect of a 50-basis-point decline in the assumed discount rate would result in an increase in the expense for 2021 of approximately \$1.0 million, and an increase in the projected benefit obligations at December 31, 2020 of \$80.0 million. The impact of a 50-basis-point increase in the assumed discount rate would result in a decrease in the expense for 2021 of approximately \$1.0 million, and a decrease in the projected benefit obligations of \$71.0 million.

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Item 8. Financial Statements and Supplementary Data.

The information required by this item is set forth in our Consolidated Financial Statements contained in this Annual Report on Form 10-K. Specific financial statements can be found at the pages listed below:

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Report of Independent Registered Public Accounting Firm	46
Consolidated Balance Sheets as of December 31, 2020 and 2019	49
Consolidated Statements of Income and Comprehensive Income for the years ended December 31, 2020, 2019 and 2018	50
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2020, 2019 and 2018	51
Consolidated Statements of Cash Flows for the years ended December 31, 2020, 2019 and 2018	52
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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of WESCO International, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of WESCO International, Inc. and its subsidiaries (the “Company”) as of December 31, 2020 and 2019, and the related consolidated statements of income and comprehensive income, of stockholders’ equity and of cash flows for each of the three years in the period ended December 31, 2020, including the related notes and schedule of valuation and qualifying accounts for each of the three years in the period ended December 31, 2020 appearing after Item 15 (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

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

As described in Management’s Report on Internal Control Over Financial Reporting, management has excluded Anixter Inc. (the surviving entity of the Anixter International Inc. acquisition) from its assessment of internal control over financial reporting as of December 31, 2020 because it was acquired by the Company in a purchase business combination during 2020. We have also excluded Anixter Inc. from our audit of internal control over financial reporting. Anixter Inc. is a wholly-owned subsidiary whose total assets and total net sales excluded from management’s assessment and our audit of internal control over financial reporting represent 30% and 37%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2020.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally

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

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

Critical Audit Matters

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

Interim Goodwill Impairment Assessments

As described in Notes 2 and 5 to the consolidated financial statements, the Company's goodwill balance was \$3,187 million as of December 31, 2020. Goodwill is tested by management for impairment annually during the fourth quarter or more frequently if triggering events occur indicating that the carrying value may not be recoverable. Certain triggering events occurred during the first quarter of 2020, including the effect of the ongoing macroeconomic disruption and uncertainty caused by the COVID-19 pandemic, as well as the decline in the Company's share price and market capitalization, both of which indicated that the carrying value of goodwill may not be recoverable. Accordingly, the Company performed an interim test for impairment as of March 31, 2020. Additionally, the Company identified new operating segments during the third quarter of 2020, which changed the composition of its reporting units. Accordingly, the Company performed a goodwill impairment test immediately before and after it reorganized its reporting structure. There were no impairment losses identified as a result of these interim tests. Management tests for goodwill impairment on a reporting unit level and the evaluation involves comparing the fair value of each reporting unit to its carrying value. Fair value is estimated using a discounted cash flow analysis approach. Management applied significant judgment related to these fair value techniques, which included the selection of an expected operating margin for each year in the forecast and discount rate assumptions.

The principal considerations for our determination that performing procedures relating to the interim goodwill impairment assessments is a critical audit matter are (i) the significant judgment by management when developing the fair value measurements of the reporting units; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the expected operating margins and discount rates; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's interim goodwill impairment assessments, including controls over the determination of the fair value for each reporting unit. These procedures also included, among others (i) evaluating the appropriateness of the valuation techniques used in management's estimates; (ii) testing the completeness and accuracy of underlying data used in the techniques; and (iii) evaluating the significant assumptions used by management related to the expected operating margins and discount rates. Evaluating whether management's assumptions related to the expected operating margins were reasonable involved consideration of (i) the current and past performance of each reporting unit; (ii) consistency with external market and industry data; and (iii) consistency with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discount rate assumptions.

Customer Relationship Intangible Assets Recognized in Connection with the Acquisition of Anixter International Inc.

As described in Notes 2 and 6 to the consolidated financial statements, the Company completed the acquisition of Anixter International Inc. for net consideration of \$3.7 billion in 2020, which resulted in \$1.1 billion of customer relationship intangible assets being recorded. Fair value of the customer relationship intangible assets was estimated using the multi-period excess earnings method. Management applied significant judgement related to this fair value technique, which included the selection of an expected operating margin assumption for each year in the forecast, and customer attrition rate and discount rate assumptions.

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The principal considerations for our determination that performing procedures relating to the customer relationship intangible assets recognized in connection with the acquisition of Anixter International Inc. is a critical audit matter are (i) the significant judgment by management when developing the fair value measurements of the customer relationship intangible assets; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the expected operating margins, customer attrition rates and discount rates; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's acquisition accounting, including controls over the valuation of the acquired customer relationship intangible assets. These procedures also included, among others (i) testing the appropriateness of the valuation method used, (ii) testing the completeness and accuracy of underlying data used in the method, and (iii) evaluating the significant assumptions used by management related to the expected operating margins, customer attrition rates, and discount rates. Evaluating whether management's assumptions related to the expected operating margins and customer attrition rates were reasonable involved consideration of (i) the past performance of the acquired businesses; (ii) consistency with external market and industry data; and (iii) consistency with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the appropriateness of the valuation methods, the customer attrition rates, and the discount rates.

/s/ PricewaterhouseCoopers LLP
Pittsburgh, Pennsylvania
March 1, 2021

We have served as the Company's auditor since 1994.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	As of December 31,	
	2020	2019
(In thousands, except per share data)		
Assets		
Current assets:		
Cash and cash equivalents	\$ 449,135	\$ 150,902
Trade accounts receivable, net of allowance for expected credit losses of \$23,909 and \$25,443 in 2020 and 2019, respectively	2,466,903	1,187,359
Other accounts receivable	239,199	98,029
Inventories	2,163,831	1,011,674
Prepaid expenses and other current assets	187,910	92,447
Total current assets	5,506,978	2,540,411
Property, buildings and equipment, net	399,157	181,448
Operating lease assets	534,705	235,834
Intangible assets, net	2,065,495	287,275
Goodwill	3,187,169	1,759,040
Deferred income taxes	37,696	11,248
Other assets	93,941	2,379
Assets held for sale	55,073	—
Total assets	\$ 11,880,214	\$ 5,017,635
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,707,329	\$ 830,478
Accrued payroll and benefit costs	198,535	49,508
Short-term debt and current portion of long-term debt, net of debt issuance costs of \$1,039 in 2020	528,830	26,685
Other current liabilities	552,301	177,388
Total current liabilities	2,986,995	1,084,059
Long-term debt, net of debt discount and debt issuance costs of \$87,142 and \$8,876 in 2020 and 2019, respectively	4,369,953	1,257,067
Operating lease liabilities	414,889	179,830
Deferred income taxes	488,261	146,617
Other noncurrent liabilities	278,010	91,391
Liabilities held for sale	5,717	—
Total liabilities	\$ 8,543,825	\$ 2,758,964
Commitments and contingencies (Note 16)		
Stockholders' Equity:		
Preferred stock, \$.01 par value; 20,000,000 shares authorized, no shares issued or outstanding	\$ —	\$ —
Preferred stock, Series A, \$.01 par value; 25,000 shares authorized, 21,612 shares issued and outstanding in 2020	—	—
Common stock, \$.01 par value; 210,000,000 shares authorized, 67,596,515 and 59,308,018 shares issued and 50,064,985 and 41,797,093 shares outstanding in 2020 and 2019, respectively	676	593
Class B nonvoting convertible common stock, \$.01 par value; 20,000,000 shares authorized, 4,339,431 issued and no shares outstanding in 2020 and 2019, respectively	43	43
Additional capital	1,942,810	1,039,347
Retained earnings	2,601,662	2,530,429
Treasury stock, at cost; 21,870,961 and 21,850,356 shares in 2020 and 2019, respectively	(938,335)	(937,157)
Accumulated other comprehensive loss	(263,134)	(367,772)
Total WESCO International, Inc. stockholders' equity	3,343,722	2,265,483
Noncontrolling interests	(7,333)	(6,812)
Total stockholders' equity	3,336,389	2,258,671
Total liabilities and stockholders' equity	\$ 11,880,214	\$ 5,017,635

The accompanying notes are an integral part of the consolidated financial statements.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Year Ended December 31,		
	2020	2019	2018
	(In thousands, except per share data)		
Net sales	\$ 12,325,995	\$ 8,358,917	\$ 8,176,601
Cost of goods sold (excluding depreciation and amortization)	9,998,329	6,777,456	6,609,220
Selling, general and administrative expenses	1,859,028	1,173,137	1,151,944
Depreciation and amortization	121,600	62,107	62,997
Income from operations	347,038	346,217	352,440
Interest expense, net	226,591	65,710	68,661
Other, net	(2,395)	(1,554)	2,754
Income before income taxes	122,842	282,061	281,025
Provision for income taxes	22,803	59,863	55,670
Net income	100,039	222,198	225,355
Less: Net loss attributable to noncontrolling interests	(521)	(1,228)	(1,988)
Net income attributable to WESCO International, Inc.	100,560	223,426	227,343
Less: Preferred stock dividends	30,139	—	—
Net income attributable to common stockholders	\$ 70,421	\$ 223,426	\$ 227,343
Other comprehensive income (loss):			
Foreign currency translation adjustments	95,577	49,306	(99,643)
Post retirement benefit plan adjustments, net of tax	9,061	(8,643)	3,798
Comprehensive income attributable to common stockholders	\$ 175,059	\$ 264,089	\$ 131,498
Earnings per share attributable to common stockholders			
Basic	\$ 1.53	\$ 5.18	\$ 4.87
Diluted	\$ 1.51	\$ 5.14	\$ 4.82

The accompanying notes are an integral part of the consolidated financial statements.

and retirement of common stock	—	(33,248)			(2,377)	812						
Capital stock issuance	82	8,150,228			—	21,612	886,601					
Noncontrolling interests											(521)	
Net income attributable to WESCO										100,560		
Preferred stock dividends										(30,139)		
Translation adjustments												95,577
Benefit plan adjustments, net of tax effect of \$2,891												9,061
Balance, December 31, 2020	\$ 676	67,596,515	\$ 43	4,339,431	\$ —	21,612	\$1,942,810	\$2,601,662	\$(938,335)	(21,870,961)	\$ (7,333)	\$ (263,134)

The accompanying notes are an integral part of the consolidated financial statements.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2020	2019	2018
	(In thousands)		
Operating Activities:			
Net income	\$ 100,039	\$ 222,198	\$ 225,355
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	121,600	62,107	62,997
Stock-based compensation expense	19,279	19,062	16,445
Other operating activities, net	6,366	(11,175)	(3,652)
Deferred income taxes	(33,538)	13,205	9,137
Changes in assets and liabilities:			
Trade accounts receivable, net	47,879	11,453	(22,934)
Inventories	203,827	(47,297)	(8,702)
Other current and noncurrent assets	(21,199)	(28,785)	(4,239)
Accounts payable	(54,127)	23,505	9,193
Accrued payroll and benefit costs	75,556	(39,081)	18,777
Other current and noncurrent liabilities	78,249	(825)	(5,656)
Net cash provided by operating activities	<u>543,931</u>	<u>224,367</u>	<u>296,721</u>
Investing Activities:			
Capital expenditures	(56,671)	(44,067)	(36,210)
Acquisition payments, net of cash acquired	(3,707,575)	(27,597)	—
Proceeds from sale of assets	6,721	16,795	12,461
Other investing activities, net	22,376	(5,931)	(10,393)
Net cash used in investing activities	<u>(3,735,149)</u>	<u>(60,800)</u>	<u>(34,142)</u>
Financing Activities:			
Repayments of short-term debt, net	(11,258)	(29,780)	(1,454)
Proceeds from issuance of long-term debt	5,114,210	1,305,421	1,193,067
Repayments of long-term debt	(1,513,048)	(1,217,434)	(1,318,470)
Repurchases of common stock	(2,901)	(153,049)	(127,169)
Debt issuance costs	(80,231)	(2,707)	—
Payment of dividends	(30,139)	—	—
Other financing activities, net	4,108	(12,217)	(21,068)
Net cash provided by (used in) financing activities	<u>3,480,741</u>	<u>(109,766)</u>	<u>(275,094)</u>
Effect of exchange rate changes on cash and cash equivalents	8,710	758	(9,095)
Net change in cash and cash equivalents	298,233	54,559	(21,610)
Cash and cash equivalents at the beginning of period	150,902	96,343	117,953
Cash and cash equivalents at the end of period	<u>\$ 449,135</u>	<u>\$ 150,902</u>	<u>\$ 96,343</u>
Supplemental disclosures:			
Cash paid for interest	\$ 169,620	\$ 65,275	\$ 64,702
Cash paid for taxes	56,186	64,531	61,983

The accompanying notes are an integral part of the consolidated financial statements.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. ORGANIZATION

WESCO International, Inc. ("WESCO International") and its subsidiaries (collectively, "WESCO" or the "Company"), headquartered in Pittsburgh, Pennsylvania, is a leading provider of business-to-business distribution, logistics services and supply chain solutions.

On June 22, 2020, WESCO completed its previously announced acquisition of Anixter International Inc., a Delaware corporation ("Anixter"). Pursuant to the terms of the Agreement and Plan of Merger, dated January 10, 2020 (the "Merger Agreement"), by and among Anixter, WESCO and Warrior Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of WESCO ("Merger Sub"), Merger Sub was merged with and into Anixter (the "Merger"), with Anixter surviving the Merger and continuing as a wholly owned subsidiary of WESCO. On June 23, 2020, Anixter merged with and into Anixter Inc., with Anixter Inc. surviving to become a wholly owned subsidiary of WESCO.

2. ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include the accounts of WESCO International and all of its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

At the beginning of the third quarter of 2020, in connection with the acquisition of Anixter, the Company identified new operating segments. These operating segments, which have been organized around three strategic business units, consist of Electrical & Electronic Solutions ("EES"), Communications & Security Solutions ("CSS") and Utility & Broadband Solutions ("UBS"). The Company's operating segments, which are equivalent to its reportable segments, are described further in Note 17, "Business Segments". The applicable comparative financial information reported in the Company's previously issued consolidated financial statements for the years ended December 31, 2019 and 2018 has been recast in this Annual Report on Form 10-K to conform to the basis of the new segments.

Out-of-Period Adjustment

In the fourth quarter of 2020, management determined that the Company's inventories were overstated by \$60.3 million because of a misstatement in inventory cost absorption accounting, which occurred over multiple periods and also impacted inventories acquired in business combinations during those periods. Accordingly, the Consolidated Balance Sheet at December 31, 2020 reflects a reduction to inventories of \$60.3 million, an increase to goodwill of \$33.9 million and a decrease to deferred income tax liabilities of \$12.0 million. The resulting effect of the out-of-period adjustment on the Consolidated Statement of Income and Comprehensive Income for the year ended December 31, 2020 was a \$18.9 million increase to cost of goods sold, which decreased net income for the year by \$14.4 million. Management concluded that this misstatement is not material to the current period or the financial statements of any previously filed annual or interim periods.

Reclassifications

The Consolidated Balance Sheet as of December 31, 2019, the Consolidated Statements of Income and Comprehensive Income for the years ended December 31, 2019 and 2018, and the Consolidated Statements of Cash Flows for the years ended December 31, 2019 and 2018, respectively, include certain reclassifications to previously reported amounts to conform to the current period's presentation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions WESCO may undertake in the future, actual results may ultimately differ from the estimates.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Revenue Recognition

WESCO's revenue arrangements generally consist of single performance obligations to transfer a promised good or service, or a combination of goods and services. Revenue is measured as the amount of consideration WESCO expects to receive in exchange for transferring goods or providing services. Revenue is recognized when control has transferred to the customer, which is generally when the product has shipped from a WESCO facility or directly from a supplier. However, transfer may occur at a later date depending on the agreed upon terms, such as delivery at the customer's designated location, or based on consignment terms. For products that ship directly from suppliers to customers, WESCO acts as the principal in the transaction and recognizes revenue on a gross basis. When providing services, sales are recognized over time as control transfers to the customer, which occurs as services are rendered. WESCO generally satisfies its performance obligations within a year or less.

WESCO generally does not have significant financing terms associated with its contracts; payments are normally received within 60 days. There are generally no significant costs associated with obtaining customer contracts. WESCO typically passes through warranties offered by manufacturers or suppliers to its customers. Sales taxes (and value added taxes in foreign jurisdictions) collected from customers and remitted to governmental authorities are excluded from net sales.

Supplier Volume Rebates

WESCO receives volume rebates from certain suppliers based on contractual arrangements with such suppliers. Volume rebates are included within other accounts receivable in the Consolidated Balance Sheets, and represent the estimated amounts due to WESCO based on forecasted purchases and the rebate provisions of the various supplier contracts. The corresponding rebate income is recorded as a reduction to cost of goods sold. Receivables under the supplier rebate program were \$136.7 million at December 31, 2020 and \$81.6 million at December 31, 2019. The supplier volume rebate income as a percentage of net sales was 1.1% in 2020, 1.2% in 2019 and 1.3% in 2018.

Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of 90 days or less when purchased.

Allowance for Expected Credit Losses

WESCO recognizes expected credit losses resulting from the inability of its customers to make required payments through an allowance account that is measured each reporting date. WESCO estimates credit losses over the life of its trade accounts receivable using a combination of historical loss data, current credit conditions, specific customer circumstances, and reasonable and supportable forecasts of future economic conditions. The allowance for expected credit losses was \$23.9 million at December 31, 2020 and \$25.4 million at December 31, 2019. The total amount recorded as selling, general and administrative expense related to credit losses was \$10.1 million, \$7.0 million and \$10.9 million for 2020, 2019 and 2018, respectively.

Inventories

Inventories primarily consist of merchandise purchased for resale and are stated at the lower of cost and net realizable value. Cost is determined principally under the average cost method. WESCO reduces the carrying value of its inventories at the earlier of identifying an item that is considered to be obsolete or in excess of supply relative to demand, or no movement in the past 15 months. Reserves for excess and obsolete inventories were \$28.7 million and \$30.7 million at December 31, 2020 and 2019, respectively. The total expense related to excess and obsolete inventories, included in cost of goods sold, was \$15.7 million, \$10.0 million and \$9.7 million for 2020, 2019 and 2018, respectively.

Property, Buildings and Equipment

Property, buildings and equipment are recorded at cost. Depreciation expense is determined using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over either their respective lease terms or their estimated lives, whichever is shorter. Estimated useful lives range from five to forty years for buildings and leasehold improvements and two to ten years for furniture, fixtures and equipment.

Costs incurred during the application development stage of internally developing software are capitalized and are reported at the lower of unamortized cost or net realizable value. Costs incurred during the preliminary project and post-implementation stages are expensed as incurred. Capitalized costs include external direct costs of materials and services consumed in developing internal-use computer software, payroll and payroll-related costs for employees who are directly associated with and who devote time to the internal-use computer software project and interest costs. Internal-use computer software is amortized using the straight-line method over its estimated useful life, typically three to seven years.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(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 resulting gains or losses are recorded and reported as selling, general and administrative expenses.

Of WESCO's \$399.2 million net book value of property, buildings and equipment as of December 31, 2020, \$144.1 million consists of land, buildings and leasehold improvements that are geographically dispersed among WESCO's 800 branches, warehouses and sales offices, mitigating the risk of impairment. WESCO assesses its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of any such assets may not be fully recoverable. Changes in circumstances include technological advances, changes in the business model, capital structure, economic conditions or operating performance. The evaluation is based upon, among other things, utilization, serviceability and assumptions developed by management, which are categorized as Level 3 of the fair value hierarchy, related to the estimated future undiscounted cash flows that these assets are expected to generate. When the sum of the undiscounted cash flows is less than the carrying value of the asset or asset group, an impairment loss is recognized to the extent that carrying value exceeds fair value. Management applies its best judgment when performing these evaluations.

Leases

The determination of whether an arrangement is, or contains, a lease is performed at the inception of the arrangement. Classification and initial measurement of the right-of-use asset and lease liability are determined at the lease commencement date. The Company elected the short-term lease measurement and recognition exemption; therefore, leases with an initial term of 12 months or less are not recorded on the balance sheet. Operating lease expense is recognized on a straight-line basis over the lease term.

Operating lease assets and liabilities are recognized at the commencement date based on the present value of the future minimum lease payments. Certain leases contain rent escalation clauses that are either fixed or adjusted periodically for inflation or market rates and such clauses are factored into the Company's determination of lease payments. WESCO also has variable lease payments that do not depend on a rate or index, primarily for items such as common area maintenance and real estate taxes, which are recorded as variable expense when incurred. The operating lease asset includes advance payments and excludes incentives and initial direct costs incurred.

The Company's arrangements include certain non-lease components such as common area and other maintenance for leased real estate, as well as mileage, fuel and maintenance costs related to leased automobiles and trucks. WESCO accounts for these nonlease components separately from the associated lease components. The Company does not guarantee any residual value in its lease agreements, and there are no material restrictions or covenants imposed by lease arrangements. Real estate leases typically include one or more options to extend the lease, or terminate early. The Company regularly evaluates the renewal options, and when they are reasonably certain of exercise, the Company includes the renewal period in its lease term. For most of WESCO's leases, the discount rate implicit in the lease is not readily determinable. Accordingly, the Company uses its incremental borrowing rate based on the information available at the lease commencement date to discount lease payments to the present value.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill and indefinite-lived intangible assets are tested for impairment annually during the fourth quarter using information available at the end of September, or more frequently if triggering events occur, indicating that their carrying value may not be recoverable. WESCO tests for goodwill impairment on a reporting unit level. The Company first assesses qualitative factors, including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, other relevant events such as changes in key personnel, changes in the composition or carrying amount of the net assets of a reporting unit, and sustained decreases in share price, to determine whether it is more likely than not that the fair value of WESCO's reporting units are less than their carrying values. If the qualitative assessment indicates that the fair values of the Company's reporting units may not exceed their respective carrying values, then WESCO performs a quantitative test for impairment by comparing the fair value of each reporting unit to its carrying value. The Company determines the fair values of its reporting units using a discounted cash flow analysis and consideration of market multiples. The discounted cash flow analysis uses certain assumptions, including expected operating margins supported by a combination of historical results, current forecasts, market data and recent economic events, which are categorized within Level 3 of the fair value hierarchy. The Company uses a discount rate that reflects market participants' cost of capital. WESCO evaluates the recoverability of indefinite-lived intangible assets using the relief-from-royalty method based on projected financial information. At December 31, 2020 and 2019, goodwill and indefinite-lived trademarks totaled \$4.0 billion and \$1.9 billion, respectively.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The determination of fair value involves significant management judgment, particularly as it relates to the underlying assumptions and factors around expected operating margins and discount rate. Management applies its best judgment when assessing the reasonableness of financial projections. Fair values are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the annual goodwill and indefinite-lived intangible impairment tests will prove to be an accurate prediction of future results.

Definite Lived Intangible Assets

Definite lived intangible assets are amortized over 2 to 20 years. Certain customer relationships are amortized using an accelerated method whereas all other definite lived intangible assets subject to amortization use a straight-line method. In either case, the amortization method reflects the pattern in which the economic benefits of the respective assets are consumed or otherwise used. WESCO continually evaluates whether events or circumstances have occurred that would indicate the remaining estimated useful lives of definite lived intangible assets require revision or that the remaining carrying value of such assets may not be recoverable.

Insurance Programs

WESCO uses commercial insurance for auto, workers' compensation, casualty and health claims, and information technology as a risk-reduction strategy to minimize catastrophic losses. The Company's strategy involves large deductible policies where WESCO must pay all costs up to the deductible amount. WESCO estimates the reserve for these programs based on historical incident rates and costs. The assumptions included in developing this accrual include the period of time between the incurrence and payment of a claim. The total liability related to insurance programs was \$27.9 million and \$12.9 million at December 31, 2020 and 2019, respectively.

Income Taxes

WESCO accounts for income taxes under the asset and liability method, which requires the recognition of deferred income taxes for events that have future tax consequences. Under this method, deferred income taxes are recognized (using enacted tax laws and rates) based on the future income tax effects of differences in the carrying amounts of assets and liabilities for financial reporting and tax purposes. The effect of a tax rate change on deferred tax assets and liabilities is recognized in income in the period of change.

WESCO recognizes deferred tax assets at amounts that are expected to be realized. To make such determination, management evaluates all positive and negative evidence, including but not limited to, prior, current and future taxable income, tax planning strategies and future reversals of existing taxable temporary differences. A valuation allowance is recognized if it is "more-likely-than-not" that some or all of a deferred tax asset will not be realized. WESCO regularly assesses the realizability of deferred tax assets.

WESCO accounts for uncertainty in income taxes using a "more-likely-than-not" recognition threshold. Due to the subjectivity inherent in the evaluation of uncertain tax positions, the tax benefit ultimately recognized may materially differ from the estimate recognized in the consolidated financial statements. WESCO recognizes interest and penalties related to uncertain tax benefits as part of interest expense and income tax expense, respectively.

The Tax Cuts and Jobs Act of 2017 (the "TCJA") imposed a one-time tax on the deemed repatriation of undistributed foreign earnings (the "transition tax"). Except for a portion of foreign earnings previously taxed in the U.S. that can effectively be distributed without further material U.S. or foreign taxation, the Company continues to assert that the undistributed earnings of its foreign subsidiaries are indefinitely reinvested. To the extent the earnings of the Company's foreign subsidiaries are distributed in the form of dividends, such earnings may be subject to additional taxes. The Company believes that it is able to maintain a sufficient level of liquidity for its domestic operations and commitments without incurring any material tax cost to repatriate cash held by its foreign subsidiaries.

The provisions of the TCJA also introduced U.S. taxation on certain global intangible low-taxed income ("GILTI"). WESCO has elected to account for GILTI tax as a component of income tax expense.

Foreign Currency

The local currency is the functional currency for most of the Company's operations outside the U.S. Assets and liabilities of these operations are translated to U.S. dollars at the exchange rate in effect at the end of each period. Income statement accounts are translated at an exchange rate that approximates the average for the period. Translation adjustments arising from the use of differing exchange rates from period to period are included as a component of other comprehensive income (loss) within stockholders' equity. Gains and losses from foreign currency transactions are included in net income for the period.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Defined Benefit Pension Plan

Liabilities and expenses for pension benefits are determined using actuarial methodologies and incorporate significant assumptions, including the interest rate used to discount the future estimated cash flows, the expected long-term rate of return on plan assets, and several assumptions relating to the employee workforce (salary increases, retirement age, and mortality). Unrealized gains and losses related to the Company's defined benefit pension obligations are recognized as a component of other comprehensive income (loss) within stockholders' equity.

Fair Value of Financial Instruments

The Company measures the fair value of assets and liabilities on a recurring and nonrecurring basis according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy are as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date; Level 2 inputs include inputs other than Level 1 that are observable, either directly or indirectly, and Level 3 inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to measurements involving significant unobservable inputs (Level 3).

The Company measures the fair values of goodwill, intangible assets and property, buildings and equipment on a nonrecurring basis if required by impairment tests applicable to these assets, as described above.

Other, net

Other non-operating income and expenses ("other, net") primarily includes the non-service cost components of net periodic pension cost (benefit) and foreign exchange gains and losses.

Recently Adopted Accounting Pronouncements

Effective January 1, 2019, WESCO adopted Accounting Standards Update (ASU) 2016-02, *Leases*, and all the related amendments ("Topic 842"), a comprehensive new standard that amended various aspects of existing accounting guidance for leases. The adoption of Topic 842 resulted in the recognition of right-of-use assets and lease liabilities for operating leases of approximately \$240 million and \$245 million, respectively, in the Consolidated Balance Sheet as of January 1, 2019, most of which relate to real estate. The adoption of Topic 842 did not have a material impact on the Consolidated Statements of Income and Comprehensive Income or Consolidated Statements of Cash Flows for the year ended December 31, 2019.

The Company used the optional effective date transition method and therefore did not adjust the prior comparative periods presented herein. There was no cumulative-effect adjustment to beginning retained earnings as a result of using this method. In addition, the Company elected the package of practical expedients that allowed the adoption of Topic 842 without reassessing arrangements that commenced prior to the effective date. Additional qualitative and quantitative information about the Company's leases is disclosed in Note 9, "Leases".

In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which introduced new guidance for the accounting for credit losses on certain financial instruments. The Company adopted this ASU effective January 1, 2020. The adoption of this new credit loss guidance did not have a material impact on the consolidated financial statements and notes thereto presented herein, and WESCO does not expect it to have a material impact on its financial position or results of operation on an ongoing basis.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which amends the disclosure requirements for recurring and nonrecurring fair value measurements by removing, modifying and adding certain disclosures. The Company adopted this ASU in the first quarter of 2020. The adoption of this guidance did not have a material impact on the consolidated financial statements and notes thereto presented herein.

In August 2018, the FASB issued ASU 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, which aligned the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The standard was effective for fiscal years beginning after December 15, 2019. The Company adopted this ASU in the first quarter of 2020. The adoption of this guidance did not have a material impact on the consolidated financial statements and notes thereto presented herein.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

In August 2018, the FASB issued ASU 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans*, which amends the disclosure requirements for all employers that sponsor defined benefit pension and other post retirement plans by removing and adding certain disclosures. The amendments in this ASU are effective for fiscal years ending after December 15, 2020. Early adoption is permitted. The Company adopted this ASU in the fourth quarter of 2020. The adoption of this guidance did not have a material impact on the consolidated financial statements and notes thereto presented herein.

Recently Issued Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which removes certain exceptions to the general principles of Accounting Standards Codification Topic 740, Income Taxes, and simplifies other aspects of accounting for income taxes. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Early adoption is permitted in any interim or annual period, with any adjustments reflected as of the beginning of the fiscal year of adoption. Management does not expect the adoption of this accounting standard to have a material impact on its consolidated financial statements and notes thereto.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. The amendments in this Update are effective for all entities as of March 12, 2020 through December 31, 2022. Management is currently evaluating the impact related to the replacement of London Interbank Offered Rate (LIBOR) and whether the Company will elect the adoption of the optional guidance.

Other pronouncements issued by the FASB or other authoritative accounting standards groups with future effective dates are either not applicable or are not expected to be significant to WESCO's financial position, results of operations or cash flows.

3. REVENUE

WESCO distributes products and provides services to customers globally in various end markets within its business segments. The segments, which consist of Electrical & Electronic Solutions, Communications & Security Solutions, and Utility & Broadband Solutions operate in the United States, Canada and various other international countries.

The following tables disaggregate WESCO's net sales by segment and geography for the periods presented:

(In thousands)	Year Ended December 31,		
	2020	2019	2018
Electrical & Electronic Solutions	\$ 5,479,760	\$ 4,860,541	\$ 4,878,836
Communications & Security Solutions	3,323,264	909,496	857,481
Utility & Broadband Solutions	3,522,971	2,588,880	2,440,284
Total by segment	<u>\$ 12,325,995</u>	<u>\$ 8,358,917</u>	<u>\$ 8,176,601</u>

(In thousands)	Year Ended December 31,		
	2020	2019	2018
United States	\$ 9,110,453	\$ 6,234,119	\$ 6,089,130
Canada	1,892,321	1,647,066	1,647,933
Other International ⁽¹⁾	1,323,221	477,732	439,538
Total by geography ⁽²⁾	<u>\$ 12,325,995</u>	<u>\$ 8,358,917</u>	<u>\$ 8,176,601</u>

⁽¹⁾ No individual other international country's net sales are material.

⁽²⁾ WESCO attributes revenues from external customers to individual countries on the basis of point of sale.

In accordance with certain contractual arrangements, WESCO receives payment from its customers in advance and recognizes such payment as deferred revenue. Revenue for advance payment is recognized when the performance obligation has been satisfied and control has transferred to the customer, which is generally upon shipment. Deferred revenue is usually recognized within a year or less from the date of the customer's advance payment. At December 31, 2020 and 2019, \$24.3 million and \$12.3 million, respectively, of deferred revenue was recorded as a component of other current liabilities in the Consolidated Balance Sheets.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

WESCO's revenues are adjusted for variable consideration, which includes customer volume rebates, returns, and discounts. WESCO measures variable consideration by estimating expected outcomes using analysis and inputs based upon historical data, as well as current and forecasted information. Variable consideration is reviewed by management on a monthly basis and revenue is adjusted accordingly. Variable consideration reduced revenue for the years ended December 31, 2020, 2019 and 2018 by approximately \$269.5 million, \$106.6 million and \$107.4 million, respectively. As of December 31, 2020 and 2019, the Company's estimated product return obligation was \$38.9 million and \$4.4 million, respectively.

Shipping and handling costs are recognized in net sales when they are billed to the customer. These costs are recognized as a component of selling, general and administrative expenses when WESCO does not bill the customer. WESCO has elected to recognize shipping and handling costs as a fulfillment cost. Shipping and handling costs recorded as a component of selling, general and administrative expenses totaled \$149.3 million, \$71.7 million and \$74.1 million for the years ended December 31, 2020, 2019 and 2018, respectively.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments primarily consist of cash and cash equivalents, accounts receivable, accounts payable, bank overdrafts, outstanding indebtedness, foreign currency forward contracts, and benefit plan assets. The fair value of the Company's benefit plan assets is disclosed in Note 14, "Employee Benefit Plans" and except for outstanding indebtedness and foreign currency forward contracts, the carrying value of the Company's remaining financial instruments approximates fair value.

The Company uses a market approach to determine the fair value of its debt instruments, utilizing quoted prices in active markets, interest rates and other relevant information generated by market transactions involving similar instruments. Therefore, the inputs used to measure the fair value of the Company's debt instruments are classified as Level 2 within the fair value hierarchy.

The carrying value of WESCO's debt instruments with fixed interest rates was \$3,730.1 million and \$850.0 million as of December 31, 2020 and 2019, respectively. The estimated fair value of this debt was \$4,084.7 million and \$866.2 million as of December 31, 2020 and 2019, respectively. The reported carrying values of WESCO's indebtedness with variable interest rates approximated their fair values as of December 31, 2020 and 2019. The increase in carrying value and estimated fair value of fixed rate debt is primarily due to higher outstanding borrowings related to the Anixter merger.

The Company purchases foreign currency forward contracts to minimize the effect of fluctuating foreign currency-denominated accounts on its earnings. The foreign currency forward contracts are not designated as hedges for accounting purposes. The Company's strategy is to negotiate terms for its derivatives and other financial instruments to be highly effective, such that the change in the value of the derivative offsets the impact of the underlying hedge. Its counterparties to foreign currency forward contracts have investment-grade credit ratings. The Company regularly monitors the creditworthiness of its counterparties to ensure no issues exist that could affect the value of its derivatives.

The Company does not hedge 100% of its foreign currency-denominated accounts. In addition, the results of hedging can vary significantly based on various factors, such as the timing of executing foreign currency forward contracts versus the movement of currencies as well as the fluctuations in the account balances throughout each reporting period. The fair value of foreign currency forward contracts is based on the difference between the contract rate and the current exchange rate. The fair value of foreign currency forward contracts is measured using observable market information. These inputs would be considered Level 2 in the fair value hierarchy. At December 31, 2020, foreign currency forward contracts were revalued at then-current foreign exchange rates with the changes in valuation reflected directly in other non-operating expenses ("other, net") in the Consolidated Statements of Income and Comprehensive Income offsetting the transaction gain (loss) recorded on foreign currency-denominated accounts. At December 31, 2020, the gross and net notional amounts of foreign currency forward contracts outstanding were approximately \$111.9 million. While all of the Company's foreign currency forward contracts are subject to master netting arrangements with its counterparties, assets and liabilities related to these contracts are presented on a gross basis within the Consolidated Balance Sheets. The gross fair values of assets and liabilities related to foreign currency forward contracts were immaterial.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

5. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table sets forth the changes in the carrying value of goodwill:

	Year Ended December 31, 2020			
	EES	CSS	UBS	Total
	(In thousands)			
Beginning balance January 1, 2020	\$ 573,447	\$ 235,711	\$ 949,882	\$ 1,759,040
Adjustments to goodwill for acquisitions (Note 6) ^{(1) (2) (3) (4)}	264,538	868,936	250,553	1,384,027
Foreign currency exchange rate changes	15,471	10,853	17,778	44,102
Ending balance December 31, 2020 ⁽⁴⁾	<u>\$ 853,456</u>	<u>\$ 1,115,500</u>	<u>\$ 1,218,213</u>	<u>\$ 3,187,169</u>

⁽¹⁾ Adjustments to goodwill include the final allocation of the purchase price paid for SLS, which is reflected in the EES segment.

⁽²⁾ Adjustments to goodwill include an increase of \$33.9 million resulting from the out-of-period adjustment related to inventory cost absorption accounting, as described in Note 2, "Accounting Policies", which affected the EES, CSS and UBS segments by \$20.2 million, \$2.0 million, and \$11.7 million, respectively.

⁽³⁾ The effect of the merger with Anixter on the Company's reportable segments is disclosed in Note 17, "Business Segments".

⁽⁴⁾ Adjustments to goodwill include \$26.1 million that is classified as held for sale on the UBS segment, as disclosed in Note 7, "Assets and Liabilities Held for Sale".

	Year Ended December 31, 2019			
	EES	CSS	UBS	Total
	(In thousands)			
Beginning balance January 1, 2019	\$ 542,704	\$ 234,449	\$ 945,450	\$ 1,722,603
Adjustments to goodwill for acquisitions (Note 6)	5,767	—	—	5,767
Foreign currency exchange rate changes	24,976	1,262	4,432	30,670
Ending balance December 31, 2019	<u>\$ 573,447</u>	<u>\$ 235,711</u>	<u>\$ 949,882</u>	<u>\$ 1,759,040</u>

Certain triggering events occurred during the first quarter of 2020, including the effect of the ongoing macroeconomic disruption and uncertainty caused by the COVID-19 pandemic, as well as the decline in the Company's share price and market capitalization, both of which indicated that the carrying value of goodwill and indefinite-lived intangible assets may not be recoverable. Accordingly, the Company performed an interim test for impairment as of March 31, 2020. There were no impairment losses identified as a result of this interim test.

As disclosed in Note 2, "Accounting Policies", the Company identified new operating segments during the third quarter of 2020, which changed the composition of its reporting units. Accordingly, the Company reassigned goodwill to the new reporting units using a relative fair value allocation approach. The Company performed a goodwill impairment test immediately before and after it reorganized its reporting structure. Goodwill was tested for impairment on a reporting unit level and the evaluation involved comparing the fair value of each reporting unit to its carrying value. The fair values of the Company's reporting units were determined using a discounted cash flow analysis, and consideration was also given to market multiples. In performing the quantitative assessments, management used expected operating margins supported by a combination of historical results, current forecasts, market data and recent economic events, which are categorized within Level 3 of the fair value hierarchy. The Company used a discount rate that reflects market participants' cost of capital. There were no impairment losses identified as a result of these tests. Although all of the Company's reorganized reporting units had fair values that exceeded the respective carrying values, the EES reporting unit with goodwill of \$809.9 million had an estimated fair value that exceeded its respective carrying value by less than 10%. As a result, the EES reporting unit is more susceptible to impairment risk from adverse macroeconomic conditions and if such conditions were to persist the underlying cash flows used to estimate fair value may impact the recoverability of goodwill.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The Company performed its annual impairment tests of goodwill and indefinite-lived intangible assets during the fourth quarter by assessing qualitative factors to determine whether it was more likely than not that the fair value of a reporting unit was less than its carrying amount. In performing this qualitative assessment, the Company assessed relevant events and circumstances, including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, other relevant events such as changes in key personnel, changes in the composition or carrying amount of the net assets of a reporting unit, and sustained decreases in share price. As a result of this assessment, the Company determined that the fair values of its reporting units continued to exceed the respective carrying amounts and, therefore, a quantitative impairment test was unnecessary.

The determination of fair value of the reporting units involves significant management judgment, particularly as it relates to the underlying assumptions and factors around expected operating margins and discount rate. Due to the ongoing uncertainty surrounding the current macroeconomic environment and conditions in the markets in which WESCO operates, as well as the risk that the Company may not fully realize cost savings, operating synergies or revenue improvement as a result of its acquisition of Anixter, there can be no assurance that the fair values of the Company's reporting units will exceed their carrying values in the future, and that goodwill and indefinite-lived intangible assets will be fully recoverable.

Intangible Assets

The components of intangible assets are as follows:

	Life (in years)	December 31, 2020			December 31, 2019		
		Gross Carrying Amount ⁽¹⁾	Accumulated Amortization ⁽¹⁾	Net Carrying Amount	Gross Carrying Amount ⁽¹⁾	Accumulated Amortization ⁽¹⁾	Net Carrying Amount
(In thousands)							
Intangible assets:							
Trademarks	Indefinite	\$ 833,793	\$ —	\$ 833,793	\$ 98,699	\$ —	\$ 98,699
Customer relationships ⁽²⁾	10 - 20	1,434,554	(227,585)	1,206,969	358,341	(201,962)	156,379
Distribution agreements ⁽²⁾	10 - 19	29,212	(21,040)	8,172	37,371	(25,294)	12,077
Trademarks ⁽²⁾	10 - 15	24,898	(11,415)	13,483	24,800	(9,319)	15,481
Non-compete agreements	2 - 5	4,462	(1,384)	3,078	196	(180)	16
Patents	10	—	—	—	48,310	(43,687)	4,623
		<u>\$ 2,326,919</u>	<u>\$ (261,424)</u>	<u>\$ 2,065,495</u>	<u>\$ 567,717</u>	<u>\$ (280,442)</u>	<u>\$ 287,275</u>

⁽¹⁾ Excludes the original cost and related accumulated amortization of fully-amortized intangible assets.

⁽²⁾ The net carrying amount as of December 31, 2020 excludes \$1.0 million of trademarks, \$3.3 million of customer relationships and \$1.4 million of distribution agreements that are classified as held for sale, as disclosed in Note 7, "Assets and Liabilities Held for Sale".

Amortization expense related to intangible assets totaled \$66.5 million, \$35.5 million and \$35.9 million for the years ended December 31, 2020, 2019 and 2018, respectively.

The following table sets forth the estimated amortization expense for intangible assets for the next five years and thereafter:

For the year ending December 31,	(In thousands)
2021	\$ 86,619
2022	83,628
2023	81,400
2024	80,087
2025	76,829
Thereafter	823,139

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

6. ACQUISITIONS

Anixter International Inc.

As described in Note 1, "Organization", on June 22, 2020, WESCO completed its previously announced merger with Anixter. The Company used the net proceeds from the issuance of senior unsecured notes, borrowings under its revolving credit facility and accounts receivable securitization facility (as described further in Note 10, "Debt"), as well as cash on hand, to finance the acquisition of Anixter and related transaction costs.

At the effective time of the Merger, each outstanding share of common stock of Anixter (subject to limited exceptions) was converted into the right to receive (i) \$72.82 in cash, (ii) 0.2397 shares of common stock of WESCO, par value \$0.01 per share (the "WESCO Common Stock") and (iii) 0.6356 depository shares, each representing a 1/1,000th interest in a share of newly issued fixed-rate reset cumulative perpetual preferred stock of WESCO, Series A, with a \$25,000 stated amount per whole preferred share and an initial dividend rate equal to 10.625%.

Anixter is a leading distributor of network and security solutions, electrical and electronic solutions, and utility power solutions with locations in over 300 cities across approximately 50 countries, and 2019 annual sales of more than \$8 billion. The Merger brought together two companies with highly compatible capabilities and characteristics. The combination of WESCO and Anixter created an enterprise with scale and should afford the Company the opportunity to digitize its business, and expand its services portfolio and supply chain offerings.

The total preliminary estimated fair value of consideration transferred for the Merger consisted of the following:

	(In thousands)
Cash portion attributable to common stock outstanding	\$ 2,476,010
Cash portion attributable to options and restricted stock units outstanding	87,375
Fair value of cash consideration	<u>2,563,385</u>
Common stock consideration	313,512
Series A preferred stock consideration	<u>573,786</u>
Fair value of equity consideration	887,298
Extinguishment of Anixter obligations, including accrued and unpaid interest	<u>1,247,653</u>
Total purchase consideration	<u>\$ 4,698,336</u>
Supplemental cash flow disclosure related to acquisitions:	
Cash paid for acquisition	\$ 3,811,038
Less: Cash acquired	<u>(103,463)</u>
Cash paid for acquisition, net of cash acquired	<u>\$ 3,707,575</u>

The Merger was accounted for as a business combination with WESCO acquiring Anixter in accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations*. Under the acquisition method of accounting, the preliminary purchase consideration was allocated to the identified assets acquired and liabilities assumed based on their respective acquisition date fair value, with any excess allocated to goodwill. The fair value estimates were based on income, market and cost valuation methods using primarily unobservable inputs developed by management, which are categorized within Level 3 of the fair value hierarchy. Specifically, the fair values of the identified trademark and customer relationship intangible assets were estimated using the relief-from-royalty and multi-period excess earnings methods, respectively. Significant inputs used to value these identifiable intangible assets included projected revenues and expected operating margins, customer attrition rates, discount rates, royalty rates, and applicable income tax rates. The excess purchase consideration recorded to goodwill is not deductible for income tax purposes, and has been assigned to the Company's reportable segments based on their relative fair values, as disclosed in Note 5, "Goodwill and Intangible Assets". The resulting goodwill is primarily attributable to Anixter's workforce, significant cross-selling opportunities in additional geographies, enhanced scale, and other operational efficiencies.

Since the initial measurement of the identified assets acquired and liabilities assumed, the Company has recognized adjustments to inventories of \$8.2 million, operating lease assets of \$18.0 million, total identifiable intangible assets of \$5.4 million, other noncurrent assets of \$15.5 million, operating lease liabilities of \$17.0 million, deferred income taxes of \$27.5 million and other noncurrent liabilities of \$38.7 million. Certain other measurement period adjustments were made to the identified assets acquired and liabilities assumed, none of which were significant, individually or in aggregate. The net impact of these adjustments was an increase to goodwill of \$2.4 million.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The estimated fair values of assets acquired and liabilities assumed are based on preliminary calculations and valuations using estimates and assumptions at the time of acquisition. The determination of the fair values of assets acquired and liabilities assumed, especially those related to identifiable intangible assets, is preliminary due to the complexity of combining multibillion dollar businesses. Accordingly, as the Company obtains additional information during the measurement period (not to exceed one year from the acquisition date), estimates and assumptions for the preliminary purchase consideration allocations may change materially.

The following table sets forth the preliminary allocation of the purchase consideration to the respective fair value of assets acquired and liabilities assumed for the acquisition of Anixter:

	(In thousands)	
Assets		
Cash and cash equivalents	\$	103,463
Trade accounts receivable		1,306,900
Other accounts receivable		116,386
Inventories		1,416,582
Prepaid expenses and other current assets		54,978
Property, buildings and equipment		211,721
Operating lease assets		280,285
Intangible assets		1,838,065
Goodwill		1,370,396
Other assets		139,760
Total assets	\$	6,838,536
Liabilities		
Accounts payable	\$	920,163
Accrued payroll and benefit costs		69,480
Short-term debt and current portion of long-term debt		13,225
Other current liabilities		222,119
Long-term debt		77,617
Operating lease liabilities		217,303
Deferred income taxes		374,734
Other noncurrent liabilities		245,559
Total liabilities	\$	2,140,200
Fair value of net assets acquired, including goodwill and intangible assets	\$	4,698,336

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The following table sets forth the preliminary identifiable intangible assets and their estimated weighted-average useful lives:

Identifiable Intangible Assets	Estimated Fair Value	Weighted-Average Estimated Useful Life in Years⁽¹⁾
	(In thousands)	
Customer relationships	\$ 1,098,900	19
Trademarks	735,000	Indefinite
Non-compete agreements	4,165	2
Total identifiable intangible assets	<u>\$ 1,838,065</u>	

⁽¹⁾ Measurement period adjustments include an update to the estimated useful lives initially assigned to customer relationships, which resulted in income of \$6.4 million during the year ended December 31, 2020.

The results of operations of Anixter are included in the consolidated financial statements beginning on June 22, 2020, the acquisition date. For the year ended December 31, 2020, the consolidated statement of income includes \$4.5 billion of net sales and \$180.0 million of income from operations for Anixter. Transaction costs related to the merger were comprised of legal, advisory and other costs of \$132.2 million, which are included in selling, general and administrative expenses for the year ended December 31, 2020.

Pro Forma Financial Information

The following unaudited pro forma financial information presents combined results of operations for the periods presented, as if the Company had completed the Merger on January 1, 2019. The unaudited pro forma financial information includes adjustments to amortization and depreciation for intangible assets and property, buildings and equipment, adjustments to interest expense for the additional indebtedness incurred to complete the acquisition (including the amortization of debt discount and issuance costs), transaction costs, change in control and severance costs, dividends accrued on the Series A preferred stock, compensation expense associated with the WESCO phantom stock unit awards described in Note 14, "Employee Benefit Plans", as well as the respective income tax effects of such adjustments. For the year ended December 31, 2020, adjustments totaling \$7.0 million increased the unaudited pro forma net income attributable to common stockholders, and adjustments totaling \$201.3 million decreased the unaudited pro forma net income attributable to common stockholders for the year ended December 31, 2019. The unaudited pro forma financial information does not reflect any cost savings, operating synergies or revenue enhancements that WESCO may achieve as a result of its acquisition of Anixter, the costs to integrate the operations of WESCO and Anixter or the costs necessary to achieve these cost savings, operating synergies and revenue enhancements. The unaudited pro forma financial information presented below is not necessarily indicative of consolidated results of operations of the combined business had the acquisition occurred at the beginning of the respective fiscal years, nor is it necessarily indicative of future results of operations of the combined company.

(In thousands)	Year Ended	
	December 31, 2020	December 31, 2019
Pro forma net sales	\$ 16,016,902	\$ 17,204,472
Pro forma net income attributable to common stockholders	119,839	285,100

Sylvania Lighting Services Corp.

On March 5, 2019, WESCO Distribution, Inc. ("WESCO Distribution"), through its WESCO Services, LLC subsidiary, acquired certain assets and assumed certain liabilities of Sylvania Lighting Services Corp. ("SLS"). Headquartered in Wilmington, Massachusetts, SLS offers a full spectrum of energy-efficient lighting upgrade, retrofit, and renovation solutions with annual sales of approximately \$100 million and approximately 220 employees across the U.S. and Canada. WESCO Distribution funded the purchase price paid at closing with borrowings under its then outstanding accounts receivable securitization facility. The purchase price was allocated to the respective assets and liabilities based upon their estimated fair values as of the acquisition date, resulting in goodwill of \$11.6 million, which is deductible for tax purposes.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The following table sets forth the consideration paid for the acquisition of SLS:

	Year Ended	
	December 31, 2019	
	(In thousands)	
Fair value of assets acquired	\$	34,812
Fair value of liabilities assumed		7,070
Cash paid for acquisition	\$	27,742

7. ASSETS AND LIABILITIES HELD FOR SALE

On August 6, 2020, the Company entered into a Consent Agreement with the Competition Bureau of Canada regarding the merger with Anixter. Under the Consent Agreement, the Company agreed to divest certain legacy WESCO businesses in Canada, which had total sales of approximately \$120 million in 2019. Accordingly, the Company determined that the assets and liabilities of these legacy WESCO businesses in Canada met the held for sale criteria as of December 31, 2020. These businesses did not meet the criteria to be classified as discontinued operations.

The assets and liabilities classified as held for sale were as follows:

	As of	
	December 31, 2020	
	(In thousands)	
Trade accounts receivable, net	\$	4,258
Inventories		16,438
Prepaid expenses and other current assets		395
Property, buildings and equipment, net		263
Operating lease assets		1,938
Intangible assets, net		5,722
Goodwill		26,059
Total assets held for sale	\$	55,073
Accounts payable	\$	3,639
Other current liabilities		541
Operating lease liabilities		1,537
Total liabilities held for sale	\$	5,717

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

8. PROPERTY, BUILDINGS AND EQUIPMENT

The following table sets forth the components of property, buildings and equipment:

	As of December 31,	
	2020 ⁽¹⁾	2019
	(In thousands)	
Buildings and leasehold improvements	\$ 169,873	\$ 110,056
Furniture, fixtures and equipment	266,317	162,029
Software costs	235,666	127,919
	671,856	400,004
Accumulated depreciation and amortization	(312,106)	(268,415)
	359,750	131,589
Land	26,409	24,106
Construction in progress	12,998	25,753
	<u>\$ 399,157</u>	<u>\$ 181,448</u>

⁽¹⁾ The components of property, buildings and equipment as of December 31, 2020 exclude a total of \$0.3 million that is classified as held for sale, as disclosed in Note 7, "Assets and Liabilities Held for Sale".

Depreciation expense was \$40.8 million, \$15.9 million and \$17.3 million, and capitalized software amortization was \$14.3 million, \$10.6 million and \$9.8 million, in 2020, 2019 and 2018, respectively. The unamortized software cost was \$123.9 million and \$29.8 million as of December 31, 2020 and 2019, respectively. Furniture, fixtures and equipment include finance leases of \$25.7 million and \$6.5 million and related accumulated amortization of \$7.9 million and \$5.1 million as of December 31, 2020 and 2019, respectively.

9. LEASES

WESCO leases substantially all of its real estate, as well as automobiles, trucks and other equipment under lease arrangements classified as operating.

The Company's finance leases, which are recorded in the Consolidated Balance Sheets as a component of property, buildings and equipment, current portion of long-term debt and long-term debt, are not material to the consolidated financial statements and notes thereto. Accordingly, finance leases have not been disclosed herein.

The following table sets forth supplemental balance sheet information related to operating leases for the periods presented:

(In thousands)	As of December 31,	
	2020 ⁽¹⁾	2019
Operating lease assets	\$ 534,705	\$ 235,834
Current operating lease liabilities ⁽²⁾	128,322	62,046
Noncurrent operating lease liabilities	414,889	179,830
Total operating lease liabilities	<u>\$ 543,211</u>	<u>\$ 241,876</u>

⁽¹⁾ Operating lease assets and liabilities of \$1.9 million and \$2.1 million, respectively, are classified as held for sale as of December 31, 2020, as disclosed in Note 7, "Assets and Liabilities Held for Sale".

⁽²⁾ Current operating lease liabilities are recorded as a component of other current liabilities in the Consolidated Balance Sheets.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The following table sets forth the Company's total lease cost, which is recorded as a component of selling, general and administrative expenses, for the periods presented:

(In thousands)	Year Ended December 31,	
	2020	2019
Operating lease cost	\$ 127,725	\$ 73,613
Short-term lease cost	494	90
Variable lease cost	36,230	23,385
Total lease cost	<u>\$ 164,449</u>	<u>\$ 97,088</u>

Variable lease cost consists of the non-lease components described in Note 2, "Accounting Policies", as well as taxes and insurance for WESCO's leased real estate.

The following table sets forth supplemental cash flow information related to operating leases for the periods presented:

(In thousands)	Year Ended December 31,	
	2020	2019
Operating cash flows from operating leases	\$ 117,106	\$ 75,775
Right-of-use assets obtained in exchange for new operating lease liabilities	121,207	60,586

As of December 31, 2020 and 2019, the weighted-average remaining lease term for operating leases was 6.1 years and 5.3 years, respectively. The weighted-average discount rate used to measure operating leases was 4.6% as of December 31, 2020 and 2019.

The following table sets forth the maturities of the Company's operating lease liabilities and reconciles the respective undiscounted payments to the operating lease liabilities in the Consolidated Balance Sheet as of December 31, 2020:

	(In thousands)
2021	\$ 155,071
2022	127,851
2023	100,746
2024	72,847
2025	46,730
Thereafter	124,127
Total undiscounted operating lease payments	<u>627,372</u>
Less: imputed interest	(84,161)
Total operating lease liabilities	<u>\$ 543,211</u>

Operating lease payments include \$17.4 million related to options to extend lease terms that are reasonably certain of being exercised. As of December 31, 2020, the Company has additional leases related to facilities that have not yet commenced of \$2.6 million. These operating leases will commence in 2021 with lease terms of seven to ten years.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

10. DEBT

The following table sets forth WESCO's outstanding indebtedness:

	As of December 31,	
	2020	2019
	(In thousands)	
International lines of credit	\$ 29,575	\$ 26,255
Accounts Receivable Securitization Facility	950,000	415,000
Revolving Credit Facility	250,000	—
5.375% Senior Notes due 2021	500,000	500,000
5.50% Senior Notes due 2023	58,636	—
5.375% Senior Notes due 2024	350,000	350,000
6.00% Senior Notes due 2025	4,173	—
7.125% Senior Notes due 2025	1,500,000	—
7.250% Senior Notes due 2028, less debt discount of \$9,332	1,315,668	—
Finance lease obligations	17,931	1,373
Total debt	<u>4,975,983</u>	<u>1,292,628</u>
Plus: Fair value adjustment to the Anixter Senior Notes	1,650	—
Less: Unamortized debt issuance costs	(78,850)	(8,876)
Less: Short-term debt and current portion of long-term debt	(528,830)	(26,685)
Total long-term debt	<u>\$ 4,369,953</u>	<u>\$ 1,257,067</u>

International Lines of Credit

Certain foreign subsidiaries of WESCO have entered into uncommitted lines of credit, some of which are overdraft facilities, to support local operations. The maximum borrowing limit varies by facility and ranges between \$2.0 million and \$31.0 million. The international lines of credit generally are renewable on an annual basis and certain facilities are fully and unconditionally guaranteed by WESCO Distribution. Accordingly, certain borrowings under these lines directly reduce availability under the Revolving Credit Facility. The applicable interest rate for borrowings under these lines of credit varies by country and is governed by the applicable loan agreement. The average interest rate for these facilities was 3.40% and 6.32% at December 31, 2020 and 2019, respectively.

Accounts Receivable Securitization Facility

On June 22, 2020, WESCO Distribution amended its accounts receivable securitization facility (the "Receivables Facility") pursuant to the terms and conditions of a Fifth Amended and Restated Receivables Purchase Agreement (the "Receivables Purchase Agreement"), by and among WESCO Receivables Corp. ("WESCO Receivables"), WESCO Distribution, the various purchaser groups from time to time party thereto and PNC Bank, National Association, as Administrator. The Receivables Purchase Agreement amends and restates the amended and restated receivables purchase agreement entered into on September 24, 2015 (the "Existing Receivables Purchase Agreement").

The Receivables Purchase Agreement, among other things, increased the purchase limit under the Existing Receivables Purchase Agreement from \$600 million to \$1,025 million, with the opportunity to exercise an accordion feature that permits increases in the purchase limit of up to \$375 million, extended the term of the Receivables Facility to June 22, 2023 and added and amended certain defined terms. Borrowings under the Receivables Facility bear interest at the 30-day LIBOR rate, with a LIBOR floor of 0.5%, plus applicable spreads. The interest rate spread of the Receivables Facility increased from 0.95% to 1.20%. The commitment fee remained unchanged at 0.45%.

On December 14, 2020, WESCO Distribution amended its Receivables Facility pursuant to the terms and conditions of a First Amendment to the Fifth Amended and Restated Receivables Purchase Agreement (the "Receivables Amendment"). The Receivables Amendment amends the Receivables Purchase Agreement and permits an increase to the purchase limit from \$1,025 million to \$1,200 million. The maturity date, interest rate spread, and commitment fee of the Receivables Facility remain unchanged.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Under the Receivables Facility, WESCO sells, on a continuous basis, an undivided interest in all domestic accounts receivable to WESCO Receivables, a wholly owned special purpose entity (the “SPE”). The SPE sells, without recourse, a senior undivided interest in the receivables to financial institutions for cash while maintaining a subordinated undivided interest in the receivables, in the form of overcollateralization. Since WESCO maintains control of the transferred receivables, the transfers do not qualify for “sale” treatment. As a result, the transferred receivables remain on the balance sheet, and WESCO recognizes the related secured borrowing. WESCO has agreed to continue servicing the sold receivables for the third-party conduits and financial institutions at market rates; accordingly, no servicing asset or liability has been recorded.

As of December 31, 2020 and 2019, accounts receivable eligible for securitization totaled \$1,476.1 million and \$809.5 million, respectively. The Consolidated Balance Sheets as of December 31, 2020 and 2019 include \$950.0 million and \$415.0 million, respectively, of accounts receivable balances legally sold to third parties, as well as borrowings for equal amounts. At December 31, 2020, the interest rate for this facility was approximately 1.6%.

Revolving Credit Facility

On June 22, 2020, WESCO, WESCO Distribution and certain other subsidiaries of WESCO entered into a \$1,100 million revolving credit facility (the “Revolving Credit Facility”), as a replacement of WESCO Distribution’s revolving credit facility entered into on September 26, 2019, pursuant to the terms and conditions of a Fourth Amended and Restated Credit Agreement, dated as of June 22, 2020 (the “Revolving Credit Agreement”), among WESCO Distribution, the other U.S. borrowers party thereto (collectively, the “U.S. Borrowers”), WESCO Distribution Canada LP (“WESCO Canada”), the other Canadian borrowers party thereto (collectively, the “Canadian Borrowers”), WESCO, the lenders party thereto and Barclays Bank PLC, as the administrative agent. The Revolving Credit Facility contains a letter of credit sub-facility of up to \$175 million and an accordion feature allowing WESCO Distribution to request increases to the borrowing commitments under the Revolving Credit Facility of up to \$500 million in the aggregate, subject to customary conditions. The Revolving Credit Facility matures in June 2025.

On December 14, 2020, WESCO Distribution and certain other subsidiaries of WESCO entered into an amendment to the Revolving Credit Facility pursuant to the terms and conditions of a First Amendment to Fourth Amended and Restated Credit Agreement, dated as of December 14, 2020 (the “Revolver Amendment”), among WESCO Distribution, the other U.S. borrowers party thereto, WESCO Distribution Canada LP, the other Canadian borrowers party thereto, WESCO, the lenders party thereto and Barclays Bank PLC, as administrative agent. The Revolver Amendment permits an increase to the revolving commitments from \$1,100 million to \$1,200 million and amends certain other defined terms. No other material terms were changed.

The obligations of WESCO Distribution and the other U.S. Borrowers under the Revolving Credit Facility have been guaranteed by WESCO and certain of WESCO Distribution’s subsidiaries (including certain subsidiaries of Anixter). The obligations of WESCO Canada and the other Canadian Borrowers under the Revolving Credit Facility (including certain subsidiaries of Anixter) have been guaranteed by certain subsidiaries of WESCO Canada and the other Canadian Borrowers. The Revolving Credit Facility is secured by (i) substantially all assets of WESCO Distribution, the other U.S. Borrowers and certain of WESCO Distribution’s subsidiaries (including certain subsidiaries of Anixter), other than, among other things, real property and accounts receivable sold or intended to be sold pursuant to WESCO Distribution’s Receivables Facility, and (ii) substantially all assets of WESCO Canada, the other Canadian Borrowers and certain of WESCO Canada’s subsidiaries, other than, among other things, real property, in each case, subject to customary exceptions and limitations. The applicable interest rate for borrowings under the Revolving Credit Facility includes interest rate spreads based on available borrowing capacity that range between 1.25% and 1.50% for LIBOR-based borrowings and 0.25% and 0.50% for prime rate-based borrowings. At December 31, 2020, the interest rate for this facility was approximately 1.6%.

The Revolving Credit Agreement requires compliance with conditions that must be satisfied prior to any borrowing as well as ongoing compliance with certain customary affirmative and negative covenants. The Revolving Credit Agreement contains customary events of default. Upon the occurrence and during the continuance of an event of default, the commitments of the lenders may be terminated, and all outstanding obligations of the loan parties under the Revolving Credit Facility may be declared immediately due and payable.

During 2020, WESCO borrowed \$1,197.9 million under the prior and new revolving credit facilities and made repayments in the aggregate amount of \$948.0 million. During 2019, aggregate borrowings and repayments under prior revolving credit agreements were \$715.4 million and \$767.4 million, respectively. WESCO had \$801.5 million available under the Revolving Credit facility at December 31, 2020, after giving effect to \$48.5 million of outstanding letters of credit, as compared to \$563.8 million available under the prior revolving credit facility at December 31, 2019, after giving effect to \$28.4 million of outstanding letters of credit, \$36.1 million of surety bonds, and \$7.8 million of other reserves.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

5.375% Senior Notes due 2021

In November 2013, WESCO Distribution issued \$500 million aggregate principal amount of 5.375% Senior Notes due 2021 (the "2021 Notes") through a private offering exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). The 2021 Notes were issued at 100% of par and are governed by an indenture (the "2021 Indenture") entered into on November 26, 2013 between WESCO International and U.S. Bank National Association, as trustee. The 2021 Notes are unsecured senior obligations of WESCO Distribution and are guaranteed on a senior unsecured basis by WESCO International. The 2021 Notes bear interest at a stated rate of 5.375% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. In addition, WESCO incurred costs related to the issuance of the 2021 Notes totaling \$8.4 million, which are recorded as a reduction to the carrying value of the debt and are being amortized over the life of the notes. The 2021 Notes mature on December 15, 2021 and at any time all or a part may be redeemed by WESCO Distribution. The net proceeds of the 2021 Notes were used to prepay a portion of the U.S. sub-facility of the term loan due 2019.

Under the terms of a registration rights agreement dated as of November 26, 2013 among WESCO Distribution, WESCO International and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as the representative of the initial purchasers of the 2021 Notes, WESCO Distribution and WESCO International agreed to register under the Securities Act notes having terms identical in all material respects to the 2021 Notes (the "2021 Exchange Notes") and to make an offer to exchange the 2021 Exchange Notes for the 2021 Notes. WESCO Distribution launched the exchange offer on June 12, 2014 and the exchange offer expired on July 17, 2014.

On December 15, 2020, WESCO Distribution exercised its right to redeem the entire \$500 million aggregate principal amount of the 2021 Notes, and U.S. Bank, National Association, as trustee under the indenture governing the 2021 Notes, issued a notice of redemption to registered holders of the 2021 Notes. The date fixed for the redemption of the 2021 Notes is January 14, 2021 (the "Redemption Date"). The 2021 Notes will be redeemed at a redemption price equal to 100% of the principal amount of the 2021 Notes plus accrued interest on the 2021 Notes to, but not including, the Redemption Date.

5.375% Senior Notes due 2024

In June 2016, WESCO Distribution issued \$350 million aggregate principal amount of 5.375% Senior Notes due 2024 (the "2024 Notes") through a private offering exempt from the registration requirements of the Securities Act. The 2024 Notes were issued at 100% of par and are governed by an indenture (the "2024 Indenture") entered into on June 15, 2016 among WESCO Distribution, as issuer, WESCO International, as parent guarantor, and U.S. Bank National Association, as trustee. The 2024 Notes are unsecured senior obligations of WESCO Distribution and are guaranteed on a senior unsecured basis by WESCO International. The 2024 Notes bear interest at a stated rate of 5.375% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. WESCO incurred costs totaling \$6.0 million to issue the 2024 Notes, which are recorded as a reduction to the carrying value of the debt and are being amortized over the life of the notes. The 2024 Notes mature on June 15, 2024. The Company used the net proceeds to redeem its 6.0% Convertible Senior Debentures due 2029 on September 15, 2016.

Under the terms of a registration rights agreement dated as of June 15, 2016 among WESCO Distribution, as the issuer, WESCO International, as parent guarantor, and Goldman, Sachs & Co., as representative of the initial purchasers of the 2024 Notes, WESCO Distribution and WESCO International agreed to register under the Securities Act notes having terms identical in all material respects to the 2024 Notes (the "2024 Exchange Notes") and to make an offer to exchange the 2024 Exchange Notes for the 2024 Notes. WESCO Distribution launched the exchange offer on December 28, 2016 and the exchange offer expired on January 31, 2017.

Any time between June 15, 2020 and June 14, 2021, WESCO Distribution may redeem all or a part of the 2024 Notes at a redemption price equal to 102.688% of the principal amount. Between June 15, 2021 and June 14, 2022, WESCO Distribution may redeem all or a part of the 2024 Notes at a redemption price equal to 101.344% of the principal amount. On and after June 15, 2022, WESCO Distribution may redeem all or a part of the 2024 Notes at a redemption price equal to 100% of the principal amount.

The 2024 Indenture contains customary covenants and events of default. Upon a change of control, the holders of the 2024 Notes have the right to require WESCO Distribution to repurchase all or any part of the 2024 Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

5.50% Senior Notes due 2023

6.00% Senior Notes due 2025

On April 30, 2020, in connection with the Merger, WESCO Distribution commenced offers to purchase for cash (each, a “WESCO Tender Offer” and, together the “WESCO Tender Offers”) any and all of Anixter Inc.’s outstanding (i) 5.50% Senior Notes due 2023 (the “Anixter 2023 Senior Notes”), \$350.0 million aggregate principal amount, issued under the Indenture, dated as of August 18, 2015 (the “Anixter 2023 Indenture”), by and among Anixter Inc., Anixter and Wells Fargo Bank, National Association, as trustee, and (ii) 6.00% Senior Notes due 2025 (the “Anixter 2025 Senior Notes” and, together with the Anixter 2023 Senior Notes, the “Anixter Senior Notes”), \$250.0 million aggregate principal amount, issued under the Indenture, dated as of November 13, 2018 (the “Anixter 2025 Indenture” and, together with the Anixter 2023 Indenture, the “Anixter Indentures”) by and among Anixter Inc., Anixter and Wells Fargo Bank, National Association, as trustee.

Concurrent with the WESCO Tender Offers, Anixter Inc. commenced consent solicitations to amend the definition of “Change of Control” under the applicable Indenture to exclude the Merger and related transactions and expressly permit a merger between Anixter Inc. and Anixter (the “Anixter Consent Solicitations”).

On June 23, 2020 (the “Expiration Date”), following the completion of the Merger, the WESCO Tender Offers and Anixter Consent Solicitations expired and settled. Pursuant to the terms of the Offer to Purchase and Consent Solicitation Statement, dated April 30, 2020, holders of the Anixter Senior Notes that validly tendered and did not validly withdraw prior to such date, received total tender offer consideration of \$1,012.50 per \$1,000 principal amount of Anixter Senior Notes, which amount, in each case, included an early tender payment of \$50.00 per \$1,000 principal amount of Anixter Senior Notes. Holders who validly delivered their consents at or prior to the Expiration Date received a consent fee of \$2.50 per \$1,000 principal amount of Anixter Senior Notes.

As of December 31, 2020, \$58.6 million and \$4.2 million aggregate principal amount of the Anixter 2023 Senior Notes and Anixter 2025 Senior Notes, respectively, were outstanding.

7.125% Senior Notes due 2025

7.250% Senior Notes due 2028

On June 12, 2020, WESCO Distribution issued \$1,500 million aggregate principal amount of 7.125% Senior Notes due 2025 (the “2025 Notes”) and \$1,325 million aggregate principal amount of 7.250% Senior Notes due 2028 (the “2028 Notes” and, together with the 2025 Notes, the “Notes”). The 2025 Notes were issued at a price of 100.000% of the aggregate principal amount. The 2028 Notes were issued at a price of 99.244% of the aggregate principal amount. WESCO incurred costs related to the issuance of the 2025 Notes and 2028 Notes totaling \$33.1 million and \$29.3 million, respectively, which were recorded as a reduction to the carrying value of the debt and are being amortized over the respective lives of the notes.

The Notes were issued pursuant to, and are governed by, an indenture (the “Notes Indenture”), dated as of June 12, 2020, between the Company, WESCO Distribution and U.S. Bank National Association, as trustee (the “Trustee”). The Notes and related guarantees were issued in a private transaction exempt from the Securities Act of 1933, as amended (the “Securities Act”) and have not been, and will not be, registered under the Securities Act and may not be offered or sold in the U.S. absent registration or an applicable exemption from, or in a transaction not subject to the registration requirements of the Securities Act and other applicable securities laws.

The Company used the net proceeds from the issuance of the Notes, together with borrowings under its new and amended credit facilities and existing cash on hand, to finance the Merger and the other transactions contemplated by the Merger Agreement. The use of proceeds included (i) paying the cash portion of the Merger consideration to stockholders of Anixter, (ii) refinancing certain existing indebtedness of Anixter contemplated by the Merger Agreement, including financing the satisfaction and discharge, defeasance, redemption or other repayment in full of the 5.125% Senior Notes due 2021 of Anixter Inc., a wholly owned subsidiary of Anixter, and financing payments in connection with the Anixter Consent Solicitations and WESCO Tender Offers, as described above, (iii) refinancing other indebtedness of the Company, and (iv) paying fees, costs and expenses in connection with the foregoing.

The Notes are unsecured and unsubordinated obligations of WESCO Distribution and are guaranteed on an unsecured, unsubordinated basis by the Company and Anixter Inc. The 2025 Notes accrue interest at a rate of 7.125% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. The 2025 Notes will mature on June 15, 2025. The 2028 Notes accrue interest at a rate of 7.250% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. The 2028 Notes will mature on June 15, 2028.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

WESCO Distribution may redeem all or a part of the 2025 Notes at any time prior to June 15, 2022 by paying a “make-whole” premium plus accrued and unpaid interest, if any, to but excluding the redemption date. In addition, at any time prior to June 15, 2022, WESCO Distribution may redeem up to 35% of the 2025 Notes with the net cash proceeds from certain equity offerings. On or after June 15, 2022, WESCO Distribution may redeem all or a part of the 2025 Notes on the redemption dates and at the redemption prices specified in the Notes Indenture. WESCO Distribution may redeem all or a part of the 2028 Notes at any time prior to June 15, 2023 by paying a “make-whole” premium plus accrued and unpaid interest, if any, to but excluding the redemption date. In addition, at any time prior to June 15, 2023, WESCO Distribution may redeem up to 35% of the 2028 Notes with the net cash proceeds from certain equity offerings. On or after June 15, 2023, WESCO Distribution may redeem all or a part of the 2028 Notes on the redemption dates and at the redemption prices specified in the Notes Indenture.

The Notes Indenture contains certain covenants that, among other things, limit (i) the Company’s and its subsidiaries’ ability to pay dividends on or repurchase the Company’s capital stock, incur liens on assets, engage in certain sale and leaseback transactions or sell certain assets, and (ii) the Company’s and any guarantor’s ability to sell all or substantially all of its assets to, or merge or consolidate with or into, other persons, in the case of each of the foregoing, subject to certain qualifications and exceptions, including the termination of certain of these covenants upon the Notes receiving investment grade credit ratings.

The Notes Indenture contains certain events of default, including, among other things, failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, certain events of bankruptcy and insolvency, and failure to pay certain judgments. An event of default under the Notes Indenture will allow either the Trustee or the holders of at least 25% in aggregate principal amount of the applicable series of the then-outstanding Notes to accelerate, or in certain cases, will automatically cause the acceleration of the amounts due under the applicable series of Notes.

Debt Issuance Costs

WESCO capitalizes costs associated with the issuance of debt and such costs are amortized over the term of the respective debt instrument on a straight-line basis. Debt issuance costs are presented in the Consolidated Balance Sheets as a direct reduction from the carrying amount of the related debt liability. Upon prepayment of debt, the Company accelerates the recognition of an appropriate amount of the costs as refinancing or extinguishment of debt. As of December 31, 2020 and 2019, unamortized debt issuance costs of \$78.9 million and \$8.9 million were recorded in the Consolidated Balance Sheets, respectively.

Covenant Compliance

WESCO was in compliance with all relevant covenants contained in its debt agreements as of December 31, 2020.

The following table sets forth the aggregate principal repayment requirements for all indebtedness for the next five years and thereafter, as of December 31, 2020:

	(In thousands)
2021	\$ 529,869
2022	4,051
2023	1,016,322
2024	352,183
2025	1,756,055
Thereafter	1,326,835
Total payments on debt	\$ 4,985,315
Debt discount	(9,332)
Total debt	<u>\$ 4,975,983</u>

WESCO’s credit agreements contain various restrictive covenants that, among other things, impose limitations on: (i) dividend payments or certain other restricted payments or investments; (ii) the incurrence of additional indebtedness and guarantees; (iii) creation of liens; (iv) mergers, consolidation or sales of substantially all of WESCO’s assets; (v) certain transactions among affiliates; (vi) payments by certain subsidiaries to WESCO, and (vii) capital expenditures. In addition, the Revolving Credit Facility and the Receivables Facility require WESCO to meet certain fixed charge coverage tests depending on availability or liquidity, respectively.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

11. STOCKHOLDERS' EQUITY

Preferred Stock

There are 20 million shares of preferred stock authorized at a par value of \$0.01 per share; there are no shares issued or outstanding. The Board of Directors has the authority, without further action by the stockholders, to issue all authorized preferred shares in one or more series and to fix the number of shares, designations, voting powers, preferences, optional and other special rights and the restrictions or qualifications thereof. The rights, preferences, privileges and powers of each series of preferred stock may differ with respect to dividend rates, liquidation values, voting rights, conversion rights, redemption provisions and other matters.

Series A Preferred Stock

The Company's Board of Directors authorized 25,000 shares of fixed-rate reset cumulative perpetual preferred stock, Series A, with a liquidation preference of \$25,000 per whole preferred share and a par value of \$0.01 per share (the "Series A Preferred Stock"). Depositary shares, each representing a 1/1,000th interest in a share of Series A Preferred Stock, are registered under the Securities Act of 1933, as amended.

In connection with the Merger, as described in Note 6, "Acquisitions", the Company issued 21,611,534 depositary shares, representing an interest in approximately 21,612 shares of Series A Preferred Stock.

Holders of shares of the Series A Preferred Stock are entitled to receive, when, as and if declared by the Company's Board of Directors, cumulative cash dividends at an initial rate of 10.625% per annum of the \$25,000 liquidation preference per share. On June 22, 2025, and every five-year period thereafter, the dividend rate on the Series A Preferred Stock resets and will be equal to the Five-year U.S. Treasury Rate plus a spread of 10.325%.

Holders of the Series A Preferred Stock are not entitled to convert or exchange their shares of Series A Preferred stock into shares of any of WESCO's other classes or series of stock or into any other security of WESCO (other than upon a change of control involving the issuance of additional shares of common stock or other change of control transaction, in each case, approved by holders of common stock).

The Series A Preferred Stock has no stated maturity and will not be subject to any sinking fund, retirement fund or purchase fund or any other obligation of WESCO to redeem, repurchase or retire the Series A Preferred Stock.

Holders of the Series A Preferred Stock will have limited voting rights, including the right to elect two directors to the board of directors of the Company in the event dividends on the Series A Preferred Stock remain unpaid for the equivalent of six or more full quarterly dividend periods.

Common Stock

There are 210 million shares of common stock and 20 million shares of Class B common stock authorized at a par value of \$0.01 per share. The Class B common stock is identical to the 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 common stock.

The terms of the Revolving Credit Facility, as well as the indentures governing the 2021 Notes, 2024 Notes, 2025 Notes and 2028 Notes, place certain limits on the Company's ability to declare or pay dividends and repurchase common stock. The share repurchases in 2019 and 2018, as described in Note 13, "Earnings Per Share", were made within the limits of WESCO's various credit agreements. At December 31, 2020 and 2019, no dividends had been declared and, therefore, no retained earnings were reserved for dividend payments.

Treasury Stock

Common stock purchased for treasury is recorded at cost. At the date of subsequent reissue, the treasury stock account is reduced by the cost of such stock, with cost determined on a weighted-average basis.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Stockholder Rights Plan

On July 17, 2020, WESCO's Board of Directors declared a dividend of one preferred share purchase right (a "Right") for each outstanding share of common stock of WESCO, par value \$0.01 per share ("WESCO Common Stock"), and adopted a stockholder rights plan, as set forth in the Rights Agreement, dated as of July 17, 2020 (the "Rights Agreement"), by and between WESCO and Computershare Trust Company, N.A., as rights agent. In general terms, the Rights Agreement works by imposing a significant penalty upon any person or group which acquires 10% or more (15% or more in the case of passive investors filing statements on Schedule 13G) of the outstanding WESCO Common Stock without the approval of the Board. The dividend Right was paid on July 27, 2020 to WESCO stockholders of record as of the close of business on July 27, 2020. The Rights Agreement provides that the Rights will expire on July 16, 2021. The Rights have no value upon issuance.

12. INCOME TAXES

Pursuant to the enactment of the Tax Cuts and Jobs Act of 2017 (the "TCJA") on December 22, 2017, the Company recognized the provisional income tax effects of the TCJA in the year ended December 31, 2017. During the year ended December 31, 2018, the Company completed its accounting for the income tax effects of the TCJA, which resulted in an additional deferred income tax benefit of \$0.9 million and a discrete benefit of \$3.4 million. During the year ended December 31, 2019, the Company further adjusted its liability for the one-time tax on the deemed repatriation of undistributed foreign earnings (the "transition tax") based upon guidance issued by the Internal Revenue Service ("IRS"), which resulted in a discrete benefit of \$3.7 million. As of December 31, 2020 and 2019, a liability of \$63.3 million and \$36.8 million, respectively, was recorded as components of other current and noncurrent liabilities in the Consolidated Balance Sheets for the transition tax. The transition tax will be paid in installments.

The accounting for the income tax effects of the TCJA is complete based on regulatory guidance issued to date. Additional guidance could be issued, which could affect the amounts described above. The Company will continue to evaluate its tax positions with respect to the TCJA as the IRS releases additional regulatory guidance. Future adjustments, if any, for tax positions taken to date will be recognized as discrete income tax expense or benefit in the period in which such guidance is issued.

The following table sets forth the components of income before income taxes by jurisdiction:

	Year Ended December 31,		
	2020	2019	2018
	(In thousands)		
United States	\$ 26,031	\$ 198,566	\$ 198,556
Foreign	96,811	83,495	82,469
Income before income taxes	<u>\$ 122,842</u>	<u>\$ 282,061</u>	<u>\$ 281,025</u>

The following table sets forth the components of the provision (benefit) for income taxes:

	Year Ended December 31,		
	2020	2019	2018
	(In thousands)		
Current income taxes:			
Federal	\$ 25,605	\$ 31,695	\$ 28,464
State	11,322	8,616	7,458
Foreign	19,414	6,347	10,611
Total current income taxes	<u>56,341</u>	<u>46,658</u>	<u>46,533</u>
Deferred income taxes:			
Federal	(17,913)	6,774	5,253
State	(7,264)	1,846	1,967
Foreign	(8,361)	4,585	1,917
Total deferred income taxes	<u>(33,538)</u>	<u>13,205</u>	<u>9,137</u>
Provision for income taxes	<u>\$ 22,803</u>	<u>\$ 59,863</u>	<u>\$ 55,670</u>

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The following table sets forth the reconciliation between the federal statutory income tax rate and the effective tax rate:

	Year Ended December 31,		
	2020	2019	2018
Federal statutory rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal income tax benefit	1.4	3.1	2.8
Deemed repatriation of undistributed foreign earnings	—	(1.3)	(1.2)
Deferred income tax remeasurement	—	—	(0.3)
Tax effect of intercompany financing	(13.4)	(5.5)	(5.6)
Unrecognized tax benefits	2.1	(0.4)	(0.1)
Nondeductible expenses	5.7	0.7	1.0
Change in valuation allowance	1.8	0.6	0.6
Other	—	3.0	1.6
Effective tax rate	<u>18.6 %</u>	<u>21.2 %</u>	<u>19.8 %</u>

Undistributed earnings of the Company's foreign subsidiaries amounted to approximately \$1,835.0 million at December 31, 2020. Most of these earnings have been taxed in the U.S. under either the one-time transition tax or the GILTI tax regime imposed by the TCJA. Except for a portion of foreign earnings previously taxed in the U.S. that can effectively be distributed without further material U.S. or foreign taxation, the Company continues to assert that the undistributed earnings of its foreign subsidiaries are indefinitely reinvested. To the extent the earnings of the Company's foreign subsidiaries are distributed in the form of dividends, such earnings may be subject to additional taxes. WESCO estimates that additional taxes of approximately \$75.0 million would be payable upon the remittance of foreign earnings as dividends at December 31, 2020, based upon the laws in effect on that date. The Company believes that it is able to maintain a sufficient level of liquidity for its domestic operations and commitments without incurring any material tax cost to repatriate cash held by its foreign subsidiaries.

The following table sets forth deferred tax assets and liabilities:

	As of December 31,			
	2020		2019	
	(In thousands)			
	Assets	Liabilities	Assets	Liabilities
Accounts receivable	\$ 17,560	\$ —	\$ 3,382	\$ —
Inventories	14,793	—	—	4,580
Depreciation of property, buildings and equipment	—	60,687	—	18,393
Operating leases	134,377	136,477	61,326	60,670
Amortization of intangible assets	—	540,520	—	159,573
Employee benefits	53,040	—	20,641	—
Stock-based compensation	14,061	—	13,792	—
Tax loss carryforwards	36,923	—	10,486	—
Foreign tax credit carryforwards	55,637	—	1,247	—
Other	27,643	6,286	6,791	3,964
Deferred income taxes before valuation allowance	354,034	743,970	117,665	247,180
Valuation allowance	(60,629)	—	(5,854)	—
Total deferred income taxes	<u>\$ 293,405</u>	<u>\$ 743,970</u>	<u>\$ 111,811</u>	<u>\$ 247,180</u>

In connection with the acquisition of Anixter, WESCO recorded deferred income tax liabilities of \$347.3 million, which primarily related to identifiable intangible assets for which there was no increase in tax basis.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

WESCO had deferred tax assets of \$34.5 million and \$7.9 million as of December 31, 2020 and 2019, respectively, related to foreign net operating loss carryforwards. These net operating loss carryforwards expire beginning in 2021 through 2030, while some may be carried forward indefinitely. The Company determined that certain foreign net operating loss carryforwards would not be realized before they expire. Accordingly, the Company recorded a valuation allowance of \$22.3 million and \$4.6 million against deferred tax assets related to certain foreign net operating loss carryforwards at December 31, 2020 and 2019, respectively. Additionally, these foreign jurisdictions had deferred tax assets of \$8.2 million as of December 31, 2020 related to other future deductible temporary differences. The Company recorded a full valuation allowance against this amount as of December 31, 2020. As of December 31, 2020 and 2019, WESCO had deferred tax assets of \$2.4 million and \$2.6 million, respectively, related to state net operating loss carryforwards. These carryforwards expire beginning in 2024 through 2039.

As of December 31, 2020 and 2019, WESCO had deferred tax assets of \$55.6 million and \$1.2 million, respectively, related to foreign tax credit carryforwards. The foreign tax credit carryforwards expire beginning in 2026 through 2030. The Company determined that certain foreign tax credit carryforwards will not be realized before they expire. Accordingly, the Company recorded a valuation allowance of \$30.1 million and \$1.2 million against deferred tax assets related to certain foreign tax credit carryforwards at December 31, 2020 and 2019, respectively.

The Company is under examination by tax authorities in various jurisdictions and remains subject to examination until the applicable statutes of limitation expire. The statutes of limitation for the material jurisdictions in which the Company files income tax returns remain open as follows:

United States — Federal	2015 and forward
United States — Material States	2016 and forward
Canada	2012 and forward
UK	2015 and forward

The following table sets forth the reconciliation of gross unrecognized tax benefits:

	As of December 31,		
	2020	2019	2018
	(In thousands)		
Beginning balance January 1	\$ 54	\$ 1,293	\$ 4,348
Additions for current year tax positions	14,009	—	—
Additions for acquired tax positions	68,048	—	—
Reductions for prior year tax positions	(43)	—	—
Settlements	—	(1,290)	(2,646)
Lapse in statute of limitations	(15,886)	—	(287)
Foreign currency exchange rate changes	1,893	51	(122)
Ending balance December 31	<u>\$ 68,075</u>	<u>\$ 54</u>	<u>\$ 1,293</u>

The total amount of unrecognized tax benefits were \$68.1 million and \$0.1 million as of December 31, 2020 and 2019, respectively. The amount of unrecognized tax benefits that would affect the effective tax rate if recognized in the consolidated financial statements for the years ended December 31, 2020, 2019 and 2018 were \$29.1 million, \$0.1 million, and \$1.3 million, respectively. Within the next twelve months, the amount of unrecognized tax benefits is expected to decrease by \$3.6 million due to the expiration of statutes of limitation. Such change would result in a favorable effective tax rate impact of \$4.2 million.

The Company classifies interest related to unrecognized tax benefits as a component of net interest in the Consolidated Statement of Income and Comprehensive Income. In 2020, the Company recognized interest expense on unrecognized tax benefits of \$0.3 million. The Company recognized interest income on unrecognized tax benefits of \$0.8 million in 2019. In 2018, interest expense on unrecognized tax benefits was \$0.2 million. As of December 31, 2020 and 2019, WESCO had a liability of \$5.5 million and \$0.1 million, respectively, for interest expense related to unrecognized tax benefits. The Company classifies penalties related to unrecognized tax benefits as part of income tax expense. Penalties recorded in income tax expense for 2020, 2019, and 2018 were immaterial. As of December 31, 2020, WESCO had a liability of \$1.5 million for penalties related to unrecognized tax benefits.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

13. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income attributable to common stockholders by the weighted-average number of common shares outstanding during the periods. Diluted earnings per share is computed by dividing net income attributable to common stockholders by the weighted-average common shares and common share equivalents outstanding during the periods. The dilutive effect of common share equivalents is considered in the diluted earnings per share computation using the treasury stock method, which includes consideration of equity awards.

The following table sets forth the details of basic and diluted earnings per share:

	Year Ended December 31,		
	2020	2019	2018
(In thousands, except per share data)			
Net income attributable to WESCO International, Inc.	\$ 100,560	\$ 223,426	\$ 227,343
Less: Preferred stock dividends	30,139	—	—
Net income attributable to common stockholders	<u>\$ 70,421</u>	<u>\$ 223,426</u>	<u>\$ 227,343</u>
Weighted-average common shares outstanding used in computing basic earnings per share	46,174	43,104	46,722
Common shares issuable upon exercise of dilutive equity awards	451	383	477
Weighted-average common shares outstanding and common share equivalents used in computing diluted earnings per share	<u>46,625</u>	<u>43,487</u>	<u>47,199</u>
Earnings per share attributable to common stockholders			
Basic	\$ 1.53	\$ 5.18	\$ 4.87
Diluted	\$ 1.51	\$ 5.14	\$ 4.82

For the years ended December 31, 2020, 2019 and 2018, the computation of diluted earnings per share attributable to common stockholders excluded equity awards of approximately 1.8 million, 1.7 million and 1.6 million, respectively. These shares were excluded because their effect would have been antidilutive.

In December 2017, the Company's Board of Directors (the "Board") authorized the repurchase of up to \$300 million of the Company's common stock through December 31, 2020 (the "Repurchase Authorization"). In October 2018, the Board approved an increase to the Repurchase Authorization from \$300 million to \$400 million. During the year ended December 31, 2018, the Company entered into accelerated stock repurchase agreements with a financial institution to repurchase shares of its common stock pursuant to its Repurchase Authorization. In exchange for up-front cash payments totaling \$125.0 million, the Company received 2,368,738 shares, of which 365,272 shares were settled in 2019.

On May 7, 2019, the Company entered into an accelerated stock repurchase agreement with a financial institution to repurchase additional shares of its common stock pursuant to the Repurchase Authorization. In exchange for an up-front cash payment of \$150.0 million, the Company received 3,090,312 shares. The Company did not repurchase any shares of its common stock during the year ended December 31, 2020. As of December 31, 2020, WESCO had repurchased 5,459,030 shares of common stock for \$275.0 million under the Repurchase Authorization.

The total number of shares ultimately delivered under the accelerated stock repurchase transactions described above were determined by the average of the volume-weighted-average price of the Company's common stock for each exchange business day during the respective settlement valuation periods. WESCO funded the repurchases with available cash, and borrowings under its accounts receivable securitization and revolving credit facilities. For purposes of computing earnings per share, share repurchases have been reflected as a reduction to common shares outstanding on the respective delivery dates.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

14. EMPLOYEE BENEFIT PLANS

Defined Contribution Plans

WESCO Distribution sponsors a defined contribution retirement savings plan for the majority of its U.S. employees. The Company matches contributions made by employees at an amount equal to 50% of participants' total monthly contributions up to 6% of eligible compensation. Contributions are made in cash and employees have the option to transfer balances allocated to their accounts into any of the available investment options. Due to the COVID-19 pandemic and its adverse effect on WESCO's results of operations, the Company suspended matching employer contributions between April 16, 2020 and September 30, 2020. The Company may also make, subject to the Board's approval, a discretionary contribution to the defined contribution retirement savings plan covering U.S. participants if certain predetermined profit levels are attained. There were no discretionary contributions for the years ended December 31, 2020 and December 31, 2019. Discretionary employer contribution charges of \$20.6 million were incurred in 2018.

WESCO Distribution Canada LP, a wholly-owned subsidiary of the Company, sponsors a defined contribution plan for certain Canadian employees. The Company makes contributions in amounts ranging from 3% to 5% of participants' eligible compensation based on years of continuous service.

Anixter Inc. sponsors a defined contribution plan covering all of its non-union U.S. employees (the "Anixter Employee Savings Plan"). The employer match for the Anixter Employee Savings Plan is equal to 50% of a participant's contribution up to 5% of the participant's compensation. Anixter Inc. will also make an annual contribution to the Anixter Employee Savings Plan on behalf of each active participant who is hired or rehired on or after July 1, 2015, or is not participating in the Anixter Inc. Pension Plan. The amount of the employer annual contribution is equal to either 2% or 2.5% of the participant's compensation, as determined by the participant's years of service. This contribution is in lieu of being eligible for the Anixter Inc. Pension Plan. Certain of Anixter Inc.'s foreign subsidiaries also have defined contribution plans. Contributions to these plans are based upon various levels of employee participation and legal requirements.

For the years ended December 31, 2020, 2019 and 2018, WESCO incurred charges of \$18.3 million, \$22.9 million, and \$42.9 million, respectively, for all defined contribution plans.

Deferred Compensation Plans

WESCO Distribution sponsors a non-qualified deferred compensation plan (the "WESCO Deferred Compensation Plan") that permits select employees to make pre-tax deferrals of salary and bonus. Employees have the option to transfer balances allocated to their accounts in the WESCO Deferred Compensation Plan into any of the available investment options. The WESCO Deferred Compensation Plan is an unfunded plan. As of December 31, 2020, the Company's obligation under the deferred compensation plan was \$27.4 million, of which \$10.1 million was included in other current liabilities and \$17.3 million in other noncurrent liabilities in the Consolidated Balance Sheet. At December 31, 2019, the Company's obligation under the deferred compensation plan was \$25.2 million and was included in other noncurrent liabilities in the Consolidated Balance Sheet.

Anixter Inc. sponsors a non-qualified deferred compensation plan (the "Anixter Deferred Compensation Plan") that permits select employees to make pre-tax deferrals of salary and bonus. Interest is accrued monthly on the deferred compensation balances based on the average ten-year Treasury note rate for the previous three months times a factor of 1.4, and the rate is further adjusted if certain financial goals are achieved. In the fourth quarter of 2020, the Company made a determination to terminate the Anixter Deferred Compensation Plan. Accordingly, a deferred compensation liability of \$45.1 million has been classified in other current liabilities in the Consolidated Balance Sheet at December 31, 2020 as the Company expects to make lump sum payments directly to participants of the plan during 2021.

Concurrent with the implementation of the Anixter Deferred Compensation Plan, Anixter established a Rabbi Trust arrangement to provide for the liabilities associated with the deferred compensation plan and an executive non-qualified defined benefit plan. The assets are invested in marketable securities. At December 31, 2020, \$39.6 million was recorded in other current assets in the Consolidated Balance Sheet for this arrangement.

Defined Benefit Plans

WESCO sponsors a contributory defined benefit plan (the "EECOL Plan") covering substantially all Canadian employees of EECOL. The EECOL Plan provides retirement benefits based on earnings and credited service, and participants contribute 2% of their earnings to the EECOL Plan. Participants become 100% vested after two years of continuous service or, if earlier, at the participant's normal retirement age.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

WESCO also sponsors a Supplemental Executive Retirement Plan (the "EECOL SERP"), which provides additional pension benefits to certain executives of EECOL based on earnings, and credited service. Effective January 1, 2013, the EECOL SERP was closed to new participants and existing participants became 100% vested. EECOL SERP participants continue to contribute 4% of their earnings to the EECOL Plan.

In connection with the June 22, 2020 acquisition of Anixter discussed in Note 6, "Acquisitions", the Company assumed various defined benefit pension plans sponsored by Anixter Inc. These include defined benefit pension plans in the U.S., which consist of the Anixter Inc. Pension Plan, the Executive Benefit Plan and the Supplemental Executive Retirement Plan (the "Anixter SERP") (together, the "Domestic Plans") and various defined benefit pension plans covering employees of foreign subsidiaries in Canada and Europe (together with the "EECOL Plan" and "EECOL SERP", the "Foreign Plans"). For all defined benefit plans assumed as part of the merger with Anixter, the projected benefit obligation ("PBO") and fair value of plan assets were remeasured as of the acquisition date.

The Anixter Inc. Pension Plan was frozen to entrants first hired or rehired on or after July 1, 2015. The majority of the Anixter defined benefit pension plans are non-contributory and, with the exception of the U.S. and Canada, cover substantially all full-time employees in their respective countries. Retirement benefits are provided based on compensation as defined in each of the pension plans.

In the fourth quarter of 2020, the Company made a determination to terminate both the Anixter Inc. Executive Benefit Plan and the Anixter SERP. Accordingly, pension liabilities totaling \$18.1 million associated with the Anixter Inc. Executive Benefit Plan and the Anixter SERP have been classified as current on the Consolidated Balance Sheet at December 31, 2020 as the Company expects to make lump sum payments directly to participants of these plans during 2021.

The Domestic Plans are funded as required by the Employee Retirement Income Security Act of 1974 ("ERISA") and the IRS and all Foreign Plans, including the EECOL Plan and EECOL SERP, are funded as required by applicable foreign laws. The Anixter Inc. Executive Benefit Plan and the Anixter SERP are unfunded plans.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The following table presents the changes in benefit obligations, plan assets and funded status for the defined benefit plans:

(In thousands)	Domestic Plans		Foreign Plans		Total							
	2020	2019	2020	2019 ⁽²⁾	2020	2019 ⁽²⁾						
Change in Projected Benefit Obligation												
Beginning balance	\$ —	\$ —	\$ 134,852	\$ 105,515	\$ 134,852	\$ 105,515						
Impact of acquisition ⁽¹⁾	317,893	—	301,206	—	619,099	—						
Service cost	1,763	—	9,029	4,602	10,792	4,602						
Interest cost	4,787	—	7,162	4,362	11,949	4,362						
Participant contributions	—	—	728	736	728	736						
Actuarial loss, including assumption changes	12,911	—	14,044	18,591	26,955	18,591						
Benefits paid from plan assets	(4,222)	—	(9,008)	(4,459)	(13,230)	(4,459)						
Benefits paid from Company assets	(547)	—	(448)	—	(995)	—						
Curtailment	(101)	—	—	—	(101)	—						
Plan amendment	—	—	(37)	—	(37)	—						
Settlement	—	—	(1,235)	—	(1,235)	—						
Foreign currency exchange rate changes	—	—	30,562	5,505	30,562	5,505						
Ending balance	\$ 332,484	\$ —	\$ 486,855	\$ 134,852	\$ 819,339	\$ 134,852						
Change in Plan Assets at Fair Value												
Beginning balance	\$ —	\$ —	\$ 103,385	\$ 86,556	\$ 103,385	\$ 86,556						
Impact of acquisition ⁽¹⁾	324,292	—	218,644	—	542,936	—						
Actual return on plan assets	35,217	—	23,947	12,763	59,164	12,763						
Participant contributions	—	—	728	736	728	736						
Employer contributions	—	—	6,838	3,198	6,838	3,198						
Benefits paid	(4,222)	—	(9,008)	(4,459)	(13,230)	(4,459)						
Settlement	—	—	(1,235)	—	(1,235)	—						
Foreign currency exchange rate changes	—	—	22,419	4,591	22,419	4,591						
Ending balance	\$ 355,287	\$ —	\$ 365,718	\$ 103,385	\$ 721,005	\$ 103,385						
Funded Status	\$ 22,803	\$ —	\$ (121,137)	\$ (31,467)	\$ (98,334)	\$ (31,467)						
Amounts Recognized in the Consolidated Balance Sheets												
Other assets	\$ 40,921	\$ —	\$ 179	\$ —	\$ 41,100	\$ —						
Other current liabilities	(18,118)	—	(471)	(383)	(18,589)	(383)						
Other noncurrent liabilities	—	—	(120,845)	(31,084)	(120,845)	(31,084)						
Net amount recognized	\$ 22,803	\$ —	\$ (121,137)	\$ (31,467)	\$ (98,334)	\$ (31,467)						
Weighted Average Assumptions Used to Determine Benefit Obligations												
Discount rate	2.6	%	—	%	2.0	%	3.2	%	2.2	%	3.2	%
Rate of compensation increase	3.8	%	—	%	3.2	%	3.5	%	3.4	%	3.5	%

⁽¹⁾ As described above, the Company assumed the Domestic Plans and certain foreign plans in connection with the June 22, 2020 acquisition of Anixter.

⁽²⁾ For 2019, the changes in benefit obligations, plan assets and funded status relate to the EECOL Plan and the EECOL SERP.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The measurement date for all plans is December 31st. Accordingly, at the end of each fiscal year, the Company determines the discount rate to measure the plan liabilities at their present value. The discount rate reflects the current rate at which the pension liabilities could effectively be settled at the end of the year. In estimating this rate at the end of 2020, the Company reviewed rates of return on relevant market indices and concluded the Willis Towers Watson Global Rate Link Model was consistent with observable market conditions and industry standards for developing spot rate curves. At the end of 2019, the discount rate related to the EECOL Plan and the EECOL SERP was determined using the Canadian Institute of Actuaries methodology.

At December 31, 2020 and 2019, the consolidated weighted-average discount rate of all plans was 2.2% and 3.2%, respectively, and these rates were used to measure the PBO at the end of each respective year end. Due primarily to the merger with Anixter, the PBO increased to \$819.3 million at December 31, 2020 from \$134.9 million at December 31, 2019. The consolidated net unfunded status was \$98.3 million at December 31, 2020 compared to \$31.5 million at December 31, 2019.

The PBO in 2020 was \$332.5 million for the Domestic Plans and \$486.8 million for the Foreign Plans. The Company had 13 plans in 2020 where the PBO was in excess of the fair value of plan assets. For pension plans with PBO in excess of plan assets the aggregate PBO was \$504.8 million, and the aggregate fair value of plan assets was \$365.4 million. The PBO in 2019 of \$134.9 million related to the EECOL Plan and the EECOL SERP and compared to a fair value of plan assets of \$103.4 million.

The accumulated benefit obligation in 2020 was \$328.2 million for the Domestic Plans and \$417.6 million for the Foreign Plans. The Company had 13 plans in 2020 where the accumulated benefit obligation was in excess of the fair value of plan assets. For pension plans with accumulated benefit obligations in excess of plan assets the aggregate pension accumulated benefit obligation was \$435.6 million, and the aggregate fair value of plan assets was \$365.4 million. The accumulated benefit obligation in 2019 of \$104.6 million related to the EECOL Plan and the EECOL SERP and compared to a fair value of plan assets of \$103.4 million.

The following table presents the components of net periodic pension (benefit) cost:

(In thousands)	Domestic Plans ⁽¹⁾			Foreign Plans ⁽¹⁾			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Components of Net Periodic Pension (Benefit) Cost									
Service cost	\$ 1,763	\$ —	\$ —	\$ 9,029	\$ 4,602	\$ 5,242	\$ 10,792	\$ 4,602	\$ 5,242
Interest cost	4,787	—	—	7,162	4,362	4,137	11,949	4,362	4,137
Expected return on plan assets	(8,395)	—	—	(11,659)	(5,695)	(5,969)	(20,054)	(5,695)	(5,969)
Recognized actuarial gain	—	—	—	—	(63)	(46)	—	(63)	(46)
Settlement	—	—	—	(144)	—	—	(144)	—	—
Net periodic pension (benefit) cost	\$ (1,845)	\$ —	\$ —	\$ 4,388	\$ 3,206	\$ 3,364	\$ 2,543	\$ 3,206	\$ 3,364

⁽¹⁾ As described above, the Company assumed the Domestic Plans and certain foreign plans in connection with the June 22, 2020 acquisition of Anixter. The Company began recognizing the associated net periodic pension (benefit) cost as of the acquisition date.

The service cost of \$10.8 million, \$4.6 million and \$5.2 million for the years ended December 31, 2020, 2019 and 2018, respectively, was reported as a component of selling, general and administrative expenses. The other components of net periodic pension (benefit) cost totaling a net benefit of \$8.2 million, \$1.4 million and \$1.9 million for the years ended December 31, 2020, 2019 and 2018, respectively, were presented as a component of other, net.

The following weighted-average actuarial assumptions were used to determine net periodic pension (benefit) cost:

	Domestic Plans ⁽¹⁾			Foreign Plans ⁽¹⁾			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Discount rate	2.9 %	— %	— %	2.2 %	4.0 %	3.5 %	2.5 %	4.0 %	3.5 %
Expected return on plan assets	5.5 %	— %	— %	5.2 %	6.4 %	6.4 %	5.3 %	6.4 %	6.4 %
Rate of compensation increase	3.8 %	— %	— %	3.4 %	3.8 %	3.8 %	3.5 %	3.8 %	3.8 %

⁽¹⁾ As described above, the Company assumed the Domestic Plans and certain foreign plans in connection with the June 22, 2020 acquisition of Anixter. The Company began using the related assumptions as of the acquisition date.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The expected long-term rate of return on plan assets reflects the average rate of earnings expected on the invested assets and future assets to be invested to provide for the benefits included in the projected benefit obligation. The Company uses historic plan asset returns combined with current market conditions to estimate the rate of return. The weighted-average expected long-term rate of return on plan assets used in the determination of net periodic pension cost for 2020 was 5.3%.

As a result of the combined effect of valuation changes in both the equity and bond markets, the plan assets produced an actual gain of 13.6% in 2020. The difference between the expected return and actual return on plan assets is amortized into expense over the service lives of the plan participants. These amounts are reflected on the balance sheet through charges to accumulated other comprehensive loss, a component of stockholders' equity.

The following table sets forth the changes and the end of year components of accumulated other comprehensive (income) loss for the defined benefit plans:

(In thousands)	Year Ended December 31,	
	2020	2019
Changes to Balance:		
Beginning balance, before tax effect	\$ 8,890	\$ (2,696)
Prior service credit arising in current year	(37)	—
Net actuarial (gain) loss arising in current year	(12,154)	11,586
Curtailement	(101)	—
Settlement	144	—
Foreign currency exchange rate changes	196	—
Ending balance, before tax effect	\$ (3,062)	\$ 8,890

(In thousands)	As of December 31,	
	2020	2019
Components of Balance:		
Prior service credit	\$ (37)	\$ —
Net actuarial (gain) loss	(3,025)	8,890
Ending balance, before tax effect	(3,062)	8,890
Tax effect	562	(2,329)
Ending balance, after tax effect	\$ (2,500)	\$ 6,561

The following benefit payments, which reflect expected future service, are expected to be paid as follows:

(In thousands)	Domestic Plans	Foreign Plans	Total
2021	\$ 28,527	\$ 9,873	\$ 38,400
2022	11,165	9,978	21,143
2023	12,065	10,613	22,678
2024	13,046	11,145	24,191
2025	13,807	11,988	25,795
2026 to 2030	78,122	83,178	161,300

The Company expects to contribute approximately \$11.4 million to its Foreign Plans in 2021. The Company does not expect to make a contribution to its domestic qualified pension plan in 2021 due to its overfunded status. As a result of the termination of its two domestic non-qualified pension plans, the Company estimates that it will make \$18.1 million of lump sum payments directly to participants of these plans during 2021.

The assets of the various defined benefit plans are held in separate independent trusts and managed by independent third party advisors. The investment objective for the defined benefit plans is to ensure an adequate level of assets is available to fund the benefits owed to employees and their beneficiaries when they become payable. In meeting this objective, the Company seeks to achieve a level of absolute investment return consistent with a prudent level of portfolio risk. The Company's risk preference is to refrain from exposing the plans to higher volatility in pursuit of potential higher returns.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The Domestic Plans' and Foreign Plans' asset mixes and the asset allocation guidelines for such plans are summarized as follows:

	Domestic Plans			
	December 31, 2020	Allocation Guidelines		
		Min	Target	Max
Equities	38.6 %	30 %	37 %	45 %
Debt securities:				
Domestic treasuries	22.2	—	24	40
Corporate bonds	6.7	—	8	40
Other	15.6	9	14	19
Total debt securities	44.5		46	
Property/real estate	14.8	9	16	23
Other	2.1	—	1	5
	<u>100.0 %</u>		<u>100 %</u>	

	Foreign Plans			
	December 31, 2020	Allocation Guidelines		
		Min	Target	Max
Equities	38.1 %	25 %	41 %	48 %
Debt securities:				
Corporate bonds	5.9	1	1	37
Other	40.6	26	44	65
Total debt securities	46.5		45	
Property/real estate	4.8	2	6	8
Insurance products	5.4	5	5	5
Other	5.2	3	3	12
	<u>100.0 %</u>		<u>100 %</u>	

	Foreign Plans	
	December 31, 2019	Allocation Guidelines
		Target
Equities:		
Canadian equities	12.5 %	12.5 %
U.S. equities	5.0	5.0
Non-North American equities	22.5	22.5
Total equities	40.0	40.0
Fixed income investments	44.8	45.0
Other	15.2	15.0
	<u>100.0 %</u>	<u>100.0 %</u>

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The pension committees meet regularly to assess investment performance relative to asset allocation guidelines. The Company periodically rebalances its asset portfolios to be in line with its allocation guidelines.

For 2020, the Domestic plan investment policy guidelines were as follows:

- Each asset class is managed by one or more active and passive investment managers
- Each asset class may be invested in a commingled fund, mutual fund, or separately managed account
- Investment in Exchange Traded Funds ("ETFs") is permissible
- Each manager is expected to be "fully invested" with minimal cash holdings
- Derivative instruments such as futures, swaps and options may be used on a limited basis; For funds that employ derivatives, the loss of invested capital to the Trust should be limited to the amount invested in the fund
- The equity portfolio is diversified by sector and geography
- The real assets portfolio is invested in Real Estate Investment Trusts ("REITs") and private real estate
- The fixed income is invested in U.S. Treasuries, investment grade corporate debt (denominated in U.S. dollars), and other credit investments including below investment grade rated bonds and loans, securitized credit, and emerging market debt

The investment policies for the Foreign plans are the responsibility of the various trustees. Generally, the investment policy guidelines are as follows:

- Make sure that the obligations to the beneficiaries of the plan can be met
- Maintain funds at a level to meet the minimum funding requirements
- The investment managers are expected to provide a return, within certain tracking tolerances, close to that of the relevant market's indices

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The following tables set forth the fair value of the Domestic and Foreign Plans' assets by asset category:

(In thousands)	December 31, 2020				
	Level 1	Level 2	Level 3	NAV ⁽¹⁾	Total
Domestic Plans					
Equities	\$ —	\$ —	\$ —	\$ 137,098	\$ 137,098
Debt securities:					
Domestic treasuries	—	—	—	78,808	78,808
Corporate bonds	—	—	—	23,824	23,824
Other	—	—	—	55,547	55,547
Property/real estate	—	—	—	52,708	52,708
Insurance products	—	—	—	—	—
Other	7,302	—	—	—	7,302
Total investments in Domestic Plans	\$ 7,302	\$ —	\$ —	\$ 347,985	\$ 355,287
Foreign Plans					
Equities	\$ —	\$ —	\$ —	\$ 139,537	\$ 139,537
Debt securities:					
Domestic treasuries	—	—	—	—	—
Corporate bonds	—	—	—	21,677	21,677
Other	—	—	—	148,469	148,469
Property/real estate	—	—	—	17,365	17,365
Insurance products	—	19,611	—	—	19,611
Other	747	—	—	18,312	19,059
Total investments in Foreign Plans	\$ 747	\$ 19,611	\$ —	\$ 345,360	\$ 365,718
Total					
Equities	\$ —	\$ —	\$ —	\$ 276,635	\$ 276,635
Debt securities:					
Domestic treasuries	—	—	—	78,808	78,808
Corporate bonds	—	—	—	45,501	45,501
Other	—	—	—	204,016	204,016
Property/real estate	—	—	—	70,073	70,073
Insurance products	—	19,611	—	—	19,611
Other	8,049	—	—	18,312	26,361
Total investments	\$ 8,049	\$ 19,611	\$ —	\$ 693,345	\$ 721,005

⁽¹⁾ Investments measured at fair value using the NAV per share practical expedient have not been classified in the fair value hierarchy. The amounts presented in the table are intended to reconcile the fair value hierarchy to the total fair value of plan assets.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

(In thousands)	December 31, 2019				
	Level 1	Level 2	Level 3	NAV ⁽¹⁾	Total
Foreign Plans					
Equities:					
Canadian equities	\$ —	\$ —	\$ —	\$ 12,973	\$ 12,973
U.S. equities	—	—	—	5,160	5,160
Non-North American equities	—	—	—	23,239	23,239
Fixed income investments	—	—	—	46,309	46,309
Other	224	—	—	15,480	15,704
Total investments	\$ 224	\$ —	\$ —	\$ 103,161	\$ 103,385

⁽¹⁾ Investments measured at fair value using the NAV per share practical expedient have not been classified in the fair value hierarchy. The amounts presented in the table are intended to reconcile the fair value hierarchy to the total fair value of plan assets.

The Domestic and Foreign Plans' assets are measured at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and liabilities are classified in the fair value hierarchy based on the lowest level of any input that is significant to the measurement of fair value. Investments for which fair value is measured using the net asset value (NAV) per share practical expedient are not classified in the fair value hierarchy. The majority of pension assets are comprised of common/collective/pool funds (i.e., mutual funds). These funds are valued at the net asset value of shares held in the underlying funds.

The fair value methods described above may not be indicative of net realizable value or reflective of future fair values. Additionally, while the Company believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Other Benefits

As permitted by the Merger Agreement, Anixter granted restricted stock units prior to June 22, 2020 in the ordinary course of business to its employees. These awards, which did not accelerate solely as a result of the Merger, were converted into cash-only settled WESCO phantom stock units, which vest ratably over a 3-year period. As of December 31, 2020, the estimated fair value of these awards was \$22.8 million. The Company recognized compensation expense associated with these awards of \$9.2 million for the year ended December 31, 2020, which is reported as a component of selling, general and administrative expenses.

15. STOCK-BASED COMPENSATION

WESCO sponsors a stock-based compensation plan. The 1999 Long-Term Incentive Plan, as amended and restated (the "LTIP") was designed to be the successor plan to all prior plans. Any shares remaining reserved for future issuance under the prior plans are available for issuance under the LTIP. The LTIP is administered by the Compensation Committee of the Board.

On May 31, 2017, the Company renewed and restated the LTIP, increasing the maximum number of shares of common stock that may be issued under the plan by 1.7 million shares to 3.4 million. In connection with the merger with Anixter on June 22, 2020, the Company assumed a portion of the remaining share reserve available under Anixter's 2017 Stock Incentive Plan. The number of assumed shares, as adjusted, was equal to 185,000 shares and may be used for awards to be granted under the LTIP. Under the LTIP, the total number of shares of common stock authorized to be issued will be reduced by 1 share of common stock for every 1 share that is subject to a stock appreciation right granted, and 1.83 shares of common stock for every 1 share that is subject to an award other than a stock appreciation right granted on or after May 31, 2017. As of December 31, 2020, 1.1 million shares of common stock were reserved under the LTIP for future equity award grants.

WESCO's stock-based employee compensation plans are comprised of stock-settled stock appreciation rights, restricted stock units and performance-based awards. Compensation cost for all stock-based awards is measured at fair value on the date of grant and compensation cost is recognized, net of estimated forfeitures, over the service period for awards expected to vest. The fair value of stock-settled stock appreciation rights is determined using the Black-Scholes model. The fair value of restricted stock units and performance-based awards with performance conditions is determined by the grant-date closing price of WESCO's common stock. The forfeiture assumption is based on WESCO's historical employee behavior that is reviewed on an annual basis. No dividends are assumed. For stock-settled stock appreciation rights that are exercised and for restricted stock units and performance-based awards that vest, shares are issued out of WESCO's outstanding common stock.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Stock-settled stock appreciation rights vest ratably over a three-year period and terminate on the tenth anniversary of the grant date unless terminated sooner under certain conditions. Except for the special award described below, vesting of restricted stock units is based on a minimum time period of three years. Vesting of performance-based awards is based on a three-year performance period, and the number of shares earned, if any, depends on the attainment of certain performance levels. Outstanding awards would vest upon the consummation of a change in control transaction and performance-based awards would vest at the target level.

On July 2, 2020, a special award of restricted stock units was granted to certain officers of the Company. These awards vest in tranches of 30% on each of the first and second anniversaries of the grant date and 40% on the third anniversary of the grant date, subject, in each case, to continued employment through the applicable anniversary date.

Performance-based awards granted in 2020 and 2019 were based on two equally-weighted performance measures: the three-year average growth rate of WESCO's net income and the three-year cumulative return on net assets. Performance-based awards granted in 2018 were based on two equally-weighted performance measures: the three-year average growth rate of the Company's fully diluted earnings per share and the three-year cumulative return on net assets.

WESCO recognized \$19.3 million, \$19.1 million and \$16.4 million of non-cash stock-based compensation expense, which is included in selling, general and administrative expenses, for the years ended December 31, 2020, 2019 and 2018, respectively. As of December 31, 2020, there was \$33.5 million of total unrecognized compensation expense related to non-vested stock-based compensation arrangements for all awards previously made of which approximately \$17.6 million is expected to be recognized in 2021, \$12.3 million in 2022 and \$3.6 million in 2023.

The total intrinsic value of awards exercised during the years ended December 31, 2020, 2019, and 2018 was \$8.8 million, \$10.7 million, and \$8.2 million, respectively. The gross deferred tax benefit associated with the exercise of stock-based awards totaled \$2.0 million, \$2.5 million, and \$2.0 million in 2020, 2019, and 2018, respectively.

The following table sets forth a summary of stock-settled stock appreciation rights and related information for the periods presented:

	Year Ended December 31,								
	2020					2019		2018	
	Awards	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value (In thousands)	Awards	Weighted-Average Exercise Price	Awards	Weighted-Average Exercise Price	
Beginning of year	2,337,049	\$ 59.72			2,351,633	\$ 59.26	2,238,607	\$ 57.75	
Granted	262,091	48.32			213,618	54.63	509,046	62.68	
Exercised	(391,339)	47.11			(113,099)	35.01	(192,700)	40.74	
Canceled	(46,245)	65.93			(115,103)	65.27	(203,320)	68.69	
End of year	2,161,556	60.48	5.7	\$ 39,834	2,337,049	59.72	2,351,633	59.26	
Exercisable at end of year	1,630,891	\$ 62.72	4.8	\$ 26,622	1,723,370	\$ 59.00	1,453,932	\$ 57.93	

The following table sets forth the weighted-average assumptions used to estimate the fair value of stock-settled stock appreciation rights granted during the periods presented:

	Year Ended December 31,		
	2020	2019	2018
Stock-settled stock appreciation rights granted	262,091	213,618	509,046
Risk free interest rate	1.4%	2.5%	2.5%
Expected life (in years)	5	5	5
Expected volatility	30%	29%	28%

The risk-free interest rate is based on the U.S. Treasury Daily Yield Curve rate as of the grant date. The expected life is based on historical exercise experience and the expected volatility is based on the volatility of the Company's daily stock prices over a five-year period preceding the grant date.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
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The weighted-average fair value per stock-settled stock appreciation right granted was \$13.86, \$16.36 and \$18.38 for the years ended December 31, 2020, 2019 and 2018, respectively.

The following table sets forth a summary of time-based restricted stock units and related information for the periods presented:

	Year Ended December 31,					
	2020		2019		2018	
	Awards	Weighted-Average Fair Value	Awards	Weighted-Average Fair Value	Awards	Weighted-Average Fair Value
Unvested at beginning of year	363,729	\$ 60.00	327,798	\$ 57.87	290,054	\$ 58.11
Granted	656,717	37.44	192,106	54.13	122,062	62.40
Vested	(83,253)	69.17	(136,777)	46.52	(64,166)	67.91
Forfeited	(15,698)	56.79	(19,398)	59.62	(20,152)	58.15
Unvested at end of year	921,495	\$ 43.15	363,729	\$ 60.00	327,798	\$ 57.87

The following table sets forth a summary of performance-based awards and related information for the periods presented:

	Year Ended December 31,					
	2020		2019		2018	
	Awards	Weighted-Average Fair Value	Awards	Weighted-Average Fair Value	Awards	Weighted-Average Fair Value
Unvested at beginning of year	195,305	\$ 60.24	138,896	\$ 59.33	148,508	\$ 60.23
Granted	158,756	49.56	126,874	54.64	44,144	62.80
Vested	(25,909)	78.04	(25,696)	42.44	—	—
Forfeited	(22,883)	69.39	(44,769)	52.11	(53,756)	64.67
Unvested at end of year	305,269	\$ 52.61	195,305	\$ 60.24	138,896	\$ 59.33

Vesting of the 305,269 shares of performance-based awards in the table above is dependent upon the achievement of certain performance targets, including 132,838 that are dependent upon the three-year average growth rate of WESCO's net income, 19,797 that are dependent upon the three-year average growth rate of the Company's fully diluted earnings per share, and 152,634 that are based upon the three-year cumulative return on net assets. These awards are accounted for as awards with performance conditions; compensation cost is recognized over the performance period based upon WESCO's determination of whether it is probable that the performance targets will be achieved.

16. COMMITMENTS AND CONTINGENCIES

From time to time, a number of lawsuits and claims have been or may be asserted against the Company relating to the conduct of its business, including litigation relating to commercial, product and employment matters. The outcome of any litigation cannot be predicted with certainty, and some lawsuits may be determined adversely to WESCO. However, management does not believe that the ultimate outcome of any such pending matters is likely to have a material adverse effect on WESCO's financial condition or liquidity, although the resolution in any fiscal period of one or more of these matters may have a material adverse effect on WESCO's results of operations for that period.

In an effort to expand the Company's footprint in the Middle East, WESCO has been doing business since 2009 with WESTEC Supplies General Trading ("WESTEC"), an industrial equipment supplier headquartered in the United Arab Emirates. WESTEC has debt facilities comprised of a \$5.5 million term loan and a \$1.0 million line of credit to support its working capital requirements and joint sales efforts with WESCO. Due to the nature of WESCO's arrangement with WESTEC, WESCO has provided a standby letter of credit under its revolving credit facility of up to \$6.7 million as security for WESTEC's debt facilities. As of December 31, 2020, WESTEC had outstanding indebtedness totaling \$5.8 million. Management currently believes the estimated fair value of the noncontingent guarantee on the outstanding indebtedness is nominal and therefore a liability has not been recorded as of December 31, 2020.

As of December 31, 2020, the Company had \$54.1 million in outstanding letters of credit and guarantees.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

17. BUSINESS SEGMENTS

Prior to the completion of its merger with Anixter on June 22, 2020, as described in Note 6, "Acquisitions", WESCO had four operating segments that had been aggregated as one reportable segment. Effective on the date of acquisition, the Company added Anixter as a separate reportable segment for the quarterly period ended June 30, 2020. At the beginning of the third quarter, the Company identified new operating segments organized around three strategic business units consisting of EES, CSS and UBS. These operating segments are equivalent to the Company's reportable segments. The operating segments in the respective periods were determined in accordance with the manner in which WESCO's chief operating decision maker ("CODM") reviewed financial information during those periods. The Company's CODM evaluates the performance of its operating segments based primarily on net sales, income from operations, and total assets. The applicable comparative financial information reported in the Company's previously issued consolidated financial statements for the years ended December 31, 2019 and 2018 has been recast below to conform to the basis of the new segments.

The following is a description of each of the Company's reportable segments and their business activities.

Electrical & Electronic Solutions

The EES segment supplies a broad range of products and supply chain solutions primarily to the Construction, Industrial and Original Equipment Manufacturer ("OEM") markets. Product categories include a broad range of electrical equipment and supplies, wire and cable, lubricants, pipe, valves, fittings, fasteners, cutting tools, power transmission, and safety products. In addition, OEM customers require a reliable supply of assemblies and components to incorporate into their own products as well as value-added services such as supplier consolidation, design and technical support, just-in-time supply and electronic commerce, and supply chain management. EES includes the "Electrical and Electronic Solutions" business acquired from Anixter and the majority of the legacy WESCO industrial and construction businesses.

Communications & Security Solutions

The CSS segment supplies products and customized supply chain solutions to customers in a diverse range of industries including technology, finance, telecommunications service providers, transportation, education, government, healthcare and retail. CSS sells these products directly to end users or through various channels including data communications contractors, security, network, professional audio/visual and systems integrators. CSS has a broad product portfolio that includes copper and fiber optic cable and connectivity, access control, video surveillance, intrusion and fire/life safety, cabinets, power, cable management, wireless, professional audio/video, voice and networking switches and other ancillary products. CSS includes the "Network and Security Solutions" business acquired from Anixter and the legacy WESCO data communications and safety businesses.

Utility & Broadband Solutions

The UBS segment supplies electrical transmission and distribution products, power plant maintenance, repair and operations supplies and smart-grid products, and arranges materials management and procurement outsourcing for the power generation, power transmission and electricity distribution industries. The UBS segment combines the "Utility Power Solutions" business acquired from Anixter, the legacy WESCO utility business, the legacy WESCO broadband business and the legacy WESCO integrated supply business.

Corporate expenses are incurred to obtain and coordinate financing, tax, information technology, legal and other related services. The Company also has various corporate assets which are reported in corporate. Segment assets may not include jointly used assets, but segment results include depreciation expense or other allocations related to those assets. Interest expense and other non-operating items are not allocated to the segments or reviewed on a segment basis. Corporate expenses and assets are shown in the tables below to reconcile the reportable segments to the consolidated financial statements.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The following table sets forth financial information by reportable segment for the periods presented:

Year Ended December 31, 2020						
(In thousands)	EES	CSS	UBS	Corporate	Total	
Net sales	\$ 5,479,760	\$ 3,323,264	\$ 3,522,971	\$ —	\$ 12,325,995	
Income from operations	260,207	217,163	231,702	(362,034)	347,038	
Depreciation and amortization	35,811	37,765	22,380	25,644	121,600	
Capital expenditures	7,081	1,495	12,834	35,261	56,671	

Year Ended December 31, 2019						
(In thousands)	EES	CSS	UBS	Corporate	Total	
Net sales	\$ 4,860,541	\$ 909,496	\$ 2,588,880	\$ —	\$ 8,358,917	
Income from operations	261,788	43,835	184,931	(144,337)	346,217	
Depreciation and amortization	28,569	7,155	13,583	12,800	62,107	
Capital expenditures	20,405	3,093	6,460	14,109	44,067	

Year Ended December 31, 2018						
(In thousands)	EES	CSS	UBS	Corporate	Total	
Net sales	\$ 4,878,836	\$ 857,481	\$ 2,440,284	\$ —	\$ 8,176,601	
Income from operations	289,065	34,592	165,149	(136,366)	352,440	
Depreciation and amortization	30,198	7,413	13,447	11,939	62,997	
Capital expenditures	7,487	129	2,235	26,359	36,210	

The following table sets forth total assets by reportable segment for the periods presented:

As of December 31, 2020						
(In thousands)	EES	CSS	UBS	Corporate⁽¹⁾	Total	
Total assets	\$ 3,726,855	\$ 4,275,611	\$ 2,947,406	\$ 930,342	\$ 11,880,214	

As of December 31, 2019						
(In thousands)	EES	CSS	UBS	Corporate⁽¹⁾	Total	
Total assets	\$ 2,523,481	\$ 610,046	\$ 1,747,809	\$ 136,299	\$ 5,017,635	

⁽¹⁾ Total assets for Corporate primarily consist of cash and cash equivalents, deferred income taxes, fixed assets and right-of-use assets associated with operating leases.

The following table sets forth tangible long-lived assets by geographic area:

As of December 31,		
(In thousands)	2020	2019
United States	\$ 693,807	\$ 315,288
Canada	146,620	95,642
Other International ⁽¹⁾	93,435	6,352
Total	<u>\$ 933,862</u>	<u>\$ 417,282</u>

⁽¹⁾ No individual other international country's tangible long-lived assets are material.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

18. SELECTED QUARTERLY FINANCIAL DATA (unaudited)

The following table sets forth selected quarterly financial data for the years ended December 31, 2020 and 2019:

(In thousands, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2020				
Net sales	\$ 1,968,647	\$ 2,086,706	\$ 4,141,801	\$ 4,128,841
Cost of goods sold (excluding depreciation and amortization) ⁽¹⁾	1,592,249	1,692,931	3,356,259	3,356,890
Gross profit	376,398	393,775	785,542	771,951
Income from operations	60,913	15,270	178,095	92,763
Income (loss) before income taxes	44,441	(45,313)	104,332	19,384
Net income (loss) ⁽¹⁾	34,175	(34,459)	80,038	20,288
Net income (loss) attributable to common stockholders	34,407	(35,782)	66,167	5,632
Basic earnings (loss) per share attributable to common stockholders ⁽²⁾	\$ 0.82	\$ (0.84)	\$ 1.32	\$ 0.11
Diluted earnings (loss) per share attributable to common stockholders ⁽³⁾	\$ 0.82	\$ (0.84)	\$ 1.31	\$ 0.11
2019				
Net sales	\$ 1,961,267	\$ 2,150,088	\$ 2,148,110	\$ 2,099,452
Cost of goods sold (excluding depreciation and amortization)	1,578,771	1,741,114	1,747,913	1,709,658
Gross profit	382,496	408,974	400,197	389,794
Income from operations	70,726	97,950	93,733	83,808
Income before income taxes	53,606	80,643	80,225	67,587
Net income	41,950	63,215	64,339	52,694
Net income attributable to common stockholders	42,369	63,464	64,495	53,098
Basic earnings per share attributable to common stockholders ⁽²⁾	\$ 0.94	\$ 1.46	\$ 1.53	\$ 1.27
Diluted earnings per share attributable to common stockholders ⁽³⁾	\$ 0.93	\$ 1.45	\$ 1.52	\$ 1.26

⁽¹⁾ An out-of-period adjustment was recorded during the quarter ended December 31, 2020, resulting in an increase of \$23.3 million to cost of goods sold and a decrease of \$16.7 million to net income, as described in Note 2, "Accounting Policies".

⁽²⁾ Earnings per share (EPS) in each quarter is computed using the weighted-average number of shares outstanding during that quarter while EPS for the full year is computed by using the weighted-average number of shares outstanding during the year. Thus, the sum of the four quarters' EPS may not equal the full-year EPS.

⁽³⁾ Diluted EPS in each quarter is computed using the weighted-average number of shares outstanding and common share equivalents during that quarter while diluted EPS for the full year is computed by using the weighted-average number of shares outstanding and common share equivalents during the year. Thus, the sum of the four quarters' diluted EPS may not equal the full-year diluted EPS.

19. SUBSEQUENT EVENTS

On January 14, 2021 (the "Redemption Date"), WESCO Distribution, Inc. redeemed its \$500 million aggregate principal amount of 5.375% Senior Notes due 2021 (the "2021 Notes") at a redemption price equal to 100% of the principal amount of the 2021 Notes plus accrued interest on the 2021 Notes to, but not including, the Redemption Date. The redemption of the 2021 Notes was funded with borrowings under the Company's accounts receivable securitization and revolving credit facilities.

On February 1 and 12, 2021, the Company sold its legacy WESCO Utility and Datacom businesses in Canada, respectively, for cash consideration totaling approximately \$52 million. These transactions fulfill the Company's commitment to divest these businesses in connection with its Consent Agreement with the Canadian Competition Bureau related to the merger with Anixter. The Company expects to use the net proceeds from the divestiture to repay indebtedness.

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

None.

Item 9A. Controls and Procedures.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the updated framework in *Internal Control — Integrated Framework (2013)* (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission on May 14, 2013. Based on our evaluation under the 2013 Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2020.

As permitted by Securities and Exchange Commission guidance, management excluded Anixter Inc. from its assessment of internal control over financial reporting, which was acquired on June 22, 2020, and accounted for approximately 30% of consolidated total assets and 37% of consolidated net sales as of and for the year ended December 31, 2020.

The effectiveness of the Company’s internal control over financial reporting as of December 31, 2020 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

Changes in Internal Control Over Financial Reporting

During the last fiscal quarter of 2020, there were no changes in the Company’s internal control over financial reporting identified in connection with management’s evaluation of the effectiveness of the Company’s internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Item 9B. Other Information.

None.

PART III**Item 10. Directors, Executive Officers and Corporate Governance.**

The information set forth under the captions “Board of Directors” and “Executive Officers” in our definitive Proxy Statement for our 2021 Annual Meeting of Stockholders is incorporated herein by reference.

Codes of Business Ethics and Conduct

We have adopted a Code of Business Ethics and Conduct (“Code of Conduct”) that applies to our Directors, officers and employees that is available on our website at www.wesco.com by selecting the “Investors” tab followed by the “Corporate Governance” heading. Any amendment or waiver of the Code of Conduct for our officers or Directors will be disclosed promptly at that location on our website.

We also have adopted a Senior Financial Executive Code of Principles for Senior Executives (“Senior Financial Executive Code”) that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing these functions. The Senior Financial Executive Code is also available at that same location on our website. We intend to timely disclose any amendment or waiver of the Senior Financial Executive Code on our website and will retain such information on our website as required by applicable SEC rules.

A copy of the Code of Conduct and/or Senior Financial Executive Code may also be obtained upon request by any stockholder, without charge, by writing to us at WESCO International, Inc., 225 West Station Square Drive, Suite 700, Pittsburgh, Pennsylvania 15219, Attention: Corporate Secretary.

The information required by Item 10 that relates to our Directors and executive officers, including the Audit Committee and its financial expert, required by this item, is incorporated by reference from the information appearing under the captions “Corporate Governance,” “Board and Committee Meetings” and “Security Ownership” in our definitive Proxy Statement for our 2021 Annual Meeting of Stockholders that is to be filed with the SEC pursuant to the Exchange Act within 120 days of the end of our fiscal year on December 31, 2020.

Item 11. Executive Compensation.

The information set forth under the captions “Compensation Discussion and Analysis” and “Director Compensation” in our definitive Proxy Statement for our 2021 Annual Meeting of Stockholders is incorporated herein by reference.

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

The information set forth under the caption “Security Ownership” in our definitive Proxy Statement for our 2021 Annual Meeting of Stockholders is incorporated herein by reference.

The following table provides information as of December 31, 2020 with respect to the shares of our common stock that may be issued under our existing equity compensation plans:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	3,388,320	\$ 38.59	1,103,977
Equity compensation plans not approved by security holders	—	—	—
Total	3,388,320	\$ 38.59	1,103,977

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

The information set forth under the captions “Transactions with Related Persons” and “Corporate Governance” in our definitive Proxy Statement for our 2021 Annual Meeting of Stockholders is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information set forth under the caption “Independent Registered Public Accounting Firm Fees and Services” in our definitive Proxy Statement for our 2021 Annual Meeting of Stockholders is incorporated herein by reference.

PART IV**Item 15. Exhibits and Financial Statement Schedule.**

The financial statements, financial statement schedule and exhibits listed below are filed as part of this annual report:

(a) **(1) Financial Statements**

The list of financial statements required by this item is set forth in Item 8, “Financial Statements and Supplementary Data,” and is incorporated herein by reference.

(2) Financial Statement Schedule

Schedule II — Valuation and Qualifying Accounts

(b) **Exhibits**

Exhibit No.	Description of Exhibit	Prior Filing or Sequential Page Number
2.1	Agreement and Plan of Merger, dated as of January 10, 2020, by and among WESCO International, Inc., Warrior Merger Sub, Inc. and Anixter International Inc.	Incorporated by reference to Exhibit 2.1 to WESCO’s Current Report on Form 8-K, dated January 13, 2020
3.1	Restated Certificate of Incorporation of WESCO International, Inc.	Incorporated by reference to Exhibit 3.1 to WESCO’s Registration Statement on Form S-4, dated September 28, 2001 (No. 333-70404)
3.2	Certificate of Amendment of Certificate of Incorporation to Restated Certificate of Incorporation of WESCO International, Inc.	Incorporated by reference to Exhibit 3.1 to WESCO’s Current Report on Form 8-K, dated May 29, 2014
3.3	Amended and Restated By-laws of WESCO International, Inc., effective as of May 29, 2014	Incorporated by reference to Exhibit 3.2 to WESCO’s Current Report on Form 8-K, dated May 29, 2014
3.4	Certificate of Designations with respect to the Series A Preferred Stock, dated June 22, 2020	Incorporated by reference to Exhibit 3.1 to WESCO’s Current Report on Form 8-K, dated June 22, 2020
3.5	Certificate of Designations of Series B Junior Participating Preferred Stock of WESCO International, Inc.	Incorporated by reference to Exhibit 3.1 to WESCO’s Current Report on Form 8-K, dated July 17, 2020
4.1	Indenture, dated November 26, 2013, among WESCO Distribution, Inc. and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.1 to WESCO’s Current Report on Form 8-K, dated November 27, 2013
4.2	Form of 5.375% Unrestricted Note due 2021	Incorporated by reference to Exhibit A-2 to Exhibit 4.1 to WESCO’s Current Report on Form 8-K, dated November 27, 2013
4.3	Indenture, dated June 15, 2016, among WESCO Distribution, Inc. and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.1 to WESCO’s Current Report on Form 8-K, dated June 15, 2016
4.4	Form of 5.375% Unrestricted Note due 2024	Incorporated by reference to Exhibit A-2 to Exhibit 4.1 to WESCO’s Current Report on Form 8-K, dated June 15, 2016
4.5	Indenture, dated June 12, 2020, between WESCO International, Inc., WESCO Distribution, Inc. and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.1 to WESCO’s Current Report on Form 8-K, dated June 12, 2020
4.6	Form of 7.125% Senior Note due 2025	Incorporated by reference to Exhibit A-1 to Exhibit 4.1 to WESCO’s Current Report on Form 8-K, dated June 12, 2020

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Exhibit No.	Description of Exhibit	Prior Filing or Sequential Page Number
4.7	Form of 7.250% Senior Note due 2028	Incorporated by reference to Exhibit A-2 to Exhibit 4.1 to WESCO's Current Report on Form 8-K, dated June 12, 2020
4.8	Deposit Agreement, dated as of June 19, 2020, among WESCO International, Inc., Computershare Inc. and Computershare Trust Company, N.A., jointly as the Depositary, and the holders from time to time of the Depositary Receipts described therein	Incorporated by reference to Exhibit 4.2 to WESCO's Registration Statement on Form 8-A, dated June 19, 2020
4.9	Form of Depositary Receipt	Incorporated by reference to Exhibit 4.3 to WESCO's Registration Statement on Form 8-A, dated June 19, 2020
4.10	Rights Agreement, dated as of July 17, 2020, between WESCO International, Inc. and Computershare Trust Company, N.A., as rights agent, which includes the form of Certificate of Designations as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Shares as Exhibit C	Incorporated by reference to Exhibit 4.1 to WESCO's Current Report on Form 8-K, dated July 17, 2020
4.11	Description of WESCO International, Inc.'s securities	Filed herewith
10.1	1999 Deferred Compensation Plan for Non-Employee Directors, as amended and restated September 20, 2007	Incorporated by reference to Exhibit 10.5 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2011

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Exhibit No.	Description of Exhibit	Prior Filing or Sequential Page Number
10.2	Form of Stock Appreciation Rights Agreement for Employees	Incorporated by reference to Exhibit 10.7 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2011
10.3	Form of Stock Appreciation Rights Agreement for Non-Employee Directors	Incorporated by reference to Exhibit 10.3 to WESCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010
10.4	Amended and Restated Employment Agreement, dated as of September 1, 2009, between WESCO International Inc. and John J. Engel	Incorporated by reference to Exhibit 10.2 to WESCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009
10.5	Term Sheet, dated January 15, 2010, memorializing terms of employment of Diane Lazzaris by WESCO International, Inc.	Incorporated by reference to Exhibit 10.28 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2009
10.6	1999 Long-Term Incentive Plan, as restated effective as of May 30, 2013	Incorporated by reference to Appendix A to the Proxy Statement filed on Schedule 14A on April 16, 2013
10.7	Form of Stock Appreciation Rights Agreement for Employees	Incorporated by reference to Exhibit 10.33 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2014
10.8	Fourth Amended and Restated Receivables Purchase Agreement, dated as of September 24, 2015, by and among WESCO Receivables Corp., WESCO Distribution, Inc., the various Purchaser Groups from time to time party thereto and PNC Bank, National Association, as Administrator	Incorporated by reference to Exhibit 10.2 to WESCO's Current Report on Form 8-K, dated September 24, 2015
10.9	Form of Non-Employee Director Restricted Stock Unit Agreement	Incorporated by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016
10.10	Form of Notice of Performance Share Award Under the WESCO International, Inc. 1999 Long-Term Incentive Plan, as amended May 30, 2013	Incorporated by reference to Exhibit 10.23 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2015
10.11	Form of Director and Officer Indemnification Agreement, entered among WESCO International, Inc. and certain of its executive officers and directors listed on a schedule attached thereto	Incorporated by reference to Exhibit 10.24 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2015
10.12	First Amendment to Fourth Amended and Restated Receivables Purchase Agreement, dated as of December 18, 2015	Incorporated by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016
10.13	Second Amendment to Fourth Amended and Restated Receivables Purchase Agreement, dated as of April 19, 2016	Incorporated by reference to Exhibit 10.2 to WESCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016
10.14	Third Amendment to Fourth Amended and Restated Receivables Purchase Agreement, dated as of May 10, 2016	Incorporated by reference to Exhibit 10.3 to WESCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016

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Exhibit No.	Description of Exhibit	Prior Filing or Sequential Page Number
10.15	Fourth Amendment to Fourth Amended and Restated Receivables Purchase Agreement, dated as of May 27, 2016	Incorporated by reference to Exhibit 10.4 to WESCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016
10.16	Term Sheet, dated October 6, 2016, memorializing terms of employment of David S. Schulz by WESCO International, Inc.	Incorporated by reference to Exhibit 10.28 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2016
10.17	Fifth Amendment to Fourth Amended and Restated Receivables Purchase Agreement, dated as of November 8, 2017	Incorporated by reference to Exhibit 10.1 to WESCO's Current Report on Form 8-K, dated November 8, 2017
10.18	Sixth Amendment to Fourth Amended and Restated Receivables Agreement, dated as of December 29, 2017	Incorporated by reference to Exhibit 10.22 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2017
10.19	Form of Non-Employee Director Restricted Stock Unit Agreement	Incorporated by reference to Exhibit 10.23 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2017
10.20	Form of Restricted Stock Unit Agreement for Employees	Incorporated by reference to Exhibit 10.24 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2017
10.21	Form of Stock Appreciation Rights Agreement for Employees	Incorporated by reference to Exhibit 10.25 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2017
10.22	Form of Notice of Performance Share Award Under the WESCO International, Inc. 1999 Long-Term Incentive Plan, as amended May 31, 2017	Incorporated by reference to Exhibit 10.26 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2017
10.23	1999 Long-Term Incentive Plan, as restated effective as of May 31, 2017	Incorporated by reference to Appendix A to the Proxy Statement filed on Schedule 14A on April 17, 2017
10.24	Term Sheet, dated December 4, 2015, memorializing terms of employment of Robert Minicozzi by WESCO International, Inc.	Incorporated by reference to Exhibit 10.28 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2017
10.25	Term Sheet, dated April 6, 2018, memorializing terms of employment of Christine Wolf by WESCO International, Inc.	Incorporated by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018
10.26	Seventh Amendment to Fourth Amended and Restated Receivables Agreement, dated as of April 23, 2018	Incorporated by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018
10.27	Eighth Amendment to Fourth Amended and Restated Receivables Agreement, dated as of December 21, 2018	Incorporated by reference to Exhibit 10.30 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2018

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Exhibit No.	Description of Exhibit	Prior Filing or Sequential Page Number
10.28	Voting Agreement, dated as of January 10, 2020, by and among WESCO International, Inc. and the stockholders of Anixter International Inc. listed on Schedule A thereto	Incorporated by reference to Exhibit 10.1 to WESCO's Current Report on Form 8-K, dated January 13, 2020
10.29	Term Sheet, dated September 25, 2019, memorializing terms of employment of Nelson Squires by WESCO International, Inc.	Incorporated by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q, for the quarter ended September 30, 2019
10.30	Third Amended and Restated Credit Agreement, dated as of September 26, 2019 among WESCO Distribution, Inc., the other U.S. Borrowers party thereto, WESCO Distribution Canada LP, the other Canadian Borrowers party thereto, WESCO International, Inc., the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian Administrative Agent	Incorporated by reference to Exhibit 10.1 to WESCO's Current Report on Form 8-K, dated September 30, 2019
10.31	Ninth Amendment o Fourth Amended and Restated Receivables Purchase Agreement, dated as of September 26, 2019	Incorporated by reference to Exhibit 10.2 to WESCO's Current Report on Form 8-K, dated September 30, 2019
10.32	Fourth Amended and Restated Credit Agreement, dated as of June 22, 2020, by and among WESCO Distribution, Inc., the other U.S. borrowers party thereto, WESCO Distribution Canada LP, the other Canadian borrowers party thereto, WESCO International, Inc., the lenders party thereto and Barclays Bank PLC., as administrative agent	Incorporated by reference to Exhibit 10.1 to WESCO's Current Report on Form 8-K, dated June 24, 2020
10.33	Fifth Amended and Restated Receivables Purchase Agreement, dated as of June 22, 2020, by and among WESCO Receivables Corp., WESCO Distribution, Inc., the various purchaser groups from time to time party thereto and PNC Bank, National Association, as administrator.	Incorporated by reference to Exhibit 10.2 to WESCO's Current Report on Form 8-K, dated June 24, 2020
10.34	Form of Restricted Stock Unit Award Agreement (Special Awards)	Incorporated by reference to Exhibit 10.1 to WESCO's Current Report on Form 8-K, dated June 25, 2020
10.35	WESCO International, Inc. Change in Control Severance Plan	Incorporated by reference to Exhibit 10.2 to WESCO's Current Report on Form 8-K, dated June 25, 2020
10.36	Agreement, dated June 22, 2020, memorializing terms of employment of David Schulz by WESCO International, Inc.	Incorporated by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2020
10.37	Agreement, dated June 22, 2020, memorializing terms of employment of Nelson Squires by WESCO International, Inc.	Incorporated by reference to Exhibit 10.2 to WESCO's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2020
10.38	Agreement, dated June 22, 2020, memorializing terms of employment of Christine Wolf by WESCO International, Inc.	Incorporated by reference to Exhibit 10.3 to WESCO's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2020
10.39	Agreement, dated June 22, 2020, memorializing terms of employment of Diane Lazzaris by WESCO International, Inc.	Incorporated by reference to Exhibit 10.4 to WESCO's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2020
10.40	First Amendment to Fourth Amended and Restated Credit Agreement, dated as of December 14, 2020, among WESCO Distribution, the other U.S. borrowers party thereto, WESCO Distribution Canada LP, the other Canadian borrowers party thereto, WESCO, the lenders party thereto and Barclays Bank PLC, as administrative agent.	Filed herewith

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Exhibit No.	Description of Exhibit	Prior Filing or Sequential Page Number
10.41	First Amendment to Fifth Amended and Restated Receivables Purchase Agreement, dated December 14, 2020 (the "Receivables Amendment"), by and among WESCO Receivables Corp., WESCO Distribution, the various purchaser groups from time to time party thereto and PNC Bank, National Association, as administrator.	Filed herewith
21.1	Subsidiaries of WESCO International, Inc.	Filed herewith
23.1	Consent of Independent Registered Public Accounting Firm	Filed herewith
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) promulgated under the Exchange Act	Filed herewith
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) promulgated under the Exchange Act	Filed herewith
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
101	Interactive Data File	Filed herewith
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	Filed herewith

The registrant hereby agrees to furnish supplementally to the Commission, upon request, a copy of any omitted schedule to any of the agreements contained herein.

Copies of exhibits may be retrieved electronically at the U.S. Securities and Exchange Commission's home page at www.sec.gov. Exhibits will also be furnished without charge by writing to David S. Schulz, Executive Vice President and Chief Financial Officer, 225 West Station Square Drive, Suite 700, Pittsburgh, Pennsylvania 15219. Requests may also be directed to (412) 454-2200.

Schedule II—Valuation and Qualifying Accounts

	Balance at beginning of period	Charged to earnings	Charged to other accounts ⁽¹⁾	Deductions ⁽²⁾	Balance at end of period
Allowance for expected credit losses			(In thousands)		
Year Ended December 31, 2020	\$ 25,443	\$ 11,701	\$ 5,160	\$ (18,395)	\$ 23,909
Year Ended December 31, 2019	24,468	7,006	52	(6,083)	25,443
Year Ended December 31, 2018	21,313	10,854	—	(7,699)	24,468

⁽¹⁾ For the year ended December 31, 2020, the amount charged to other accounts relates to the acquisition of Anixter.

⁽²⁾ Includes a reduction in the allowance for expected credit losses due to the write-off of accounts receivable.

	Balance at beginning of period	Charged to earnings	Charged to other accounts ⁽¹⁾	Deductions	Balance at end of period
Allowance for deferred tax assets			(In thousands)		
Year Ended December 31, 2020	\$ 5,854	\$ 1,900	\$ 52,875	\$ —	\$ 60,629
Year Ended December 31, 2019	4,072	1,745	37	—	5,854
Year Ended December 31, 2018	2,518	1,608	(54)	—	4,072

⁽¹⁾ For the year ended December 31, 2020, the amount charged to other accounts includes \$59.3 million that was recorded in connection with the acquisition of Anixter.

Item 16. Form 10-K Summary.

Not applicable.

SIGNATURES

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

WESCO INTERNATIONAL, INC.

By: /s/ JOHN J. ENGEL

Name: John J. Engel

Title: Chairman, President and Chief Executive Officer

Date: March 1, 2021

WESCO INTERNATIONAL, INC.

By: /s/ DAVID S. SCHULZ

Name: David S. Schulz

Title: Executive Vice President and Chief Financial Officer

Date: March 1, 2021

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

Signature	Title	Date
<hr/> <i>/s/ JOHN J. ENGEL</i> John J. Engel	Chairman, President and Chief Executive Officer (Principal Executive Officer)	March 1, 2021
<hr/> <i>/s/ DAVID S. SCHULZ</i> David S. Schulz	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 1, 2021
<hr/> <i>/s/ MATTHEW J. ESPE</i> Matthew J. Espe	Director	March 1, 2021
<hr/> <i>/s/ BOBBY J. GRIFFIN</i> Bobby J. Griffin	Director	March 1, 2021
<hr/> <i>/s/ JOHN K. MORGAN</i> John K. Morgan	Director	March 1, 2021
<hr/> <i>/s/ STEVEN A. RAYMUND</i> Steven A. Raymund	Director	March 1, 2021
<hr/> <i>/s/ JAMES L. SINGLETON</i> James L. Singleton	Director	March 1, 2021
<hr/> <i>/s/ EASWARAN SUNDARAM</i> Easwaran Sundaram	Director	March 1, 2021
<hr/> <i>/s/ LAURA K. THOMPSON</i> Laura K. Thompson	Director	March 1, 2021
<hr/> <i>/s/ LYNN M. UTTER</i> Lynn M. Utter	Director	March 1, 2021

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DESCRIPTION OF WESCO'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following description of the material terms of WESCO capital stock is a summary only and is not a complete description of such terms. For a complete description of the terms and provisions of the Company's capital stock, refer to WESCO's restated certificate of incorporation, dated May 11, 1999, as amended on May 29, 2014 (the "WESCO charter"), WESCO's amended and restated bylaws, dated May 29, 2014, and the certificate of designation with respect to the WESCO Series A preferred stock, dated June 22, 2020, each of which is incorporated by reference into this Annual Report on Form 10-K.

Under the WESCO charter, WESCO's authorized capital stock consists of 210,000,000 shares of common stock, \$0.01 par value per share, 20,000,000 shares of Class B nonvoting convertible common stock, \$0.01 par value per share, and 20,000,000 shares of preferred stock, \$0.01 par value per share, including 25,000 shares designated as Series A preferred stock, \$0.01 par value per share. As of February 25, 2021, there were 50,161,831 shares of WESCO common stock outstanding, no shares of WESCO Class B common stock outstanding, and 21,612 shares of WESCO Series A preferred stock outstanding. All outstanding shares of WESCO common stock and WESCO Series A preferred stock are duly authorized, validly issued, fully paid and non-assessable.

Common Stock

Holders of WESCO common stock are entitled to one vote per share on all matters to be voted on by WESCO stockholders. Holders of WESCO common stock do not have cumulative rights, so that holders of a majority of the shares of WESCO common stock present at a meeting at which a quorum is present are able to elect all of WESCO directors eligible for election in a given year. The holders of a majority of the voting power of the issued and outstanding WESCO common stock constitute a quorum.

When and as dividends are declared by the WESCO Board, whether such dividends are payable in cash, property or securities of WESCO, the holders of WESCO common stock and the holders of WESCO Class B common stock will be entitled to share ratably in such dividends. If dividends are declared which are payable in shares of WESCO common stock or shares of WESCO Class B common stock, the dividends payable in shares of WESCO common stock will be payable to holders of WESCO common stock, and the dividends payable in shares of WESCO Class B common stock will be payable to the holders of WESCO Class B common stock. The WESCO Board may declare dividends at any regular or special meeting of the WESCO Board out of funds legally available therefor, subject to the preferential rights of any holder of preferred stock that may from time to time be outstanding.

The rights, preferences and privileges of holders of WESCO common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that WESCO may designate and issue in the future.

Listing. WESCO common stock is listed on the NYSE under the symbol "WCC."

Transfer Agent and Registrar. The transfer agent and registrar for WESCO common stock is Computershare Trust Company.

Preferred Stock

The WESCO Board is authorized to provide by resolution or resolutions from time to time for the issue of preferred stock in one or more series, the shares of each of which series may have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereon, as is permitted under the Delaware General Corporation

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Law (“DGCL”) and as is stated in the resolution or resolutions providing for the issue of such stock adopted by the WESCO Board pursuant to the authority expressly vested in the WESCO Board.

Depending upon the terms of the preferred stock established by the WESCO Board, any or all series of preferred stock could have preferences over the WESCO common stock and WESCO Class B common stock with respect to dividends and other distributions and upon liquidation or could have voting or conversion rights that could adversely affect the holders of the outstanding common stock.

Dividend Rights. The preferred stock will be preferred over the WESCO common stock and the WESCO Class B common stock as to payment of dividends. Before any dividends or distributions (other than dividends or distributions payable in common stock) on the WESCO common stock will be declared and set apart for payment or paid, the holders of shares of each series of preferred stock will be entitled to receive dividends when, as and if declared by the WESCO Board. WESCO will pay those dividends either in cash, shares of common stock or preferred stock or otherwise, at the rate and on the date or dates set forth in the applicable terms of the series of preferred stock. With respect to each series of preferred stock, the dividends on each share of the series will be cumulative from the date of issue of the share unless another date is set forth in the applicable terms of the series of preferred stock. Accruals of dividends will not bear interest.

Rights Upon Liquidation. The preferred stock will be preferred over the WESCO common stock and the WESCO Class B common stock as to assets so that the holders of each series of preferred stock will be entitled to be paid, upon WESCO’s voluntary or involuntary liquidation, dissolution or winding up and before any distribution is made to the holders of such common stock, the amount set forth in the applicable terms of the series of preferred stock. However, in this case the holders of preferred stock will not be entitled to any other or further payment. If upon any liquidation, dissolution or winding up WESCO’s net assets are insufficient to permit the payment in full of the respective amounts to which the holders of all outstanding preferred stock are entitled, WESCO’s entire remaining net assets will be distributed among the holders of each series of preferred stock in amounts proportional to the full amounts to which the holders of each series are entitled.

Redemption. All shares of any series of preferred stock will be redeemable to the extent set forth in the applicable terms of the series of preferred stock. All shares of any series of preferred stock will be convertible into shares of WESCO’s common stock or into shares of any other series of preferred stock to the extent set forth in the applicable terms of the series of preferred stock.

Voting Rights. Except as indicated in the applicable terms of the series of preferred stock, the holders of preferred stock will be entitled to one vote for each share of preferred stock held by them on all matters properly presented to stockholders. The holders of the WESCO common stock, WESCO Class B common stock (if the WESCO Class B common stock is entitled to vote by applicable law) and the holders of all series of preferred stock will vote together as one class.

Description of WESCO Series A Preferred Stock

The following summary describes the material provisions of the WESCO Series A preferred stock and the certificate of designations with respect to the Series A preferred stock, dated June 22, 2020. The following summary of the terms of the WESCO Series A preferred stock does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the certificate of designations.

General. WESCO has issued fractional interests in shares of WESCO Series A preferred stock represented by depositary shares. Each depositary share represents a 1/1,000th interest in a share of WESCO Series A preferred stock. WESCO entered into a deposit agreement, dated as of June 19, 2020, among (i) WESCO, (ii) Computershare Inc. and Computershare Trust Company, N.A., acting jointly as the depositary, and (iii) the holders from time to time of the depositary receipts evidencing the depositary shares. Depositary shares are evidenced by depositary

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receipts issued pursuant to the deposit agreement. Subject to the terms of the deposit agreement, each owner of a depositary receipt is entitled, in proportion to the fractional interest in the share of WESCO Series A preferred stock represented by the related depositary share, to all the rights, preferences and privileges of, and is subject to all of the limitations and restrictions on, the WESCO Series A preferred stock represented by the depositary receipt, including dividend, voting, redemption, conversion and liquidation rights, as described below and set forth in greater detail in the certificate of designations.

All issued depositary shares representing an interest in the WESCO Series A preferred stock, are validly issued, fully paid and nonassessable. The depositary shares representing an interest in the WESCO Series A preferred stock will not be convertible into, or exchangeable for, shares of any of WESCO's other class or series of stock or WESCO's other securities (other than upon a WESCO change of control involving the issuance of additional shares of WESCO common stock or other WESCO change of control transaction, in each case, approved by holders of WESCO common stock, as described below). The WESCO Series A preferred stock has no stated maturity and will not be subject to any sinking fund, retirement fund or purchase fund or any other obligation of WESCO to redeem, repurchase or retire the WESCO Series A preferred stock.

Dividends. Dividends on the WESCO Series A preferred stock, when, as and if declared by the WESCO Board or any duly authorized committee of the WESCO Board, will be payable in cash on the liquidation preference amount of \$25,000 per whole share of WESCO Series A preferred stock, on a cumulative basis, quarterly in arrears on the last day of March, June, September and December of each year. If any scheduled dividend payment date is not a business day, then the payment will be made on the next succeeding business day and no additional dividends or interest will accumulate as a result of that postponement. Dividends on the WESCO Series A preferred stock will accumulate daily and be cumulative from, and including, the original issue date. "Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York City are authorized or required by law, regulation or executive order to close.

Each date on which dividends are payable, subject to adjustment as provided above, is a "dividend payment date," and dividends for each dividend payment date are payable with respect to the dividend period (or portion thereof) ending on the day preceding such dividend payment date, in each case to holders of record at the close of business on the record date fixed by the WESCO Board, which date may not be more than 35 days nor fewer than 10 days preceding such dividend payment date. Dividend record dates will apply regardless of whether a particular dividend record date is a business day.

Holders of WESCO Series A preferred stock are entitled to receive, when, as and if declared by WESCO Board, cumulative cash dividends at an initial rate of 10.625% per annum of the \$25,000 liquidation preference per share. The dividend rate on the WESCO Series A preferred stock for each reset period will be equal to the five-year U.S. Treasury rate as of the most recent reset dividend determination date plus a spread equal to the difference between (a) the initial dividend rate on the WESCO Series A preferred stock and (b) the five-year U.S. Treasury rate for either (i) the date of pricing with respect to the issuance of the unsecured notes or (ii) the date three business days prior to the closing date of the merger in the event bridge loans have been incurred under the unsecured bridge facility. On June 22, 2025, and every five-year period thereafter, the dividend rate on the Series A Preferred Stock resets and will be equal to the five-year U.S. Treasury Rate plus a spread of 10.325%.

The applicable dividend rate for each reset period will be determined by the calculation agent as of the applicable reset dividend determination date. Promptly upon such determination, the calculation agent will notify WESCO of the dividend rate for the reset period. The calculation agent's determination of any dividend rate, and its calculation of the amount of dividends for any dividend period beginning on or after the first call date will be on file at WESCO's principal offices, will be made available to any holder of WESCO Series A preferred stock upon request and will be final and binding in the absence of manifest error.

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WESCO will give notice of the relevant five-year U.S. Treasury rate as soon as practicable to the transfer agent and the holders of the WESCO Series A preferred stock.

The amount of the dividend per share of WESCO Series A preferred stock will be calculated for each dividend period (or portion thereof) on the basis of a 360-day year consisting of twelve 30-day months.

Dividends on the WESCO Series A preferred stock will be cumulative (i) whether or not WESCO has earnings, (ii) whether or not there are funds legally available for the payment of such dividends and (iii) whether or not such dividends are declared. Accordingly, if the WESCO Board or any duly authorized committee of the WESCO Board does not declare a dividend on the WESCO Series A preferred stock payable in respect of any dividend period before the related dividend payment date, such dividend shall accumulate and an amount equal to such accrued dividend shall become payable out of funds legally available therefor upon WESCO's liquidation, dissolution or winding-up (or earlier redemption of such shares of WESCO Series A preferred stock), to the extent not paid prior to such liquidation, dissolution or winding-up or earlier redemption, as the case may be. No interest, or sum of money in lieu of interest, will be payable on any dividend payment that may be in arrears on the WESCO Series A preferred stock.

WESCO will not declare or pay, or set aside for payment, full dividends on the WESCO Series A preferred stock or any parity stock for any dividend period unless the full cumulative dividends have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside) on the WESCO Series A preferred stock and any parity stock through the most recently completed dividend period for each such security.

When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) on the WESCO Series A preferred stock or any shares of any other class or series of parity stock of WESCO, all dividends declared on the WESCO Series A preferred stock and all such parity stock shall be declared pro rata so that the amount of dividends declared per share of WESCO Series A Preferred Stock and such parity stock shall in all cases bear to each other the same ratio that accrued dividends per share on the WESCO Series A Preferred Stock and such parity stock (which shall not include any accrual in respect of unpaid dividends on such parity stock for prior dividend periods if such parity stock does not have a cumulative dividend) bear to each other. Any portion of such dividends not paid (or declared and a sum sufficient for payment thereof set aside) that are payable upon the WESCO Series A preferred stock and such parity stock shall accumulate, and an amount equal to such accrued but unpaid dividends (whether or not declared) shall become payable out of funds legally available for the payment of dividends upon liquidation, dissolution or winding-up of WESCO's affairs (or earlier redemption of such shares of WESCO Series A preferred stock and such parity stock), to the extent not paid prior to such liquidation, dissolution or winding-up or earlier redemption.

During any dividend period, so long as any WESCO Series A preferred stock remains outstanding, unless full cumulative dividends have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside) on the WESCO Series A preferred stock for all past dividend periods:

- no dividend shall be declared and paid or declared and set aside for payment on shares of WESCO common stock or any other shares of junior stock (other than (i) a dividend payable solely in shares of junior stock or (ii) a dividend declared or paid in connection with any stockholders' rights plan, or the issuance of rights, stock or other property under any stockholders' rights plan, or the redemption or repurchase of rights pursuant to the plan); and
 - no junior stock shall be purchased, redeemed or otherwise acquired for consideration, nor shall any funds be paid or made available for a sinking fund for the redemption, purchase or other acquisition of such shares, and no other distribution of cash or other property may be made, directly or indirectly by WESCO
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(other than (i) by reclassification, conversion or exchange into or for other shares of junior stock, (ii) by redemption, purchase or other acquisition of shares of junior stock made for the purposes of and in compliance with (x) an employee incentive, benefit or share purchase plan, or other similar arrangement with or for the benefit of one or more employees, officers, directors, consultants or independent contractors, of WESCO or any subsidiary, (y) a dividend reinvestment or stockholder stock purchase plan, or (z) the satisfaction of WESCO's obligations pursuant to any contract outstanding at the original issue date requiring such purchase, redemption or other acquisition, (iii) by redemption, purchase or other acquisition of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of junior stock or the security being converted or exchanged, or (iv) through the use of the proceeds of a substantially contemporaneous sale of shares of junior stock).

The WESCO Series A preferred stock will rank junior as to payment of dividends to any class or series of senior stock of WESCO. If at any time WESCO has failed to pay, on the applicable payment date, accrued dividends on any class or series of senior stock, WESCO may not pay any dividends on the outstanding WESCO Series A preferred stock or redeem or otherwise repurchase any shares of WESCO Series A preferred stock until WESCO has paid or set aside for payment the full amount of the unpaid dividends on the senior stock that must, under the terms of such securities, be paid before WESCO may pay dividends on, or redeem or repurchase, the WESCO Series A preferred stock.

Subject to the foregoing, dividends (payable in cash, stock or otherwise) as may be determined by the WESCO Board or any duly authorized committee of the WESCO Board may be declared and paid on WESCO common stock, WESCO Class B common stock and any other junior stock from time to time out of any funds legally available for such payment, and the WESCO Series A preferred stock shall not be entitled to participate in any such dividend.

Ranking. The WESCO Series A preferred stock will, with respect to rights to payments of dividends and distributions upon WESCO's voluntary or involuntary liquidation, dissolution or winding-up, rank:

- senior to all classes or series of junior stock of WESCO, including WESCO common stock;
- on parity with any class or series of parity stock of WESCO;
- junior to any class or series of senior stock of WESCO; and
- junior to all existing and future debt obligations of WESCO.

The shares of WESCO Series A preferred stock are equity interests in WESCO, do not constitute indebtedness, and unlike WESCO's indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As such, the WESCO Series A preferred stock is subordinated to all of WESCO's existing and future indebtedness. The WESCO Series A preferred stock would also rank junior to any class or series of senior stock of WESCO.

Parity stock with respect to the WESCO Series A preferred stock may include series of WESCO preferred stock that have different dividend rates, redemption or conversion features, mechanics, dividend periods (e.g., semi-annual rather than quarterly), payment of dividends (whether cumulative or non-cumulative), payment dates or record dates than the WESCO Series A preferred stock.

Liquidation Rights. Upon any voluntary or involuntary liquidation, dissolution or winding-up of WESCO, holders of the WESCO Series A preferred stock are entitled to receive out of WESCO's assets legally available for

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distribution to stockholders, after satisfaction of all liabilities and obligations to WESCO's creditors, if any, and subject to the rights of holders of senior stock in respect of distributions upon WESCO's liquidation, dissolution or winding-up, and before any distribution of assets is made to or set aside for holders of common stock and any other junior stock, a liquidation preference of \$25,000 per whole share of WESCO Series A preferred stock, plus all accrued and unpaid dividends (whether or not declared), if any, up to, but excluding, the date of payment. Holders of the WESCO Series A preferred stock will not be entitled to any other amounts from WESCO after they have received their full liquidation preference.

In any such distribution, if WESCO's assets are not sufficient to pay the liquidation preferences in full to all holders of the WESCO Series A preferred stock and all holders of any parity stock, the amounts paid to the holders of the WESCO Series A preferred stock and to the holders of such parity stock will be paid pro rata in accordance with the respective aggregate liquidation preferences of those holders. If the liquidation preference has been paid in full to all holders of the WESCO Series A preferred stock and holders of parity stock, the holders of WESCO's other stock shall be entitled to receive all of its remaining assets according to their respective rights and preferences.

The certificate of designations does not contain any provision requiring funds to be set aside to protect the liquidation preference of the WESCO Series A preferred stock even though it is substantially in excess of the par value thereof.

Optional Redemption. The WESCO Series A preferred stock is not subject to any mandatory redemption, sinking fund, retirement fund, purchase fund or other similar provisions. WESCO may redeem the WESCO Series A preferred stock at its option:

- in whole or in part, from time to time, on the first call date or on any subsequent reset date at a redemption price in cash equal to \$25,000 per whole share; or
- in whole but not in part, at any time within 120 days after the conclusion of any review or appeal process instituted by WESCO following the occurrence of a ratings event, at a redemption price in cash equal to \$25,500 per whole share.

plus, in each case, all accrued and unpaid dividends (whether or not declared) to, but excluding, such redemption date, without interest, to the extent WESCO has funds legally available therefor.

Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the dividend record date for a dividend period will not constitute a part of, or be paid to, the holder entitled to receive the redemption price on the redemption date, but rather will be paid to the holder of record of the redeemed shares on the dividend record date relating to such dividend payment date.

Holders of the WESCO Series A preferred stock will not have the right to require the redemption or repurchase of the WESCO Series A preferred stock. In addition, no shares of WESCO Series A preferred stock may be redeemed by WESCO if, following such redemption, less than \$100 million of liquidation preference of WESCO Series A preferred stock would remain outstanding.

Special Optional Redemption. In addition to the optional redemption right described above, WESCO may redeem the WESCO Series A preferred stock, at its option, in whole or in part, upon the occurrence of a WESCO change of control, within 120 days after the first date on which such change of control occurred, at a redemption price in cash equal to \$25,000 per whole share plus accrued and unpaid dividends, if any, to, but excluding, the redemption date. If, prior to the change of control conversion date (as defined under "—Conversion Rights" below), WESCO has provided or provides notice of redemption with respect to all of the WESCO Series A preferred stock

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as described under “—Optional Redemption” or this section, the holders of depositary shares or shares of WESCO Series A preferred stock will not have the conversion right described below.

Conversion Rights. The shares of WESCO Series A preferred stock are generally not convertible into or exchangeable for any other property or securities of WESCO. However, upon the occurrence of a WESCO change of control involving the issuance of additional shares of WESCO common stock or other WESCO change of control transaction, in each case, approved by holders of WESCO common stock, each holder of the WESCO Series A preferred stock will have the right, unless, prior to the change of control conversion date (as defined herein), WESCO has provided or provides notice of its election to redeem the WESCO Series A preferred stock as described under “—Optional Redemption” or “—Special Optional Redemption,” to convert some or all of the WESCO Series A preferred stock held by such holder (the “change of control conversion right”) on the change of control conversion date into a number of shares of WESCO common stock per WESCO Series A preferred stock to be converted (the “common stock conversion consideration”) equal to the lesser of:

- the quotient obtained by dividing (i) the sum of (x) the \$25,000 liquidation preference per share of WESCO Series A preferred stock to be converted plus (y) the amount of any accrued and unpaid dividends to, but not including, the change of control conversion date (unless the change of control conversion date is after a dividend record date and prior to the corresponding dividend payment date, in which case no additional amount for such accrued and unpaid dividends will be included in such sum) by (ii) the WESCO common stock price; and
- the share cap, which will be determined at the closing date of the merger based on conversion at a WESCO common stock price per share of WESCO common stock equal to 50% of the average of the closing sales prices per share of WESCO common stock for the 10 consecutive trading days immediately preceding, but not including, the date immediately prior to the effective time, subject to the adjustments in the immediately succeeding paragraph.

The share cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of WESCO common stock) with respect to WESCO common stock as follows: the adjusted share cap as the result of a share split will be the number of shares of WESCO common stock that is equivalent to the product obtained by multiplying (i) the share cap in effect immediately prior to such share split by (ii) a fraction, the numerator of which is the number of shares of WESCO common stock outstanding after giving effect to such share split and the denominator of which is the number of shares of common stock outstanding immediately prior to such share split.

In the case of a WESCO change of control pursuant to which shares of WESCO common stock will be converted into the alternative form consideration, a holder of shares of WESCO Series A preferred stock will receive upon conversion of such shares of WESCO Series A preferred stock the kind and amount of alternative form consideration which such holder would have owned or been entitled to receive upon the WESCO change of control had such holder held a number of shares of WESCO common stock equal to the common stock conversion consideration immediately prior to the effective time of the WESCO change of control (the “alternative conversion consideration”); and the common stock conversion consideration or the alternative conversion consideration, as may be applicable to a WESCO change of control, is referred to as the “conversion consideration”).

In the event that holders of WESCO common stock have the opportunity to elect the form of consideration to be received in the WESCO change of control, the conversion consideration will be deemed to be the kind and amount of consideration actually received by holders of a majority of WESCO common stock that voted for such an election (if electing between two types of consideration) or holders of a plurality of WESCO common stock that voted for

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such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of WESCO common stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in the WESCO change of control.

WESCO will not issue fractional shares of WESCO common stock upon the conversion of WESCO Series A preferred stock. Instead, WESCO will pay the cash value of such fractional shares based on WESCO common stock price.

Within 15 days following the occurrence of a WESCO change of control, WESCO will provide to record holders of the WESCO Series A preferred stock a notice of occurrence of the WESCO change of control that describes the resulting change of control conversion right. No failure to give such notice or any defect thereto or in the mailing thereof will affect the validity of the proceedings for the conversion of any WESCO Series A preferred stock except as to the holder to whom notice was defective or not given.

WESCO will issue a press release for publication on the Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), or post notice on WESCO's website, in any event prior to the opening of business on the first business day following any date on which WESCO provides the notice described above to the holders of the WESCO Series A preferred stock.

In order to exercise the change of control conversion right, the holder of the WESCO Series A preferred stock will be required to deliver, on or before the close of business on the change of control conversion date, any certificates evidencing the shares of WESCO Series A preferred stock to be converted, duly endorsed for transfer, together with a written conversion notice completed, to WESCO's transfer agent. Holders of the WESCO Series A preferred stock may withdraw any notice of exercise of a change of control conversion right (in whole or in part) by a written notice of withdrawal delivered to WESCO's transfer agent prior to the close of business on the business day prior to the change of control conversion date.

Notwithstanding the foregoing, if the WESCO Series A preferred stock are held in global form, the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures of the depository trust company.

The WESCO Series A preferred stock as to which the change of control conversion right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable conversion consideration in accordance with the change of control conversion right on the change of control conversion date, unless prior to the change of control conversion date WESCO has provided or provides notice of its election to redeem such WESCO Series A preferred stock, whether pursuant to its optional redemption right or its special optional redemption right. If WESCO elects to redeem WESCO Series A preferred stock that would otherwise be converted into the applicable conversion consideration on a WESCO change of control conversion date, such WESCO Series A preferred stock will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date \$25,000 per share, plus any accrued and unpaid dividends thereon to, but not including, the redemption date. WESCO will deliver amounts owing upon conversion no later than the third business day following the change of control conversion date.

Voting Rights. Except as provided below or as otherwise required by applicable law, the holders of the WESCO Series A preferred stock will have no voting rights.

Right to Elect Two Directors Upon Dividend Default – Whenever dividends on any WESCO Series A preferred stock have not been paid, and remain unpaid, for the equivalent of six or more full quarterly dividend periods, whether or not for consecutive dividend periods (a “preferred dividend default”), the holders of such WESCO Series

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A preferred stock (voting together as a single class with all other classes or series of preferred stock of WESCO upon which like voting rights have been conferred and are exercisable (“parity preferred”)) will be entitled to vote for the election of two additional directors of WESCO (the “preferred directors”) and the number of directors constituting the entire WESCO Board will be increased by two directors, until all accrued and unpaid dividends on the WESCO Series A preferred stock have been paid in full through the most recently completed dividend period following a preferred dividend default; provided, however, as a qualification for election of an such preferred director, the election of any such preferred directors shall not cause WESCO to violate the corporate governance requirement of the NYSE (or any other securities exchange or other trading facility on which WESCO’s securities may then be listed or traded) that listed or traded companies must have a majority of independent directors. In no circumstances will there be more than two preferred directors. The preferred directors will be elected at a special meeting called at the request of the holders of record of at least 10% of the aggregate outstanding WESCO Series A preferred stock and parity preferred.

These voting rights will continue until full accrued and unpaid dividends payable on the WESCO Series A preferred stock have been paid in full through the most recently completed dividend period following a preferred dividend default (subject to re-vesting in the event of each subsequent preferred dividend default). If such voting rights have terminated, the term of office of each preferred director so elected will terminate and the number of directors on the WESCO Board will automatically decrease by two.

Any preferred director may be removed at any time with or without cause by the vote of, and will not be removed otherwise than by the vote of, the holders of record of a majority of the outstanding WESCO Series A preferred stock and parity preferred (voting together as a single class) when they have the voting rights described above. So long as a preferred dividend default continues, any vacancy in the office of a preferred director may be filled by the written consent of the preferred director remaining in office, or, if none remains in office, by a vote of the holders of record of a majority of the outstanding WESCO Series A preferred stock (voting as a single class with the parity preferred) when they have the voting rights described above. The preferred directors will each be entitled to one vote per director on any matter.

Other Voting Rights – So long as any WESCO Series A preferred stock remains outstanding, WESCO will not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding WESCO Series A preferred stock and each other class or series of parity preferred, given in person or by proxy, either in writing or at a meeting (voting together as a single class without regard to series):

- authorize or create, or increase the number of authorized or issued shares of, any class or series of capital stock ranking senior to the WESCO Series A preferred stock with respect to payment of dividends or the distribution of assets upon WESCO’s voluntary or involuntary liquidation, dissolution or winding up or reclassify any authorized shares of capital stock of WESCO into such capital stock, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such capital stock;
 - amend, alter or repeal the provisions of the WESCO charter or the certificate of designations so as to adversely affect the rights, preferences, privileges or voting powers of the WESCO Series A preferred stock, taken as a whole; provided, however, that holders of shares of WESCO Series A preferred stock will not be entitled to vote with respect to (A) any increase in the total number of authorized shares of WESCO common stock or WESCO preferred stock, or (B) any increase in the number of authorized shares of WESCO Series A preferred stock or the creation or issuance of any other class or series of capital stock, or (C) any increase in the number of authorized shares of any other class or series of capital stock, in each case referred to in clause (A), (B) or (C) above, ranking on parity with or junior to the
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WESCO Series A preferred stock with respect to the payment of dividends and the distribution of assets upon WESCO's voluntary or involuntary liquidation, dissolution or winding up; or

- consummate a binding share exchange or reclassification involving the WESCO Series A preferred stock, or a merger or consolidation of WESCO with another corporation or other entity, unless in each case (x) the shares of WESCO Series A preferred stock remain outstanding or, in the case of any such merger or consolidation with respect to which WESCO is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such WESCO Series A preferred stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not less favorable, taken as a whole, to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the WESCO Series A preferred stock immediately prior to such consummation, taken as a whole.

If an amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above would materially and adversely affect the WESCO Series A preferred stock and one or more, but not all, series of WESCO Series A preferred stock and parity preferred, then only the series adversely affected by such event and entitled to vote will vote on the matter to the exclusion of all other series of parity preferred. If all series of such parity preferred are not equally affected by the proposed amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above, there shall be required a two-thirds approval of each series that will have a diminished status.

So long as any shares of WESCO Series A preferred stock remain outstanding, the holders of shares of WESCO Series A preferred stock will also have the exclusive right to vote on any amendment, alteration or repeal of the provisions of the WESCO charter or the certificate of designations of the WESCO Series A preferred stock or the terms of the WESCO Series A preferred stock on which holders of WESCO Series A preferred stock are otherwise entitled to vote pursuant to the above that would alter only the contract rights, as expressly set forth in the WESCO charter or the certificate of designations of the WESCO Series A Preferred Stock, and the holders of any other classes or series of the capital stock of WESCO will not be entitled to vote on such an amendment, alteration or repeal.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding WESCO Series A preferred stock shall have been redeemed or called for redemption upon proper notice, sufficient funds shall have been set aside by WESCO in trust for the benefit of the holders of the WESCO Series A preferred stock to effect such redemption, and irrevocable instructions have been given to pay the redemption price and all accrued and unpaid dividends.

Transfer Agent and Registrar. Computershare Trust Company, N.A. will be the transfer agent and registrar and Computershare Inc. will be the dividend disbursing agent and redemption agent, for the depositary shares representing an interest in the WESCO Series A preferred stock.

Calculation Agent. Unless WESCO has validly called all shares of WESCO Series A preferred stock for redemption on the first call date, WESCO will appoint a banking institution or trust company as calculation agent for the WESCO Series A preferred stock prior to the reset dividend determination date preceding the first call date. If WESCO is unable to appoint a calculation agent using commercially reasonable efforts, WESCO may appoint itself or one of its affiliates as calculation agent.

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Description of the Depositary Shares

The following is a brief description of the material terms of the depositary shares representing an interest in the WESCO Series A preferred stock and does not purport to be complete in all respects. This description is subject to and qualified in its entirety by reference to the WESCO charter, the WESCO bylaws, the certificate of designations with respect to the Series A preferred stock, dated June 22, 2020, and the deposit agreement, dated as of June 19, 2020, each of which is incorporated herein by reference.

General. WESCO issued fractional interests in shares of WESCO Series A preferred stock in the form of depositary shares. Each depositary share represents a 1/1,000th interest in a share of WESCO Series A preferred stock and is evidenced by a depositary receipt. The WESCO Series A preferred stock represented by depositary shares were deposited under a deposit agreement among (i) WESCO, (ii) Computershare Inc. and Computershare Trust Company, N.A., acting jointly as the depositary, and (iii) the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share is entitled, through the depositary, in proportion to the applicable fraction of a share of the WESCO Series A represented by such depositary shares, to all the rights and preferences of the WESCO Series A represented thereby (including dividend, voting, redemption, conversion and liquidation rights).

Dividends and Other Distributions. Each dividend on a depositary share will be in an amount equal to 1/1,000th of the dividend declared on the related share of the WESCO Series A preferred stock. The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Series A preferred stock to the record holders of depositary shares relating to the underlying WESCO Series A preferred stock in proportion to the number of depositary shares held by each holder on the relevant record date. The depositary will distribute any property received by it other than cash to the record holders of depositary shares entitled to those distributions in proportion to the number of depositary shares held by each such holder, unless it determines, after consultation with WESCO, that the distribution cannot be made proportionally among those holders or that it is not feasible to make such distribution. In that event, the depositary may, with WESCO's approval, adopt such method deemed equitable and practicable by WESCO for the purpose of effecting such distribution, including the sale (at public or private sale) of such property received by it and the distribution of the net proceeds from the sale to the holders of the depositary shares entitled to such distribution in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the WESCO Series A preferred stock.

The amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the depositary or by WESCO on account of taxes or other governmental charges.

Redemption of Depositary Shares. If WESCO redeems the WESCO Series A preferred stock represented by the depositary shares, in whole or in part, a corresponding number of depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the WESCO Series A preferred stock held by the depositary. The redemption price per depositary share will be equal to 1/1,000th of the redemption price per share payable with respect to the WESCO Series A preferred stock, plus an amount equal to any dividends thereon that, pursuant to the provisions of the certificate of designations are payable upon redemption. Whenever WESCO redeems shares of the WESCO Series A preferred stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing shares of the WESCO Series A so redeemed.

In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected by the depositary either pro rata or by lot or in such other manner as the depositary may determine to be fair and equitable, and provided that such methodology is consistent with any applicable stock exchange rules.

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The depositary will provide notice of redemption by any authorized method to holders of the depositary shares not less than 30 and not more than 60 days prior to the date fixed for redemption of the WESCO Series A preferred stock and the related depositary shares.

After the date fixed for redemption, the depositary shares called for redemption will no longer be deemed to be outstanding, and all rights of the holders of those shares will cease, except the right to receive the amount payable and any other property to which the holders were entitled upon the redemption. To receive this amount or other property, the holders must surrender the depositary receipts evidencing their depositary shares to the depositary.

Voting the Shares. Because each depositary share represents a 1/1,000th interest in a share of the WESCO Series A preferred stock, holders of depositary shares will be entitled to a 1/1,000th of a vote per depositary share under those limited circumstances in which holders of the WESCO Series A preferred stock are entitled to a vote.

When the depositary receives notice of any meeting at which the holders of the WESCO Series A preferred stock are entitled to vote, the depositary will mail (or otherwise transmit by an authorized method) the information contained in the notice to the record holders of the depositary shares relating to the WESCO Series A preferred stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the WESCO Series A preferred stock, may instruct the depositary to vote the amount of the WESCO Series A preferred stock represented by the holder's depositary shares. Although each depositary share is entitled to 1/1,000th of a vote, the depositary can only vote whole shares of WESCO Series A preferred stock. To the extent possible, the depositary will vote the amount of the WESCO Series A preferred stock represented by depositary shares in accordance with the instructions it receives. WESCO will agree to take all reasonable actions that may be deemed necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the WESCO Series A preferred stock, it will not vote the amount of the WESCO Series A preferred stock represented by such depositary shares.

Preemptive and Conversion Rights. Holders of the depositary shares will not have any preemptive right to subscribe to any additional issue of shares of any class or series of WESCO or to any securities of WESCO convertible into such shares. Additionally, the depositary shares will not be convertible into, or exchangeable for, shares of any of WESCO's other class or series of stock or WESCO's other securities (other than upon a WESCO change of control involving the issuance of additional shares of WESCO common stock or other WESCO change of control transaction, in each case, approved by holders of WESCO common stock, as described in "Description of WESCO Series A Preferred Stock—Conversion Rights," above).

Listing. The depositary shares are listed on the NYSE under the symbol "WCC PR A". There is no separate trading market for the shares of the WESCO Series A preferred stock except as represented by the depositary shares.

Amendment and Termination of the Deposit Agreement. WESCO may amend the form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement at any time and from time to time by agreement in writing with the depositary. However, any amendment that materially and adversely alters the rights of the holders of depositary receipts will not be effective unless such amendment has been approved by the holders of depositary receipts representing at least a two-thirds majority of the depositary shares then outstanding. WESCO will make no amendment that impairs the right of any holder of depositary shares to receive WESCO Series A preferred stock and any money or other property represented by those depositary shares, except in order to comply with mandatory provisions of applicable law. Holders who retain or acquire their depositary receipts after an amendment becomes effective will be deemed to have agreed to the amendment and will be bound by the amended deposit agreement. As condition to the depositary executing an amendment, WESCO will deliver a certificate from an appropriate officer of WESCO which states that the proposed amendment is in compliance with the terms of the deposit agreement. No amendment to the deposit agreement will be effective unless duly executed by the depositary.

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The deposit agreement may be terminated by WESCO or the depositary only if:

- all outstanding depositary shares have been redeemed;
- a final distribution in respect of the WESCO Series A preferred stock has been made to the holders of depositary shares in connection with any liquidation, dissolution or winding-up of WESCO; or
- they have obtained the consent of holders of depositary receipts representing in the aggregate not less than two-thirds of the depositary shares outstanding.

Charges of Depositary, Taxes and Other Governmental Charges. WESCO will pay the fees, charges and expenses of the depositary provided in the deposit agreement to be payable by WESCO. Holders of depositary receipts will pay any taxes and governmental charges and any charges provided in the deposit agreement to be payable by them. If the depositary incurs fees, charges or expenses for which it is not otherwise liable at the election of a holder of a depositary receipt or other person, that holder or other person will be liable for those fees, charges and expenses. WESCO agreed to pay to the depositary reasonable compensation for all services rendered by it under the deposit agreement with a fee schedule to be mutually agreed upon and, from time to time, on demand of the depositary, to reimburse the depositary for all of its reasonable expenses and counsel fees and other disbursements incurred in the preparation, delivery, negotiation, amendment, administration and execution of the deposit agreement and incident to the exercise and performance of its duties thereunder.

Resignation and Removal of Depositary. The depositary at any time may resign and be discharged of its duties under the deposit agreement by giving WESCO 60 days' written notice, and WESCO may at any time remove or replace the depositary by giving the depositary 30 days' written notice.

In the event that the depositary resigns or is removed, WESCO must, within 60 days after the delivery of any notice of resignation and within 30 days after the delivery of any notice of removal, as the case may be, appoint a successor depositary, which must be a bank or trust company having its principal office in the United States and having a combined capital and surplus, along with its affiliates, of at least \$50,000,000. If no successor depositary has been so appointed and accepted the appointment within the applicable period prescribed by the preceding sentence, the resigning or removed depositary may petition any court of competent jurisdiction for the appointment of a successor depositary. Every successor depositary must execute and deliver to its predecessor and to WESCO an instrument in writing accepting its appointment as depositary, and thereupon such successor depositary, without any further action, will become fully vested with all the rights, powers, duties and obligations of its predecessor and for all purposes shall be the depositary under the deposit agreement, and such predecessor, upon payment of all sums due it and on WESCO's written request, must promptly execute and deliver an instrument transferring to such successor depositary all rights and powers of such predecessor under the deposit agreement, must assign, transfer and deliver all right, title and interest in the Series A preferred stock and any money or property held pursuant to the deposit agreement to such successor, and must deliver to such successor a list of the holders of all outstanding depositary shares and the records, books and other information in its possession relating to the depositary shares. Any successor depositary must promptly send notice of its appointment to the record holders of the depositary shares at WESCO's sole expense.

Reports to Holders. WESCO will deliver all required reports and communications to holders of the WESCO Series A to the depositary. At WESCO's expense, the depositary will forward those reports and communications to the holders of depositary shares.

Limitation on Liability of the Depositary. The depositary will not be liable if it is prevented or delayed by law or any circumstances beyond its control in performing its obligations under the deposit agreement. None of the depositary, the depositary's agents or WESCO assumes any obligation or will be subject to any liability under the

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deposit agreement to holders of the depositary shares (or, in the case of the depositary and any of its agents, to any other person), other than for its gross negligence, willful misconduct or bad faith (each as determined by a final non-appealable judgement, order, decree or ruling of a court of competent jurisdiction). Notwithstanding anything in the deposit agreement to the contrary, except in cases of the depositary's gross negligence, willful misconduct or bad faith, the aggregate liability of the depositary and any of its agents under the deposit agreement with respect to, arising from or arising in connection with the deposit agreement, or from all services provided or omitted to be provided under the deposit agreement, whether in contract, tort, or otherwise, is limited to, and will not exceed, three times the amount of annual fees, not including reimbursable expenses paid by WESCO to the depositary during the 12 months immediately preceding the event for which recovery from the depositary is being sought. The depositary may rely upon written advice of counsel or accountants, upon information provided by holders of the depositary shares or other persons believed by it in the absence of bad faith, gross negligence or willful misconduct to be competent and upon documents believed to be genuine.

Transfer Agent and Registrar

Computershare Trust Company, N.A. is the transfer agent and registrar, and Computershare Inc. is the dividend disbursing agent and redemption agent, for the depositary shares representing an interest in the WESCO Series A preferred stock.

FIRST AMENDMENT TO FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

FIRST AMENDMENT TO FOURTH AMENDED AND RESTATED CREDIT AGREEMENT, dated as of December 14, 2020 (this "Amendment"), among WESCO DISTRIBUTION, INC., a Delaware corporation, the other U.S. Borrowers party hereto, WESCO DISTRIBUTION CANADA LP, an Ontario limited partnership, the other Canadian Borrowers party hereto (collectively with the U.S. Borrowers and WESCO Distribution Canada LP, the "Borrowers"), the Lenders party hereto, and BARCLAYS BANK PLC, as Administrative Agent.

WITNESSETH

WHEREAS, the Borrowers, the other Loan Parties from time to time party thereto, the Lenders from time to time party thereto, BARCLAYS BANK PLC, as administrative agent (in such capacity, the "Administrative Agent"), Issuing Bank and Swingline Lender, are parties to that certain Fourth Amended and Restated Credit Agreement, dated as of June 22, 2020 (as heretofore amended, the "Credit Agreement");

WHEREAS, WESCO Distribution, Inc. intends to redeem in full the 2021 Senior Notes on or before January 31, 2021 (the "2021 Senior Notes Redemption");

WHEREAS, in order to consummate the 2021 Senior Notes Redemption, the Borrowers have requested that (a) the Persons set forth on Schedule I hereto (the "2021 Additional Revolving Lenders") make available to the Borrowers, on the 2021 Additional Revolving Commitments Availability Date (as defined herein), additional Revolving Commitments (the "2021 Additional Revolving Commitments" (none of which will be available as Canadian Commitments), any loans made hereunder, the "2021 Additional Revolving Loans" and the facility established under the 2021 Additional Revolving Commitments, the "2021 Additional Revolver Facility") in an aggregate principal amount for all such 2021 Additional Revolving Commitments of \$100,000,000 and (b) certain provisions of the Credit Agreement be amended as provided for herein;

WHEREAS, pursuant to Sections 2.09(e) and 9.02 of the Credit Agreement, the Borrowers and the Lenders party hereto, constituting no less than the Required Lenders (determined immediately prior to giving effect to this Amendment), consent to the 2021 Senior Notes Redemption and agree to amend the Credit Agreement as set forth herein and as attached hereto as Exhibit A (as so amended, the "Amended Credit Agreement"), and the 2021 Additional Revolving Lenders are willing to make the 2021 Additional Revolving Loans on the terms and conditions set forth herein and in the Amended Credit Agreement;

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

SECTION ONE — DEFINED TERMS. Capitalized terms used herein (including in the foregoing recitals hereto) but not otherwise defined herein shall have the meanings assigned

thereto in the Amended Credit Agreement. The provisions of Section 1.01 of the Amended Credit Agreement are hereby incorporated by reference herein, *mutatis mutandis*.

SECTION TWO — CONSENT. Effective as of the First Amendment Effective Date (as defined herein), each Lender party hereto (which Lenders constitute the Required Lenders) hereby consents to the 2021 Senior Notes Redemption notwithstanding the limitations of Section 6.08 of the Credit Agreement, or any other provision of the Credit Agreement or any other Loan Document to the contrary, and, for the avoidance of doubt, without regard to whether any condition set forth in the definition of Payment Conditions has been satisfied with respect to the 2021 Senior Notes Redemption.

SECTION THREE — AMENDMENT. The Credit Agreement is, effective as of the 2021 Additional Revolving Commitments Availability Date, hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Exhibit A. Each Lender party hereto (which Lenders constitute the Required Lenders) consents to the terms of this Amendment as set forth in Exhibit A hereto.

SECTION FOUR — 2021 ADDITIONAL REVOLVING COMMITMENTS.

(a) Subject to the terms and conditions set forth herein and in the Amended Credit Agreement, each 2021 Additional Revolving Lender severally and not jointly agrees to provide its 2021 Additional Revolving Commitment on the 2021 Additional Revolving Commitments Availability Date in an aggregate principal amount not to exceed the amount set forth opposite such 2021 Additional Revolving Lender's name on Schedule I hereto; provided that, if the conditions precedent set forth in Section Six hereof are not met by February 10, 2021, the 2021 Additional Revolving Commitments shall terminate.

(b) The commitment of the 2021 Additional Revolving Lenders are several and no such Lender will be responsible for any other such Lender's failure to make available its 2021 Additional Revolving Commitment. The 2021 Additional Revolving Loans may from time to time be ABR Loans or Eurocurrency Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with the Amended Credit Agreement.

(c) Each 2021 Additional Revolving Lender shall be a "Revolving Lender", the 2021 Additional Revolving Commitments shall be part of the "Aggregate Revolving Commitments", the 2021 Additional Revolving Loans shall be "Revolving Loans" and the 2021 Additional Revolver Facility shall be part of the Revolver Facility, in each case for all purposes of the Amended Credit Agreement and the other Loan Documents.

(d) Upon the 2021 Additional Revolving Commitments Availability Date, the Administrative Agent shall reallocate the Revolving Exposure of each Revolving Lender to reflect its Applicable Percentage after giving effect to the 2021 Additional Revolving Commitments. Each 2021 Additional Revolving Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under the Loan Documents and

each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of the applicable Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of the applicable Loan Documents, together with such other powers as are reasonably incidental thereto. By its signature below, Administrative Agent hereby accepts the appointment as Administrative Agent under the Loan Documents pursuant to the immediately preceding sentence.

SECTION FIVE — CONDITIONS TO EFFECTIVENESS. This Amendment, and the consent of the Lenders constituting the Required Lenders under Section Two hereof and the agreements of the 2021 Additional Revolving Lenders under Section Four hereof (in accordance with the terms and conditions set forth therein), shall become effective on the date (the “First Amendment Effective Date”) when each of the following conditions shall have been satisfied:

(a) Documents. Each of the Loan Parties, the 2021 Additional Revolving Lenders and the Lenders constituting the Required Lenders (determined immediately prior to giving effect to this Amendment) shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered (including by way of facsimile or other electronic transmission) the same to the Administrative Agent (or its counsel).

(b) USA PATRIOT Act, Etc. (i) Each 2021 Additional Revolving Lender shall have received all documentation and other information required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act or the Proceeds of Crime Act, for each Loan Party, to the extent requested in a written notice to the Borrower Representative at least three (3) Business Days prior to the First Amendment Effective Date, and (ii) to the extent any Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, any Lender that has requested, in a written notice to the Borrower Representative at least three (3) Business Days prior to the First Amendment Effective Date, a Beneficial Ownership Certification in relation to each Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Amendment, the condition set forth in this clause (ii) shall be deemed to be satisfied).

SECTION SIX — CONDITIONS TO AVAILABILITY. The amendments set forth in Section Three hereof shall become effective on the date (the “2021 Additional Revolving Commitments Availability Date”) when each of the following conditions shall have been satisfied:

(a) Legal Opinions. The Administrative Agent (or its counsel) shall have received written opinions of the Borrowers’ counsel, addressed to the Administrative Agent and the Lenders in form and substance reasonably satisfactory to the Administrative Agent.

(b) Closing Certificates; Certified Certificate of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of each Borrower, dated as of the 2021 Additional Revolving Commitments Availability Date and executed by its Secretary, Assistant Secretary or other applicable officer of such Borrower, which shall (A)

certify the resolutions of its Board of Directors, members or other body authorizing the Aggregate Commitment Increase contemplated by this Amendment and, if applicable, the execution, delivery and performance of this Amendment and the other Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the Officers and any other officers of such Borrower authorized to sign this Amendment and the other Loan Documents to which it is a party, and (C) certify that, since the Fourth Restatement Date, there have been no changes to the certificate or articles of incorporation or organization or the by-laws or operating, management or partnership agreement (or other equivalent organizational documents) of such Borrower (or, alternatively, include as attachments thereto true and correct copies of any amendments or restatements thereto entered into since the Fourth Restatement Date), and (ii) a long form good standing certificate (or equivalent, as is customary in certain jurisdictions other than the United States), to the extent applicable, for each Borrower from its jurisdiction of organization.

(c) Officer's Certificate. The Administrative Agent shall have received a certificate, signed by a Financial Officer of the Borrower Representative, on behalf of the Borrowers, certifying that before and after giving effect to the Aggregate Commitment Increase contemplated by this Amendment (i) the representations and warranties contained in Article III of the Credit Agreement and the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that are already qualified or modified by materiality in the text thereof or except to the extent such representation or warranty relates to an earlier date, in which case such representation and warranty shall be true and correct in all material respects as of such earlier date), and (2) no Default exists.

(d) Fees and Expenses. The Administrative Agent shall have received: (i) for the account of each of the Additional Revolving Lenders, a fee equal to 25 basis points on such Additional Revolving Lender's 2021 Additional Revolving Commitment; and (ii) for its own account, payment for all reasonable expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel and expenses relating to any field examination, collateral audit, or appraisal), at least two Business Days before the 2021 Additional Revolving Commitments Availability Date.

(e) Solvency. The Administrative Agent shall have received a solvency certificate from a Financial Officer of the Borrower Representative in form and substance consistent with the one delivered on the Fourth Restatement Date.

(f) Concurrent Transactions. The Receivables Securitization Agreements shall have been amended, or shall be amended substantially concurrently with the occurrence of the 2021 Additional Revolving Commitments Availability Date, in form and substance reasonably satisfactory to the Administrative Agent (it being agreed that the terms provided to the Administrative Agent on or before the First Amendment Effective Date are satisfactory to the Administrative Agent).

(g) Representations and Warranties. The representations and warranties set forth in Section Five hereof shall be true and correct.

(h) Notes Redemption. On or before December 31, 2020, WESCO Distribution, Inc. shall have elected to redeem all of its outstanding 2021 Senior Notes by issuing or causing to be issued an irrevocable notice of redemption to the holders of such notes.

SECTION SEVEN — REPRESENTATIONS AND WARRANTIES; NO DEFAULTS. In order to induce the Lenders to enter into this Amendment, each of the Borrowers represents and warrants, on the First Amendment Effective Date, to each of the Lenders and the Administrative Agent that:

(a) this Amendment and the Amended Credit Agreement each constitute a legal, valid and binding obligation of such Borrower, enforceable against such Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and the implied covenants of good faith and fair dealing;

(b) all of the representations and warranties contained in Article III of the Amended Credit Agreement and in the other Loan Documents are true and correct in all material respects on the First Amendment Effective Date as if made on and as of such date (unless such representation or warranty relates to a specific date, in which case such representation or warranty were true and correct in all material respects as of such specific date; provided, that any representation and warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates); and

(c) no Default or Event of Default exists as of the First Amendment Effective Date immediately prior to and after giving effect to this Amendment.

SECTION EIGHT — SECURITY. Each Borrower acknowledges that (a) the 2021 Additional Revolving Loans constitute Obligations (as defined in the Amended Credit Agreement) and (b) notwithstanding the effectiveness of this Amendment, (i) all other Loan Documents shall continue to be in full force and effect, (ii) the security interests granted by the Loan Parties pursuant to the Loan Documents are not impaired or affected and (iii) all guarantees made by the Loan Parties pursuant to the Loan Documents and all Liens granted by the Loan Parties as security for the Obligations (including the 2021 Additional Revolving Loans) continue in full force and effect; and, further, confirms and ratifies its obligations under each of the Loan Documents to which it is a party, as amended hereby.

SECTION NINE — SEVERABILITY. Any provision of this Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION TEN — CONTINUING EFFECT; NO OTHER WAIVERS OR AMENDMENTS. Except as expressly set forth herein, this Amendment shall not (i) constitute a

substitution or novation, or a payment and reborrowing, or a termination, of the Obligations outstanding under the Amended Credit Agreement or instruments guaranteeing or securing the same, which shall remain in full force and effect, except as modified hereby or (ii) by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or the Loan Parties under the Amended Credit Agreement, the Collateral Documents or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Amended Credit Agreement, as amended hereby, the Collateral Documents or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Amended Credit Agreement, as amended hereby, any Collateral Document or any other Loan Document in similar or different circumstances. After the First Amendment Effective Date, any reference in any Loan Document to the “Credit Agreement” shall mean the Amended Credit Agreement. This Amendment shall constitute a Loan Document for all purposes of the Amended Credit Agreement and the other Loan Documents.

SECTION ELEVEN — COUNTERPARTS. This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, emailed.pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby or thereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION TWELVE — GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. The provisions of Sections 9.09 and 9.10 of the Credit Agreement are hereby incorporated by reference herein, *mutatis mutandis*.

[Remainder of Page Intentionally Left Blank]

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

U.S. BORROWERS:

ATLANTA ELECTRICAL DISTRIBUTORS, LLC,
a Delaware limited liability company
CALVERT WIRE & CABLE CORPORATION,
a Delaware corporation
CARLTON-BATES COMPANY,
an Arkansas corporation
COMMUNICATIONS SUPPLY CORPORATION,
a Connecticut corporation
CONNEY SAFETY PRODUCTS, LLC,
a Delaware limited liability company
HI-LINE UTILITY SUPPLY COMPANY, LLC,
an Illinois limited liability company
LIBERTY WIRE & CABLE, INC.,
a Delaware corporation
NEEDHAM ELECTRIC SUPPLY, LLC,
a Delaware limited liability company
TVC COMMUNICATIONS, L.L.C.,
a Delaware limited liability company
WESCO EQUITY CORPORATION,
a Delaware corporation
WESCO INTEGRATED SUPPLY, INC.
a Delaware corporation
WESCO NEVADA, LTD.,
a Nevada corporation

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer

WESCO DISTRIBUTION, INC.,
a Delaware corporation

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Senior Vice President and Treasurer

[Signature Page to First Amendment]

HILL COUNTRY ELECTRIC SUPPLY, L.P., a Texas limited partnership
By: TVC International Holding, L.L.C.,
its General Partner

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer

[Signature Page to First Amendment]

CANADIAN BORROWERS:

WESCO DISTRIBUTION CANADA LP
BY: WESCO CANADA GP INC.,
its General Partner

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer and Assistant Secretary

EECOL ELECTRIC CORP.

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer

HAZMASTERS INC.

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer and Assistant Secretary

ANIXTER CANADA INC.

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer

ANIXTER POWER SOLUTIONS CANADA INC.

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer

[Signature Page to First Amendment]

U.S. GUARANTORS:

CONNEY INVESTMENT HOLDINGS, LLC
CBC LP HOLDINGS, LLC
CDW HOLDCO, LLC
TVC INTERNATIONAL HOLDING, L.L.C.
WDC HOLDING INC.
WDI USVI, LLC
WESCO ENTERPRISE, INC.
WESCO HOLDINGS, LLC
WESCO NIGERIA, INC.
WESCO SERVICES, LLC
ANIXTER, INC.
ACCU-TECH CORPORATION
ANIXTER POWER SOLUTIONS INC.

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer

WESCO International, Inc.

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Senior Vice President and Treasurer

WDCH, LP
BY: CBC LP HOLDINGS, LLC,

its General Partner

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer

WDCH US LP
BY: WESCO DISTRIBUTION II ULC,

its General Partner

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer

[Signature Page to First Amendment]

CANADIAN GUARANTORS:

EECOL PROPERTIES CORP.
WESCO CANADA GP INC.
WESCO Distribution IV INC.

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer and Assistant Secretary

WESCO DC Holding I LP
WESCO DC Holding II LP
WESCO DC Holding III LP
WESCO DC Holding IV LP
BY: WESCO DISTRIBUTION II ULC,

their General Partner

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Assistant Secretary

WESCO Canada I, LP
BY: WESCO HOLDINGS, LLC,

its General Partner

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer

WESCO Procurement Canada ULC
WESCO Distribution Canada Co.
WESCO Distribution II ULC

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Assistant Secretary

[Signature Page to First Amendment]

ANIXTER HOLDINGS, INC.
ANIXTER U.S. LLC
PRO CANADIAN HOLDINGS I, ULC
XPRESSCONNECT SUPPLY INC.

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer

[Signature Page to First Amendment]

ADMINISTRATIVE AGENT, U.S. LENDER, CANADIAN LENDER, ISSUING BANK AND SWINGLINE:

BARCLAYS BANK PLC, individually, as a U.S. Lender, Canadian Lender, Administrative Agent, Issuing Bank and Swingline Lender

By: /s/ Sean Duggan
Name: Sean Duggan
Title: Vice President

[Signature Page to First Amendment]

LENDER:

BANK OF AMERICA N.A.,
as a U.S. Lender and as an Issuing Bank

By: /s/ William J. Wilson
Name: William J. Wilson
Title: Senior Vice President

LENDER:

BANK OF AMERICA N.A.
(acting through its Canadian Branch),
as a Canadian Lender

By: /s/ Sylwia Durkiewicz
Name: Sylwia Durkiewicz
Title: Vice President

[Signature Page to First Amendment]

Canadian Imperial Bank of Commerce, New York Branch:

By: /s/ Andrew R. Campbell
Name: Andrew R. Campbell
Title: Authorized Signatory

[Signature Page to First Amendment]

LENDER:

Citizens Bank, N.A.

By: /s/ Eric Hersom
Name: Eric Hersom
Title: Vice President

[Signature Page to First Amendment]

LENDER:

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as a U.S. Lender, as a Canadian Lender
and as an Issuing Bank

By: /s/ Herbert M. Kidd II
Name: Herbert M. Kidd II
Title: Senior Vice President

[Signature Page to First Amendment]

LENDER:

HSBC BANK USA, NATIONAL ASSOCIATION,
as a U.S. Lender, as a Canadian Lender
and as an Issuing Bank

By: /s/ Stephen Santini
Name: Stephen Santini
Title: Vice President

[Signature Page to First Amendment]

LENDER:

JPMORGAN CHASE BANK, N.A.,
as a U.S. Lender and as an Issuing Bank

By: /s/ Kevin Podwika
Name: Kevin Podwika
Title: Authorized Officer

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH,
as a Canadian Lender

By: _____
Name:
Title:

[Signature Page to First Amendment]

LENDER:

JPMORGAN CHASE BANK, N.A.,
as a U.S. Lender and as an Issuing Bank

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH,
as a Canadian Lender

By: /s/ Jeffrey Coleman
Name: Jeffrey Coleman
Title: Executive Director

[Signature Page to First Amendment]

LENDER:

PNC BANK, NATIONAL ASSOCIATION,
as a U.S. Lender, as a Canadian Lender
and as an Issuing Bank

By: /s/ David B. Thayer
Name: David B. Thayer
Title: Vice President

[Signature Page to First Amendment]

LENDER:

THE BANK OF NOVA SCOTIA,
as a U.S. Lender, as a Canadian Lender
and as an Issuing Bank

By: /s/ Sangeeta Shah
Name: Sangeeta Shah
Title: Director

[Signature Page to First Amendment]

LENDER:

TD BANK, N.A.,
as a U.S. Lender, as a Canadian Lender
and as an Issuing Bank

By: /s/ Antimo Barbieri
Name: Antimo Barbieri
Title: Vice President

[Signature Page to First Amendment]

LENDER:

U.S. BANK NATIONAL ASSOCIATION,
as a U.S. Lender and an Issuing Bank

By: /s/ William Patton
Name: William Patton
Title: Vice President

LENDER:

U.S. BANK NATIONAL ASSOCIATION,
Operating through its Canada Branch,
as a Canadian Lender

By: _____
Name:
Title:

[Signature Page to First Amendment]

LENDER:

U.S. BANK NATIONAL ASSOCIATION,
as a U.S. Lender and an Issuing Bank

By: _____
Name:
Title:

LENDER:

U.S. BANK NATIONAL ASSOCIATION,
Operating through its Canada Branch,
as a Canadian Lender

By: /s/ John P. Rehob
Name: John P. Rehob
Title: Vice President & Principal Officer

[Signature Page to First Amendment]

LENDER:

Wells Fargo Bank, N.A.,
as a U.S. Lender and as an Issuing Bank

By: /s/ Peter Schuebler
Name: Peter Schuebler
Title: Vice President

LENDER:

WELLS FARGO CAPITAL FINANCE CORPORATION CANADA,
as a Canadian Lender

By: /s/ David G. Phillips
Name: David G. Phillips
Title: Senior Vice President
Credit Officer, Canada
Wells Fargo Capital Finance
Corporation Canada

[Signature Page to First Amendment]

Schedule I

REVOLVING COMMITMENT SCHEDULE

2021 Additional Revolving Lender	2021 Additional Revolving Commitment	Applicable Percentage of 2021 Additional Revolving Commitment
Barclays Bank PLC	\$12,000,000	12%
Canadian Imperial Bank of Commerce, New York Branch	\$9,500,000	9.5%
Fifth Third Bank, National Association	\$9,500,000	9.5%
PNC Bank, National Association	\$9,500,000	9.5%
TD Bank, N.A.	\$9,500,000	9.5%
U.S. Bank National Association	\$9,500,000	9.5%
Bank of America N.A.	\$6,750,000	6.75%
Citizens Bank	\$6,750,000	6.75%
HSBC Bank USA, National Association	\$6,750,000	6.75%
JPMorgan Chase Bank, N.A.	\$6,750,000	6.75%
The Bank of Nova Scotia	\$6,750,000	6.75%
Wells Fargo Bank, National Association	\$6,750,000	6.75%
Total	\$100,000,000	100%

*The U.S. Commitment and Canadian Commitment are sub facilities of the Revolving Commitment and are not in addition to the Revolving Commitment.

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

June 22, 2020

[as amended by the First Amendment to Fourth Amended and Restated Credit Agreement,
dated as of December 14, 2020](#)

among

WESCO DISTRIBUTION, INC.,

the other U.S. Borrowers party hereto,
WESCO DISTRIBUTION CANADA LP,

the other Canadian Borrowers party hereto,
the Other Loan Parties Party Hereto,

the Lenders Party Hereto and

BARCLAYS BANK PLC,

as Administrative Agent

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH
FIFTH THIRD BANK, NATIONAL ASSOCIATION
PNC BANK, NATIONAL ASSOCIATION
PNC CAPITAL MARKETS LLC
TD BANK, N.A.
U.S. BANK NATIONAL ASSOCIATION
as Joint Bookrunners and Joint Lead Arrangers

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EXHIBITS:

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Exhibit B – Form of Borrowing Base Certificate
Exhibit C – Form of Compliance Certificate
Exhibit C-1 – Form of U.S. Tax Compliance Certificate (For Non-U.S. Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)
Exhibit C-2 – Form of U.S. Tax Compliance Certificate (For Non-U.S. Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)
Exhibit C-3 – Form of U.S. Tax Compliance Certificate (For Non-U.S. Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit C-4 – Form of U.S. Tax Compliance Certificate (For Non-U.S. Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit D – Form of Joinder Agreement
Exhibit E – Form of Pledge and Security Agreement (U.S. Loan Parties)
Exhibit F-1 – Form of Canadian Guarantee
Exhibit F-2 – Form of Canadian Cross-Border Guarantee
Exhibit G-1 – Form of Canadian Pledge and Security Agreement
Exhibit G-2 – Form of Canadian Cross-Border Pledge and Security Agreement
Exhibit H – Form of Note
Exhibit I – Form of Permitted Term Debt Intercreditor Agreement
Exhibit J – Form of Borrowing Request
Exhibit K – Form of Prepayment Notice

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT dated as of June 22, 2020 (as it may be amended, restated, amended and restated, supplemented or modified from time to time, this “Agreement”), among WESCO DISTRIBUTION, INC., a Delaware corporation, the other U.S. Borrowers party hereto, WESCO DISTRIBUTION CANADA LP, an Ontario limited partnership, the other Canadian Borrowers party hereto, the other Loan Parties party hereto, the Lenders party hereto, and BARCLAYS BANK PLC, as Administrative Agent.

WHEREAS, the Loan Parties are parties to the Third Amended and Restated Credit Agreement dated as of September 26, 2019 among WESCO Distribution, Inc., as U.S. Borrower, the other U.S. Borrowers party thereto, WESCO Distribution Canada LP, as Canadian Borrower, the other Loan Parties party thereto, the lenders party thereto (the “Existing Lenders”), JPMorgan Chase Bank, N.A., as U.S. administrative agent (in such capacity, the “Existing U.S. Administrative Agent”), and JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian administrative agent (in such capacity, the “Existing Canadian Administrative Agent”; together with the U.S. Administrative Agent, the “Existing Administrative Agents”), as amended, supplemented or otherwise modified prior to the Fourth Restatement Date (the “Existing Credit Agreement”), pursuant to which the Existing Lenders agreed to make certain loans and provide certain other credit accommodations to the borrowers thereunder from time to time; and

WHEREAS, the Loan Parties have requested that the Existing Lenders agree to further amend and restate the Existing Credit Agreement in its entirety to, among other things make certain modifications to the terms and provisions of the Existing Credit Agreement;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree that the Existing Credit Agreement is amended and restated in its entirety by this Agreement and hereby further agree as follows:

ARTICLE I. Definitions

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

[“2021 Additional Revolving Commitments Availability Date” has the meaning assigned to such term in the First Amendment.](#)

[“2021 Senior Notes Indenture”](#) means that certain Indenture dated as of November 26, 2013 among WESCO Distribution, Inc. as issuer, Holdings as parent guarantor and U.S. Bank National Association, as trustee, including any supplemental indenture executed or delivered in connection therewith, as the same may be amended, restated, modified, waived, or supplemented from time to time.

[“2021 Senior Notes”](#) means the 5.375% Senior Notes due 2021 issued by WESCO Distribution, Inc. pursuant to the 2021 Senior Notes Indenture.

[“2024 Senior Notes Indenture”](#) means that certain Indenture dated as of June 15, 2016 among WESCO Distribution, Inc. as issuer, Holdings as parent guarantor and U.S. Bank National Association, as trustee, including any supplemental indenture executed or delivered in connection therewith, as the same may be amended, restated, modified, waived, or supplemented from time to time.

[“2024 Senior Notes”](#) means the 5.375% Senior Notes due 2024 issued by WESCO Distribution, Inc. pursuant to the 2024 Senior Notes Indenture.

[“2025 Senior Notes Indenture”](#) means that certain Indenture dated as of June 12, 2020 among WESCO Distribution, Inc. as issuer, Holdings as parent guarantor and U.S. Bank National Association, as trustee, including any supplemental indenture executed or delivered in connection therewith, as the same may be amended, restated, modified, waived, or supplemented from time to time.

[“2025 Senior Notes”](#) means the 7.125% Senior Notes due 2025 issued by WESCO Distribution, Inc. pursuant to the 2025 Senior Notes Indenture.

“2028 Senior Notes Indenture” means that certain Indenture dated as of June 12, 2020 among WESCO Distribution, Inc. as issuer, Holdings as parent guarantor and U.S. Bank National Association, as trustee, including any supplemental indenture executed or delivered in connection therewith, as the same may be amended, restated, modified, waived, or supplemented from time to time.

“2028 Senior Notes” means the 7.250% Senior Notes due 2028 issued by WESCO Distribution, Inc. pursuant to the 2028 Senior Notes Indenture.

“ABL Priority Collateral” means all Collateral consisting of the following:

- (a) all Accounts;
- (b) all Inventory;
- (c) all Equity Interests in WESCO Receivables Corp.;
- (d) all WESCO Receivables Intercompany Loans and all WESCO Receivables Intercompany Notes;
- (e) all cash and cash equivalents, other than specifically identifiable proceeds from the sale or disposition of Term Loan Priority Collateral;
- (f) all Deposit Accounts (including all bank accounts with a depository function), Lock Boxes, Securities Accounts, Security Entitlements and Securities credited to a Securities Account, Commodity Accounts and Commodity Contracts, and, in each case, all cash, cash equivalents, checks and other property held therein or credited thereto, other than (x) Equity Interests of a Loan Party held by another Loan Party, and (y) specifically identifiable proceeds from the sale or disposition of Term Loan Priority Collateral;
- (g) all Assigned Contracts that specifically relate to Accounts, Inventory or other ABL Priority Collateral;
- (h) all Commercial Tort Claims; provided that to the extent any Commercial Tort Claim specifically relates to the ownership, use, lease, purchase or sale of Equipment, Fixtures, Intellectual Property, Real Property or other Term Loan Priority Collateral, the ABL Priority Collateral shall not include such Commercial Tort Claim;
- (i) all policies of insurance relating to or insuring against loss or damage to any of the items referred to in the preceding clauses (a) through (h) that constitute ABL Priority Collateral or against any disruption in, or cessation of, the business of any Loan Party, and all proceeds paid in respect of any such insurance policies, including, without limitation, any right to any return of any premiums paid in respect thereof; provided that to the extent any such insurance policy also relates to or insures against loss or damage to Term Loan Priority Collateral or the use thereof, the ABL Priority Collateral shall not include the portion of any proceeds paid pursuant to such policy that specifically relate to the loss of, or damage to, Term Loan Priority Collateral;
- (j) all Investment Property, Chattel Paper, Documents, Instruments and General Intangibles (other than Intellectual Property) relating to any of the items referred to in the preceding clauses (a) through (i); provided that to the extent any Investment Property, Chattel Paper, Document, Instrument or General Intangible relates exclusively to Term Loan Priority Collateral, the ABL Priority Collateral shall not include such Chattel Paper, Document, Instrument or General Intangible;
- (k) all books and Records relating to any of the items referred to in the preceding clauses (a) through (j) (including without limitation all books, databases, customer lists and Records, whether tangible or electronic which contain any information relating to any such items); and
- (l) all Proceeds of, and Supporting Obligations, including, without limitation, Letter-of-Credit Rights, with respect to, any of the items referred to in the preceding clauses (a) through (k) and all collateral security and guarantees given by any Person with respect to any of the foregoing.

“ABR,” when used in reference to (a) a rate of interest, refers to the Alternate Base Rate, and (b) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bear interest at a rate determined by reference to the Alternate Base Rate.

“Account” has the meaning assigned to such term in the U.S. Security Agreement.

“Account Debtor” means any Person obligated on an Account.

“Acquisition” means any transaction, or any series of related transactions (other than the Anixter Acquisition), consummated on or after the Fourth Restatement Date, by which any Borrower or Loan Guarantor (i) acquires any going business or all or substantially all of the assets of any firm, corporation or limited liability company, or division thereof, whether through purchase of assets, merger or otherwise or (ii) acquires all or substantially all of the Equity Interests of any other Person, in each case, other than transactions solely among a Loan Party and a Subsidiary.

“Administrative Agent” means Barclays, in its capacity as administrative agent for the Lenders hereunder.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“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 specified Person.

“Affiliate Subordination Agreement” means the Affiliate Subordination Agreement dated as of the Fourth Restatement Date among the Loan Parties party thereto and the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Agency Transfer Agreement” means that certain Resignation and Appointment Agreement dated as of June 19, 2020 by and among the Existing Administrative Agents, the Administrative Agent and the Borrowers, which sets forth the terms on which the resignation of the Existing Administrative Agents and the appointment of the Administrative Agent as the successor agent shall occur on the Effective Date (as defined therein).

“Aggregate Availability” means, at any time, an amount equal to (a) the lower of (i) the Aggregate Revolving Commitments and (ii) the Aggregate Borrowing Base minus (b) the Aggregate Revolving Exposure (calculated with respect to any Defaulting Lender, as if such Defaulting Lender had funded its Applicable Percentage of all outstanding Borrowings); provided that, notwithstanding anything herein to the contrary, the Aggregate Availability on the Fourth Restatement Date shall not be less than \$300,000,000.

“Aggregate Availability Trigger Amount” means, at any time, the greater of (i) ~~\$88,000,000~~ 96,000,000 and (ii) ten percent (10%) of the lesser at such time of (A) the Aggregate Revolving Commitments and (B) the Aggregate Borrowing Base.

“Aggregate Borrowing Base” means the aggregate amount of the U.S. Borrowing Base and the Canadian Borrowing Base; provided that the maximum amount of the Canadian Borrowing Base which may be included in the Aggregate Borrowing Base is the Canadian Sublimit; provided further that notwithstanding anything herein to the contrary, (i) if, prior to the Fourth Restatement Date, the Administrative Agent has not (x) completed a customary field examination and inventory appraisal or received the existing field examinations and inventory appraisals of the Borrower Representative and its applicable subsidiaries (including Anixter and its subsidiaries) and (y) received a Borrowing Base Certificate, then the Aggregate Borrowing Base shall be equal to the Temporary Borrowing Base Amount during the period from the Fourth Restatement Date until the earlier of (A) the 150th day thereafter or (B) the date of the Administrative Agent’s receipt and reasonable satisfaction with such field examination and appraisal and receipt of such Borrowing Base Certificate, and (ii) if, as of the 150th day after the Fourth Restatement Date, the Administrative Agent has not (x) completed a customary field examination and inventory appraisal of the Borrower

Representative and its applicable subsidiaries (including Anixter and its subsidiaries) and (y) received a Borrowing Base Certificate, then the Aggregate Borrowing Base shall be equal to the Minimum Borrowing Base Amount during the period from the 151st day after the Fourth Restatement Date until the date of the Administrative Agent's receipt and reasonable satisfaction with such field examination and appraisal and receipt of such Borrowing Base Certificate.

"Aggregate Credit Exposure" means, at any time, the aggregate Credit Exposure of the Lenders at such time.

"Aggregate Revolving Commitments" means, at any time, the aggregate Revolving Commitments of the Lenders at such time.

"Aggregate Revolving Exposure" means, at any time, the aggregate Revolving Exposure of the Lenders at such time.

"Alternate Base Rate" means, for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Effective Rate plus ½ of 1%, (b) the Prime Rate, and (c) the Eurodollar Rate with an Interest Period of one month plus 1.0%, provided that, for purposes of this definition, the Eurodollar Rate for any day shall be based on the LIBO Rate (or if the LIBO Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Eurodollar Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Eurodollar Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 hereof (for the avoidance of doubt, only until any amendment has become effective pursuant to Section 2.14(c) or (d)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

"Alternate Currency LIBO Rate" means, with respect to any LC Disbursement that bears interest at the Alternate Currency LIBO Rate pursuant to the terms of this Agreement, (i) the rate per annum determined by the Administrative Agent to be the offered rate which appears on the page of the Reuters Screen which displays the London interbank offered rate administered by ICE Benchmark Administration Limited for deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period in the applicable LC Alternative Currency, determined as of approximately 11:00 a.m. (London, England time), two Business Days prior to the commencement of such Interest Period, or (ii) in the event the rate referenced in the preceding clause (i) does not appear on such page or service or if such page or service shall cease to be available, the rate determined by the Administrative Agent to be the offered rate on such other page or other service which displays the Alternate Currency LIBO Rate for deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period in the applicable LC Alternative Currency, determined as of approximately 11:00 a.m. (London, England time) two Business Days prior to the commencement of such Interest Period; provided that if Alternate Currency LIBO Rates are quoted under either of the preceding clauses (i) or (ii), but there is no such quotation for the Interest Period elected, the Alternate Currency LIBO Rate shall be equal to the Interpolated Rate; provided, further, that if any such rate determined pursuant to the preceding clauses (i) or (ii) is below zero, the Alternate Currency LIBO Rate will be deemed to be zero.

"AML Legislation" has the meaning assigned to such term in Section 9.19.

"Anixter" means Anixter International Inc., a Delaware corporation.

"Anixter Acquisition" means the acquisition by Holdings, through a wholly owned subsidiary of Holdings, of Anixter and its subsidiaries pursuant to the Anixter Acquisition Agreement.

"Anixter Acquisition Agreement" means that certain Agreement and Plan of Merger by and among Holdings, Warrior Merger Sub, Inc. and Anixter International Inc., dated as of January 10, 2020.

“Anixter Acquisition Agreement Representations” means the representations and warranties made by or with respect to Anixter in the Anixter Acquisition Agreement that are material to the interests of the Lenders (but only to the extent that Holdings or its subsidiaries that are a party to the Anixter Acquisition Agreement have the right to terminate its and their obligations under the Anixter Acquisition Agreement (or to decline to consummate the Acquisition) as a result of the breach of such representations in the Anixter Acquisition Agreement).

“Anixter Loan Parties” means, collectively, Anixter and any of its Subsidiaries that are Loan Parties.

“Anixter Merger” means the merger of Anixter with and into Anixter Inc. on or about the Fourth Restatement Date, with Anixter Inc. surviving the merger as a wholly owned subsidiary of the Borrower Representative.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery, corruption or money laundering.

“Applicable Commitment Fee Rate” means 0.25% per annum.

“Applicable Percentage” means (a) in the case of any Lender, with respect to Revolving Loans, LC Exposure, Swingline Loans, or Overadvances, the percentage of the Aggregate Revolving Commitments equal to such Lender’s Revolving Commitment (or, if the Revolving Commitments have terminated or expired, such Lender’s share of the Aggregate Revolving Exposure at that time), (b) in the case of any U.S. Lender, with respect to U.S. Revolving Loans, U.S. LC Exposure, U.S. Swingline Loans, or U.S. Overadvances, a percentage of the aggregate U.S. Commitments equal to such U.S. Lender’s U.S. Commitment (or, if the U.S. Commitments have terminated or expired, such U.S. Lender’s share of the aggregate U.S. Revolving Exposure at that time) and (c) in the case of any Canadian Lender, with respect to Canadian Revolving Loans, Canadian LC Exposure, Canadian Swingline Loans, or Canadian Overadvances, a percentage of the total Canadian Commitments equal to such Canadian Lender’s Canadian Commitment (or, if the Canadian Commitments have terminated or expired, such Canadian Lender’s share of the aggregate Canadian Revolving Exposure at that time); provided that in the case of Section 2.20 when a Defaulting Lender shall exist, any such Defaulting Lender’s Revolving Commitment (or U.S. Commitment or Canadian Commitment, as applicable) shall be disregarded in any of such calculations.

“Applicable Rate” means, for any day, with respect to any Eurodollar Loan, CDOR Rate Loan, ABR Loan, Canadian Prime Rate Loan or LC Disbursement bearing interest at the Alternate Currency LIBO Rate, as the case may be, the applicable rate per annum set forth below under the caption “Eurodollar Spread, CDOR Rate Spread and Alternate Currency LIBO Spread” or “ABR Spread and Canadian Prime Rate Spread,” as the case may be, based upon Average Quarterly Availability during the most recently completed fiscal quarter of Holdings; provided that until and including the last day of the Borrowers’ first full fiscal quarter ending after the Fourth Restatement Date, the “Applicable Rate” shall be the applicable spreads set forth below for Category 1:

<u>Category</u>	<u>Average Quarterly Availability</u>	<u>Eurodollar Spread, CDOR Rate Spread and Alternate Currency LIBO Spread</u>	<u>ABR Spread and Canadian Prime Rate Spread</u>
Category 1	≥50% of the Aggregate Revolving Commitments	1.25%	0.25%
Category 2	<50% of the Aggregate Revolving Commitments	1.50%	0.50%

For purposes of the foregoing, the Applicable Rate shall be determined by the Administrative Agent as of the end of each fiscal quarter of Holdings based upon the Borrowing Base Certificates that are delivered from time to time pursuant to Section 5.01(f) during such fiscal quarter, with any changes to the Applicable Rate resulting from changes in the Average Quarterly Availability to be effective on the fifth Business Day after the end of each fiscal quarter; provided that at the request of the Administrative Agent or the Required Lenders, the Applicable Rate shall be the applicable spreads set forth above for Category 2: (A) at any time that any Event of Default has occurred and is continuing (other than an Event of Default arising from the failure to deliver any Borrowing Base Certificate) or (B) if the Borrowers fail to deliver any Borrowing Base Certificate that is required to be delivered pursuant to Section 5.01(f), during the period from the expiration of the time for delivery thereof until five Business Days after such Borrowing Base Certificate is delivered; provided further that, if any Borrowing Base Certificate is at any time restated

or otherwise revised or if the information set forth in any Borrowing Base Certificate otherwise proves to be false or incorrect such that the Applicable Rate would have been higher than was otherwise in effect during any period, without constituting a waiver of any Default or Event of Default arising as a result thereof, interest due under this Agreement shall be immediately recalculated at such higher rate for any such applicable periods and shall be due and payable on demand.

“Approved Fund” has the meaning assigned to such term in Section 9.04.

“Assigned Contracts” means, with respect to any Loan Party, collectively, all of such Loan Party’s rights and remedies under, and all moneys and claims for money due or to become due to such Loan Party under, contracts and other agreements relating to the purchase and sale of Inventory and other Goods or the rendition of services, and all Accounts related thereto, between such Loan Party and any party other than the Secured Parties, and any and all amendments, supplements, extensions, and renewals thereof, including all rights and claims of any such Loan Party now or hereafter existing: (a) under any insurance, indemnities, warranties, and guarantees provided for or arising out of or in connection with any of the foregoing agreements; (b) for any damages arising out of or for breach or default under or in connection with any of the foregoing contracts; (c) to all other amounts from time to time paid or payable under or in connection with any of the foregoing agreements; or (d) to exercise or enforce any and all covenants, remedies, powers and privileges thereunder.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, substantially in the form of Exhibit A or any other form approved by the Administrative Agent.

“Availability Period” means the period from and including the Fourth Restatement Date to but excluding the earlier of the Maturity Date and the date of termination of the Revolving Commitments.

“Available Revolving Commitment” means, at any time, the Aggregate Revolving Commitments then in effect minus the Aggregate Revolving Exposure at such time (calculated with respect to any Defaulting Lender, as if such Defaulting Lender had funded its Applicable Percentage of all outstanding Borrowings).

“Average Quarterly Availability” means, for any fiscal quarter, the average daily Aggregate Availability for such fiscal quarter. Average Quarterly Availability shall be calculated by the Borrower Representative in a manner acceptable to the Administrative Agent in its Permitted Discretion.

“Average Utilization” means, for any period, the average total daily Revolving Exposure of all Lenders during such period. Average Utilization shall be calculated by the Borrower Representative in a manner acceptable to the Administrative Agent in its Permitted Discretion.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Banking Services” means each and any of the following bank services provided to any Loan Party by any Lender or any Affiliate of a Lender (or any Person that was a Lender or an Affiliate of a Lender at the time the service was initially provided, or in the case of any services in effect on the Fourth Restatement Date, was a Lender or an Affiliate of a Lender as of such date): (a) credit cards for commercial customers (including, without limitation, “commercial credit cards” and purchasing cards), (b) stored value cards, (c) credit cards issued to employees of

Holdings and its Subsidiaries for travel, entertainment and similar expenses, (d) supply chain finance arrangements, and (e) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

“Banking Services Obligations” means any and all obligations of the Loan Parties, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

“Banking Services Reserves” means all Reserves which the Administrative Agent from time to time establishes in its Permitted Discretion for Banking Services then provided or outstanding.

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding or proposal, or has had a receiver, interim receiver, receiver and manager, monitor, sequestrator, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business, appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding, proposal or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or Canada or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality), to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Barclays” means Barclays Bank PLC and its successors.

“Benchmark Replacement” means the sum of: (a) the alternate benchmark rate (which may be a SOFR-Based Rate) that has been selected by the Administrative Agent and the Borrower Representative giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBO Rate for dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement; provided further that any such Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its reasonable discretion.

“Benchmark Replacement Adjustment” means, with respect to any replacement of LIBO Rate with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower Representative giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBO Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBO Rate with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “ABR,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

“Benchmark Replacement Date” means the earlier to occur of the following events with respect to LIBO Rate:

- (1) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of LIBO Rate permanently or indefinitely ceases to provide LIBO Rate; or
- (2) in the case of clause (c) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to LIBO Rate:

- (a) a public statement or publication of information by or on behalf of the administrator of LIBO Rate announcing that such administrator has ceased or will cease to provide LIBO Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBO Rate;
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of LIBO Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for LIBO Rate, a resolution authority with jurisdiction over the administrator for LIBO Rate or a court or an entity with similar insolvency or resolution authority over the administrator for LIBO Rate, which states that the administrator of LIBO Rate has ceased or will cease to provide LIBO Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBO Rate; or
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of LIBO Rate announcing that LIBO Rate is no longer representative.

“Benchmark Transition Start Date” means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as applicable, by notice to the Borrower Representative, the Administrative Agent (in the case of such notice by the Required Lenders) and the Lenders, which date shall be determined, in each case, in consultation with the Borrower Representative.

“Benchmark Unavailability Period” means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBO Rate and solely to the extent that LIBO Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced LIBO Rate for all purposes hereunder in accordance with Section 2.14(c) and (y) ending at the time that a Benchmark Replacement has replaced LIBO Rate for all purposes hereunder pursuant to Section 2.14(c).

“Beneficial Ownership Certification” means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan.”

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Blocking Regulations” means anti-boycott laws or regulations, including, without limitation, under section 7 of the German Foreign Trade Regulation (Außenwirtschaftsverordnung, “AWV”) (in conjunction with sections 4, 19 paragraph 3 no. 1a) of the German Foreign Trade Act (Außenwirtschaftsgesetz) and section 81 paragraph 1 no. 1 AWV, the United Kingdom Extraterritorial US Legislation (Sanctions against Cuba, Iran and Libya) (Protection of Trading Interests) Order 1996, as amended (including pursuant to the United Kingdom Extraterritorial US Legislation (Sanctions against Cuba, Iran and Libya) (Protection of Trading Interests) (Amendment) Order 2018), any provision of Council Regulation (EC) 2271/96 and any provision of Commission Delegated Regulation (EC) No. 2018/1100.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” or “Borrowers” means, individually or collectively, the U.S. Borrowers and the Canadian Borrowers.

“Borrower Representative” means WESCO Distribution, Inc., a Delaware corporation, in its capacity as contractual representative of the Borrowers pursuant to Article XI.

“Borrowing” means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans or CDOR Rate Loans, as to which a single Interest Period is in effect, (b) a Swingline Loan, (c) a Protective Advance and (d) an Overadvance.

“Borrowing Base Certificate” means a certificate, signed and certified as accurate and complete by a Financial Officer of the Borrower Representative, in substantially the form of Exhibit B or another form which is acceptable to the Administrative Agent in its Permitted Discretion (it being understood that the Borrowing Base Certificate delivered to Administrative Agent on the Fourth Restatement Date is acceptable to the Agent) setting forth the Aggregate Borrowing Base, the Canadian Borrowing Base and the U.S. Borrowing Base.

“Borrowing Request” means a request by the Borrower Representative for a Revolving Borrowing in accordance with Section 2.03 substantially in the form of Exhibit K attached hereto.

“Bridge Debt” has the meaning assigned to such term in Section 6.01(l).

“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 or any U.S. Letter of Credit denominated in an LC Alternative Currency, the term “Business Day” shall also exclude any day on which banks are not open for dealings in the applicable currency in the London interbank market; (b) when used in connection with any Canadian Dollar Loan or Canadian Letter of Credit, the term “Business Day” shall also exclude any day in which commercial banks in Toronto, Canada are authorized or required by law to remain closed; (c) in the case of any U.S. Letter of Credit denominated in Euros, the term “Business Day” shall also exclude any day which is not a TARGET Day as determined by the Administrative Agent; and (d) when used in connection with any U.S. Letter of Credit denominated in Sterling, the term “Business Day” shall also exclude any day on which commercial banks in London, England are authorized or required by law to remain closed.

“Canadian Availability” means (a) the lesser of (i) the Revolving Commitment, (ii) the Canadian Sublimit and (iii) the sum of (A) the Canadian Borrowing Base plus (B) solely to the extent the total Canadian Revolving Exposure exceeds the Canadian Borrowing Base, the U.S. Availability (if any, to the extent that it is available), minus (b) the total Canadian Revolving Exposure (calculated with respect to any Defaulting Lender, as if such Defaulting Lender had funded its Applicable Percentage of all outstanding Borrowings).

“Canadian Benefit Plans” means any plan, fund, program, or policy, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, providing employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement or savings benefits, under which any Loan Party or any Subsidiary of any Loan Party has any liability with respect to any Canadian employee or former Canadian employee, but excluding any Canadian Pension Plans.

“Canadian Blocked Person” means any Person that is a “designated person,” “politically exposed foreign person” or “terrorist group” as described in any Canadian Economic Sanctions and Export Control Laws.

“Canadian Borrower” or “Canadian Borrowers” means, individually or collectively as the context may require: (a) the entities listed on the Loan Party Schedule attached hereto under the heading “Canadian Borrowers,” (b) any entity resulting from an amalgamation between any Person referred to in the foregoing clause (a) or this clause (b) and any other Person permitted by this Agreement, and (c) any Canadian Subsidiary of Holdings that becomes a party to this Agreement as an additional borrower with the consent of the Administrative Agent after the Fourth Restatement Date pursuant to a Joinder Agreement in accordance with Section 5.13.

“Canadian Borrowing Base” means, at any time, the sum of (a) 85% of the Eligible Accounts owing to the Canadian Loan Parties (other than Intermediate Holding Companies) at such time, plus (b) the lesser of (i) 70% of the Canadian Borrowers’ Eligible Inventory, valued at the lower of cost or market value, determined on a first-in-first-out basis, at such time and (ii) the product of 90% multiplied by the Net Orderly Liquidation Value percentage identified in the most recent inventory appraisal ordered by the Administrative Agent multiplied by the Canadian Loan Parties’ (other than Intermediate Holding Companies) Eligible Inventory (determined after taking into account adjustments made in such appraisal in the calculation of the Net Orderly Liquidation Value percentage), valued at the lower of cost or market value, determined on a first-in-first-out basis, at such time, minus (c) Reserves.

“Canadian Cash Management Bank” means (a) as of the Fourth Restatement Date, each of Toronto Dominion Bank and the Bank of Nova Scotia, in their respective capacities as the depository banks for the Canadian Loan Parties, and (b) at any time after the Fourth Restatement Date, any one or more of the Canadian Lenders selected by the Canadian Loan Parties, in consultation with the Administrative Agent, to become either a successor principal depository bank or an additional depository bank for the Canadian Loan Parties; provided that, unless the Administrative Agent otherwise consents in writing, no Person shall become the successor “Canadian Cash Management Bank” unless and until such Person shall have entered into a Control Agreement with the Canadian Loan Parties and the Administrative Agent in form and substance reasonably acceptable to the Administrative Agent.

“Canadian Collection Account” means the account at Barclays (or another commercial bank in the name of the Administrative Agent and under the sole dominion and control of the Administrative Agent, and otherwise established in a manner reasonably satisfactory to the Administrative Agent), so designated by the Administrative Agent, in a written notice delivered to the Borrower Representative, to be the “Canadian Collection Account,” to which funds on deposit in Deposit Accounts (other than Excluded Accounts) maintained by the Canadian Loan Parties with the Canadian Cash Management Bank and all collections and other payments received in respect of the Accounts of the Canadian Loan Parties by the Canadian Cash Management Bank shall be remitted at all times during a Cash Dominion Period.

“Canadian Commitment” means, with respect to each Canadian Lender, the commitment, if any, of such Canadian Lender to make Canadian Revolving Loans and to acquire participations in Canadian Letters of Credit, Canadian Overadvances and Canadian Swingline Loans hereunder, expressed as an amount representing the maximum possible aggregate amount of such Canadian Lender’s Canadian Revolving Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to (a) Section 2.09 and (b) assignments by or to such Canadian Lender pursuant to Section 9.04. The initial amount of each Canadian Lender’s Canadian Commitment is set forth on the Revolving Commitment Schedule, or in the Assignment and Assumption pursuant to which such Canadian Lender shall have assumed its Canadian Commitment, as applicable. The Canadian Commitment is a sub-facility of the Revolving Commitment and is not in addition to the Revolving Commitment.

“Canadian Cross-Border Loan Guarantors” means, individually or collectively as the context may require: (a) the entities listed on the Loan Party Schedule attached hereto under the heading “Canadian Cross-Border Loan Guarantors,” and (b) any Canadian Subsidiary (other than any CFC Subsidiary or any subsidiary thereof) that after the Fourth Restatement Date guarantees (or is required to guaranty) the payment of the Canadian Obligations and the U.S. Obligations pursuant to Section 5.13.

“Canadian Dollar Loan” means any Loan denominated in Canadian Dollars bearing interest at the Canadian Prime Rate or the CDOR Rate.

“Canadian Dollars” or “Cdn\$” means the lawful currency of Canada.

“Canadian Economic Sanctions and Export Control Laws” means any Canadian laws, regulations or orders governing transactions in controlled goods or technologies or dealings with countries, entities, organizations, or individuals subject to economic sanctions and similar measures, including the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), the *Freezing Assets of Corrupt Foreign Officials Act* (Canada), Part II.1 of the *Criminal Code* (Canada) and the *Export and Import Permits Act* (Canada), and any related regulations.

“Canadian Guarantee” means, individually and collectively as the context may require (a) the Fourth Amended and Restated Canadian Guarantee Agreement dated as of the Fourth Restatement Date by the Canadian Loan Guarantors in favor of the Administrative Agent (for the benefit of the Canadian Lender Parties) in substantially the form of Exhibit F-1 attached hereto, which Fourth Amended and Restated Canadian Guarantee amends and restates in its entirety the Second Amended and Restated Canadian Guarantee dated as of the Fourth Restatement Date by the Canadian Loan Guarantors party thereto in favor of the Administrative Agent, (b) the Fourth Amended and Restated Canadian Cross-Border Guarantee Agreement dated as of the Fourth Restatement Date by the Canadian Cross-Border Loan Guarantors in favor of the Administrative Agent (for the benefit of the Lender Parties) in substantially the form of Exhibit F-2 attached hereto, which Fourth Amended and Restated Canadian Cross-Border Guarantee amends and restates in its entirety the Third Amended and Restated Canadian Cross-Border Guarantee dated as of the Fourth Restatement Date by the Canadian Cross-Border Loan Guarantors party thereto in favor of the Administrative Agent and (c) any other Guarantee agreement entered into after the Fourth Restatement Date by any Canadian Loan Party in favor of the Administrative Agent (for the benefit of the Canadian Lender Parties or, in the case of any Canadian Cross-Border Loan Guarantor, the Lender Parties) and governed by the laws of Ontario pursuant to the terms of this Agreement, or any other Loan Document, including Section 5.13, in each case, as the same may be amended, restated or otherwise modified from time to time.

“Canadian Hypothec” means, individually and collectively as the context may require, (a) the Deed of Hypothec dated on or about the Fourth Restatement Date by the Canadian Loan Parties party thereto in favor of the Administrative Agent, (b) any other deed of hypothec entered into after the Fourth Restatement Date by any Canadian Loan Party pursuant to the terms of this Agreement, or any other Loan Document, including Section 5.13, in each case, as the same may be amended, restated or otherwise modified from time to time, and (c) any Deed of Hypothec or pledge agreement and related bond executed in favor of the Existing Administrative Agent.

“Canadian LC Collateral Account” has the meaning assigned to such term in Section 2.06(k).

“Canadian LC Exposure” means, at any time, the sum of the Commercial LC Exposure and the Standby LC Exposure of the Canadian Borrowers. The Canadian LC Exposure of any Canadian Lender at any time shall be its Applicable Percentage of the total Canadian LC Exposure at such time.

“Canadian Lender Parties” means, individually and collectively as the context may require, the Administrative Agent, the Issuing Banks issuing Canadian Letters of Credit and the Canadian Lenders.

“Canadian Lenders” means the Persons listed on the Revolving Commitment Schedule as having a Canadian Commitment (provided that such Person or an Affiliate of such Person also has a U.S. Commitment) and any other Person that shall acquire a Canadian Commitment (provided that at such time such Person or an Affiliate of such Person has, or is acquiring, a U.S. Commitment pursuant to an Assignment and Assumption or becomes a lender pursuant to an Aggregate Commitment Increase in accordance with Section 2.09), other than any such Person that ceases to be a Canadian Lender pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Canadian Lenders” includes the Swingline Lender in its capacity as a lender of Canadian Swingline Loans.

“Canadian Letter of Credit” means any Letter of Credit issued hereunder for the purpose of providing credit support for the Canadian Borrowers or any Canadian Subsidiary.

“Canadian Loan Documents” means, individually and collectively as the context may require, the Canadian Guarantee, the Canadian Security Agreement, the Canadian Hypothec and all other agreements, instruments and

certificates delivered by a Canadian Loan Party, from time to time in connection therewith, in each case as amended, restated or otherwise modified from time to time.

“Canadian Loan Guarantors” means, individually or collectively as the context may require: (a) the entities listed on the Loan Party Schedule attached hereto under the heading “Canadian Loan Guarantors,” (b) each Canadian Borrower (in respect of each other Canadian Borrower’s obligations), (c) any Canadian Subsidiary or CFC Subsidiary Holding Company that, after the Fourth Restatement Date, guarantees the payment of the Canadian Obligations (but not the U.S. Obligations) pursuant to Section 5.13 and (d) the successors and assigns of the Persons described in clauses (a) through (c) of this definition, including without limitation, any entity resulting from an amalgamation between any such Person and any other Person to the extent permitted by this Agreement; provided, however, that for the avoidance of doubt, “Canadian Loan Guarantors” shall not include (i) WESCO Distribution III ULC or any of its subsidiaries or (ii) any Dutch Subsidiary.

“Canadian Loan Parties” means, individually and collectively as the context may require, the Canadian Borrowers, the Canadian Loan Guarantors and the Canadian Cross-Border Loan Guarantors.

“Canadian Loans” means, individually and collectively as the context may require, the Canadian Revolving Loans, the Canadian Swingline Loans, the Canadian Overadvances and the Canadian Protective Advances.

“Canadian Obligations” means all unpaid principal of and accrued and unpaid interest on the Canadian Loans, all Canadian LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Canadian Loan Parties to the Canadian Lenders or to any Canadian Lender, the Administrative Agent, any Issuing Bank with respect to Canadian Letters of Credit or any indemnified party arising under the Loan Documents; provided that (x) the obligations of the Canadian Cross-Border Loan Guarantors (i) as guarantors of the U.S. Obligations and (ii) under the Canadian Security Agreement to the extent such obligations relate to the U.S. Obligations and (y) any obligations of CFC Subsidiary Holding Companies, shall not constitute Canadian Obligations.

“Canadian Overadvance” has the meaning assigned to such term in Section 2.05(d).

“Canadian Overnight Rate” means the overnight interest rate per annum charged by the Bank of Canada to Canadian chartered banks.

“Canadian Pension Plans” means each pension plan required to be registered under Canadian federal or provincial law that is maintained or contributed to by a Loan Party or any Subsidiary of any Loan Party for its Canadian employees or former Canadian employees, but does not include a Canadian Union Plan, the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec, respectively.

“Canadian Prime Rate” means the per annum rate of interest established as the “prime rate” of Royal Bank of Canada which it quotes or establishes for such day as its reference rate of interest in order to determine interest rates for commercial loans made by it in Canadian Dollars in Canada which shall not be less than the one month CDOR Rate plus 1.00%, with any such rate to be adjusted automatically without notice, as of the opening of business on the effective date of any change in such rate.

“Canadian Prime Rate Loan” means a Loan denominated in Canadian Dollars the rate of interest applicable to which is based on the Canadian Prime Rate.

“Canadian Protective Advance” has the meaning assigned to such term in Section 2.04(a).

“Canadian Revolving Exposure” means, with respect to any Canadian Lender at any time, the sum of (a) the outstanding principal amount of Canadian Revolving Loans of such Canadian Lender at such time, plus (b) an amount equal to such Canadian Lender’s Applicable Percentage of the aggregate principal amount of the Canadian Swingline Loans outstanding at such time, plus (c) an amount equal to the such Canadian Lender’s Applicable Percentage of the aggregate Canadian LC Exposure outstanding at such time, plus (d) an amount equal to such Canadian Lender’s Applicable Percentage of the aggregate principal amount of the Canadian Overadvances outstanding at such time.

“Canadian Revolving Loan” means a Revolving Loan made to the Canadian Borrowers.

“Canadian Secured Obligations” means all Canadian Obligations, together with all (a) Banking Services Obligations of the Canadian Loan Parties; and (b) Swap Agreement Obligations of the Canadian Loan Parties and their Subsidiaries owing to one or more Canadian Lenders or their respective Affiliates; provided that promptly after any transaction relating to such Swap Obligation is executed, the Canadian Lender or Affiliate of a Canadian Lender party thereto (other than Barclays or its Affiliates) shall have delivered written notice to the Administrative Agent that such a transaction has been entered into and that it constitutes a Canadian Secured Obligation entitled to the benefits of the Collateral Documents in favor of the Canadian Lender Parties.

“Canadian Security Agreement” means, individually and collectively as the context may require, (a) the Fourth Amended and Restated Canadian Pledge and Security Agreement, dated as of the Fourth Restatement Date, of the Canadian Borrowers, the Canadian Loan Guarantors, WDINESCO III B.V. and Anixter Mid Holdings B.V. (solely, in the case of WDINESCO III B.V., with respect to the pledge of the Equity Interests of EECOL Electric Corp., and in the case of Anixter Mid Holdings B.V., with respect to the pledge of the Equity Interests of Anixter Canada Inc.), in favor of the Administrative Agent (for the benefit of the Canadian Lender Parties) in substantially the form of Exhibit G-1 attached hereto, which Fourth Amended and Restated Canadian Pledge and Security Agreement amends and restates in its entirety the Third Amended and Restated Canadian Pledge and Security Agreement dated as of the Third Restatement Date among the Existing Canadian Administrative Agent and the Canadian Loan Parties party thereto, (b) the Fourth Amended and Restated Canadian Cross-Border Pledge and Security Agreement, dated as of the Fourth Restatement Date, of the Canadian Cross-Border Loan Guarantors in favor of the Administrative Agent (for the benefit of the Lender Parties) in substantially the form of Exhibit G-2 attached hereto, which Fourth Amended and Restated Canadian Cross-Border Pledge and Security Agreement amends and restates in its entirety the Third Amended and Restated Canadian Cross-Border Pledge and Security Agreement dated as of the Third Restatement Date among the Existing Canadian Administrative Agent and the Canadian Cross-Border Loan Guarantors party thereto and (c) any other pledge, security agreement or hypothec entered into, after the Fourth Restatement Date, by any Canadian Loan Party pursuant to the terms of this Agreement or any other Loan Document, including Section 5.13, as the same may be amended, restated or otherwise modified from time to time.

“Canadian Sublimit” means \$500,000,000, as such amount may be decreased pursuant to Section 2.09(c) or increased pursuant to Section 2.09(g).

“Canadian Subsidiary” means any Subsidiary of Holdings organized under the laws of Canada or one of the provinces of Canada.

“Canadian Swingline Loan” means a Loan made by the Swingline Lender pursuant to Section 2.05(b).

“Canadian Union Plan” means any registered pension plan for the benefit of Canadian employees or former Canadian employees of a Loan Party or any of its Subsidiaries that is not maintained, sponsored or administered by a Loan Party or any of its Subsidiaries, but to which a Loan Party or any of its Subsidiaries is required to contribute pursuant to a collective agreement.

“Canadian U.S. Borrowing Base Utilization” means, as of any date of determination, the result (so long as it is a positive number) of (a) the total Canadian Revolving Exposure of the Canadian Lenders as of such date, minus (b) the Canadian Borrowing Base as of such date; if the result of the foregoing is a negative number, then the Canadian U.S. Borrowing Base Utilization is zero.

“Capital Expenditures” means, without duplication, any expenditure for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a consolidated balance sheet of Holdings and its Restricted Subsidiaries prepared in accordance with GAAP, but excluding in each case, any expenditure constituting the consideration paid (and transaction expenses incurred) in connection with any Permitted Acquisition.

“Capital Lease Obligations” of any Person means, subject to Section 1.04(b), 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.

“Cash Dominion Period” means the period (a) commencing on the day that either (i) a Specified Event of Default shall occur or (ii) Aggregate Availability shall fall below the Aggregate Availability Trigger Amount and (b) continuing until the date on which the Borrower Representative requests that the Cash Dominion Period cease, provided that the Borrower Representative may only request a cessation of a Cash Dominion Period if at all times during the thirty (30) consecutive days prior to such request, no Specified Event of Default has existed and Aggregate Availability has exceeded the Aggregate Availability Trigger Amount.

“CDOR Benchmark Replacement” means the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower Representative giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant CDOR Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the CDOR Rate for Canadian Dollar-denominated syndicated credit facilities and (b) the CDOR Benchmark Replacement Adjustment; provided that, if the CDOR Benchmark Replacement as so determined would be less than zero, the CDOR Benchmark Replacement will be deemed to be zero for the purposes of this Agreement; provided further that any such CDOR Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its reasonable discretion.

“CDOR Benchmark Replacement Adjustment” means, with respect to any replacement of the CDOR Rate with a CDOR Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower Representative giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the CDOR Rate with the applicable CDOR Unadjusted Benchmark Replacement by the Relevant CDOR Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the CDOR Rate with the applicable CDOR Unadjusted Benchmark Replacement for Canadian Dollar-denominated syndicated credit facilities at such time.

“CDOR Benchmark Replacement Conforming Changes” means, with respect to any CDOR Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Canadian Prime Rate,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such CDOR Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the CDOR Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

“CDOR Benchmark Replacement Date” means the earlier to occur of the following events with respect to the CDOR Rate:

- (a) in the case of clause (a) or (b) of the definition of “CDOR Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the CDOR Rate permanently or indefinitely ceases to provide the CDOR Rate; or
- (b) in the case of clause (c) of the definition of “CDOR Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

“CDOR Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the CDOR Rate:

- (a) a public statement or publication of information by or on behalf of the administrator of the CDOR Rate announcing that such administrator has ceased or will cease to provide the CDOR Rate,

permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the CDOR Rate;

- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the CDOR Rate, an insolvency official with jurisdiction over the administrator for the CDOR Rate, a resolution authority with jurisdiction over the administrator for the CDOR Rate or a court or an entity with similar insolvency or resolution authority over the administrator for LIBO Rate, which states that the administrator of the CDOR Rate has ceased or will cease to provide the CDOR Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the CDOR Rate; or
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the CDOR Rate announcing that the CDOR Rate is no longer representative.

“CDOR Benchmark Transition Start Date” means (a) in the case of a CDOR Benchmark Transition Event, the earlier of (i) the applicable CDOR Benchmark Replacement Date and (ii) if such CDOR Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an CDOR Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as applicable, by notice to the Borrower Representative, the Administrative Agent (in the case of such notice by the Required Lenders) and the Lenders, which date shall be determined, in each case, in consultation with the Borrower Representative.

“CDOR Benchmark Unavailability Period” means, if a CDOR Benchmark Transition Event and its related CDOR Benchmark Replacement Date have occurred with respect to the CDOR Rate and solely to the extent that the CDOR Rate has not been replaced with a CDOR Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no CDOR Benchmark Replacement has replaced the CDOR Rate for all purposes hereunder in accordance with Section 2.14(d) and (y) ending at the time that a CDOR Benchmark Replacement has replaced the CDOR Rate for all purposes hereunder pursuant to Section 2.14(d).

“CDOR Early Opt-in Election” means the occurrence of:

(i) a determination by the Administrative Agent or (ii) a notification by the Required Lenders to the Administrative Agent (with a copy to the Borrower Representative) that the Required Lenders have determined that Canadian dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.14(d) are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace CDOR Rate, and

(i) the election by the Administrative Agent or (ii) the election by the Required Lenders, in each case, with the consent of the Borrower Representative, to declare that a CDOR Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower Representative and the Lenders or by the Required Lenders of written notice of such election to the Administrative Agent.

“CDOR Rate” means the rate of interest per annum equal to rates for Canadian bankers’ acceptances for a term comparable to the relevant Interest Period appearing on the “Reuters Screen CDOR Page” (or comparably nationally recognized screen as determined by the Administrative Agent if the Reuters Screen CDOR Page is not available) (the “CDOR Screen Rate”) at or about 10:00 a.m. (Toronto time) two Business Days prior to the commencement of such interest period (or such date, as applicable) or, if no such screen is available, such reasonably acceptable alternative published interest rate selected by the Administrative Agent that adequately reflects the all-in-cost of funds to the Administrative Agent for funding such type of credit extension; provided, that the CDOR Rate shall at no time be less than zero.

“CDOR Rate Loan” means a Loan denominated in Canadian Dollars the rate of interest applicable to which is based on the CDOR Rate.

“CDOR Screen Rate” has the meaning assigned to such term in the definition of CDOR Rate.

“CDOR Unadjusted Benchmark Replacement” means the CDOR Benchmark Replacement excluding the CDOR Benchmark Replacement Adjustment.

“Certain Funds Provisions” has the meaning assigned to such term in Section 4.01.

“CFC Subsidiary” shall mean any Subsidiary that constitutes a controlled foreign corporation within the meaning of Section 957 of the Code.

“CFC Subsidiary Holding Company” shall mean any Subsidiary (a) that is engaged in no material business activities other than the holding of Equity Interests and other investments in one or more CFC Subsidiaries or other CFC Subsidiary Holding Companies or (b) that owns Equity Interests or other investments in one or more CFC Subsidiaries or other CFC Subsidiary Holding Companies and is disregarded for U.S. federal income tax purposes.

“Change in Control” means (a) the acquisition (whether by stock purchase, merger, amalgamation, consolidation or other transaction) of ownership, directly or indirectly, beneficially or of record, 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 Fourth Restatement Date), of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of Holdings; (b) other than pursuant to a transaction permitted under Section 6.05, cessation of ownership (directly or indirectly) by Holdings of 100% of the outstanding voting Equity Interests of the other Loan Parties on a fully diluted basis; and (c) the occurrence of any “change of control” or similar event under and as defined in any Permitted Term Loan Agreement.

“Change in Law” means the occurrence, after the Fourth Restatement Date, of any of the following: (a) the adoption of any law, rule, regulation or treaty (including any rules or regulations issued under or implementing any existing law) after the Fourth Restatement Date, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority after the Fourth Restatement Date or (c) compliance by any Lender or the Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender’s or the Issuing Bank’s holding company, if any) with any request, guideline, requirement or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Fourth Restatement Date; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted, issued or implemented.

“Class,” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Swingline Loans, Protective Advances or Overadvances.

“Clean-Up Period” means the period from the Fourth Restatement Date until the date that is 90 days after the Fourth Restatement Date.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” means any and all personal / movable property owned, leased or operated by a Person expressly described as Collateral in the Collateral Documents and any and all other personal / movable property of any Loan Party, now existing or hereafter acquired, that becomes subject, under the terms of the Collateral Documents, to a security interest, hypothec or Lien in favor of the Administrative Agent, on behalf of the Lender Parties (to secure the Secured Obligations) and the Canadian Lender Parties (to secure the Canadian Secured Obligations), as the case may

be. For clarification, Collateral does not include (a) interests in real property, Accounts sold under Receivables Securitization Agreements (including any Related Assets (as defined therein)) or Equity Interests in Excluded Subsidiaries or Unrestricted Subsidiaries, (b) any Excluded Collateral, Excluded Debt Security or Excluded Equity Interests (each, as defined in the U.S. Security Agreement), or (c) with respect to any U.S. Secured Obligation, (i) the assets of any CFC Subsidiary or (ii) more than 65% of the issued and outstanding Equity Interests of any CFC Subsidiary or CFC Subsidiary Holding Company entitled to vote (within the meaning of United States Treasury Regulations Section 1.956-2(c)(2)).

“Collateral Access Agreement” has the meaning assigned to such term in the U.S. Security Agreement.

“Collateral Documents” means, individually and collectively as the context may require, the Canadian Security Agreement, the Canadian Hypothec, the U.S. Security Agreement, each Collateral Access Agreement, each Control Agreement, each Lock Box Agreement (as defined in the U.S. Security Agreement), if any, each additional security and pledge agreement of a Loan Party entered into pursuant to the terms of this Agreement (including Section 5.13 hereof) or any other Loan Document and each other document granting a Lien upon the Collateral as security for payment of the Secured Obligations.

“Combined Availability” means, at any time, the sum of (a) Aggregate Availability and (b) Securitization Availability.

“Combined Availability Trigger Amount” means, at any time, the sum of (a) \$318,750,000 and (b) 15% of the amount (so long as it is a positive number) by which (i) the Combined Commitments at such time exceed (ii) \$2,125,000,000.

“Combined Commitments” means, at any time, the sum of (a) the Aggregate Revolving Commitments and (b) the Securitization Purchase Limit.

“Commercial LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding commercial Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements relating to commercial Letters of Credit that have not yet been reimbursed by or on behalf of the Borrowers at such time. The Commercial LC Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the total Commercial LC Exposure at such time.

“Commitment Letter” means that certain commitment letter, dated as of January 10, 2020, by and among Holdings, Barclays, Canadian Imperial Bank of Commerce, New York Branch, Fifth Third Bank, National Association, PNC Bank, National Association, PNC Capital Markets LLC, The Toronto-Dominion Bank, New York Branch, TD Securities (USA) LLC and U.S. Bank National Association, as amended by that certain amendment to commitment letter and fee letter, dated as of February 3, 2020 and that certain second amendment to commitment letter, dated as of April 27, 2020.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communications” has the meaning assigned to such term in Section 9.01(d).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Compliance Certificate” means a certificate delivered by the Borrower Representative to the Administrative Agent, substantially in the form of Exhibit C, pursuant to Section 11.06.

“Compounded SOFR” means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which may include compounding in arrears)

with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Administrative Agent in accordance with:

(a) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; or

(b) if, and to the extent that, the Administrative Agent determines that Compounded SOFR cannot be determined in accordance with clause (a) above, then the rate, or methodology for this rate, and conventions for this rate that the Administrative Agent determines in its reasonable discretion, in consultation with the Borrower Representative, are substantially consistent with any evolving or then-prevailing market convention for determining compounded SOFR for dollar-denominated syndicated credit facilities at such time;

provided that if the Administrative Agent decides that any such rate, methodology or convention determined in accordance with clause (a) or clause (b) above is not administratively feasible for the Administrative Agent, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of “Benchmark Replacement”.

“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, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Control Agreement” has the meaning assigned to such term in the U.S. Security Agreement or the Canadian Security Agreement, as applicable.

“Covered Entity” means any of the following: (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the applicable LIBO Rate Interest Period.

“Covered Party” has the meaning assigned to such term in Section 9.26.

“Credit Exposure” means, as to any Lender at any time, the sum of (a) such Lender’s Revolving Exposure at such time, plus (b) an amount equal to its Applicable Percentage, if any, of the aggregate principal amount of Protective Advances outstanding at such time.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Default Right” has the meaning assigned to such term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” means any Lender that: (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Lender Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular Default, if any) has not been satisfied; (b) has notified any Borrower or any Lender Party in writing, or has made a public statement, to the effect that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent to funding a Loan under this Agreement (specifically identified and including the particular Default, if any) cannot be satisfied) or generally under other agreements in which it

commits to extend credit; (c) has failed, within three Business Days after request by a Lender Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations as of the date of such certification) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Lender Party's receipt of such certification in form and substance reasonably satisfactory to it and the Administrative Agent; or (d) has become the subject of (i) a Bankruptcy Event or (ii) a Bail-In Action.

"Deposit Account" has the meaning set forth in Article 9 of the UCC.

"Designated Immaterial Subsidiary" has the meaning assigned to such term in Section 5.13(g).

"Designated Immaterial Subsidiary Notice" has the meaning assigned to such term in Section 5.13(g).

"Dilution Factors" shall mean, without duplication, with respect to any period, the aggregate amount of all deductions, credit memos, returns, adjustments, allowances, bad debt write-offs and other non-cash credits which are recorded to reduce accounts receivable in a manner consistent with current and historical accounting practices of the Borrowers.

"Dilution Ratio" shall mean, at any date, the amount (expressed as a percentage) equal to (a) the aggregate amount of the applicable Dilution Factors for the three (3) most recently ended fiscal months divided by (b) total gross sales for the three (3) most recently ended fiscal months.

"Dilution Reserve" shall mean, at any date, the applicable Dilution Ratio multiplied by the Eligible Accounts.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.06.

"Dividing Person" has the meaning assigned to such term in the definition of "Division."

"Division" means the division of the assets, liabilities and/or obligations of a Person (the "Dividing Person") among two or more Persons (whether pursuant to a "plan of division" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

"Division Successor" means any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

"Document" has the meaning assigned to such term in the U.S. Security Agreement.

"Dollar Amount" means (a) with regard to any Obligation or calculation denominated in dollars, the amount thereof, and (b) with regard to any Obligation or calculation denominated in any other currency, the amount of dollars which is equivalent to the amount so expressed in such currency at the Exchange Rate on the relevant date of determination.

"dollars" or "\$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means, with respect to any Person, each subsidiary of such Person that is organized under the laws of the United States, any State of the United States or the District of Columbia other than any such subsidiary that is also a direct or indirect subsidiary of a CFC Subsidiary or of a CFC Subsidiary Holding Company.

"Dutch Subsidiary" means any Subsidiary of Holdings organized under the laws of the Netherlands.

"Early Opt-in Election" means the occurrence of:

- (1) (i) a determination by the Administrative Agent or (ii) a notification by the Required Lenders to the Administrative Agent (with a copy to the Borrower Representative) that the Required Lenders have determined that dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.14(c) are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace LIBO Rate, and
- (2) (i) the election by the Administrative Agent or (ii) the election by the Required Lenders, in each case, with the consent of the Borrower Representative, to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower Representative and the Lenders or by the Required Lenders of written notice of such election to the Administrative Agent.

“EBITDA” means, for any period, Net Income for such period plus (a) without duplication and to the extent deducted in determining Net Income for such period, the sum of (i) Interest Expense for such period, (ii) income tax expense for such period, (iii) all amounts attributable to depreciation and amortization expense for such period, (iv) amortized debt discount, (v) any non-cash losses or non-cash charges for such period that relate to the write-down or write-off of inventory to the extent such non-cash charges or non-cash losses do not exceed \$10,000,000 in the aggregate during such period, (vi) any other non-cash losses or non-cash charges for such period (but excluding any non-cash charge in respect of an item that was included in Net Income in a prior period), (vii) charges and expenses incurred in connection with the Transactions and the other transactions related thereto and any amendments, waivers or consents with respect to the Loan Documents, (viii) charges and expenses incurred in connection with any actual or proposed Acquisition, disposition or Investment or any actual or proposed offering of securities, incurrence or repayment of Indebtedness or amendment to any agreement relating to Indebtedness, including any refinancing thereof, in each case whether or not consummated, provided, that the aggregate amount added back pursuant to this clause (a)(viii) shall not exceed an amount equal to 20% of EBITDA (calculated prior to giving effect to such addbacks) during such period and (ix) any reasonable, documented severance, relocation, consolidation, closing, integration, facilities opening, business optimization, transition or restructuring costs, charges or expenses (including any costs or expenses associated with any expatriate); provided, that the aggregate amount added back pursuant to clause (a)(ix) shall not exceed an amount equal to 15% of EBITDA (calculated prior to such addbacks); and, minus (b) without duplication and to the extent included in Net Income, (i) income tax credits and refunds, (ii) interest income, (iii) any cash payments made during such period in respect of non-cash charges described in clause (a)(v) taken in a prior period, (iv) any non-cash gains and non-cash items of income for such period that relate to any write-up of inventory to the extent such non-cash gains and non-cash income does not exceed \$10,000,000 in the aggregate during such period, and (v) any other non-cash gains and non-cash items of income for such period, all calculated for Holdings and its Restricted Subsidiaries on a consolidated basis in accordance with GAAP. If during any period for which EBITDA is being determined, Holdings or any Restricted Subsidiary shall have consummated any Acquisition, then for all purposes of this Agreement, in the case of any Acquisition, EBITDA shall be determined on a pro forma basis as if such Acquisition had been consummated on the first day of such period, taking into account such adjustments as are consistent with the standards set forth in Rule 11-02(b)(6) of Regulation S-X; provided that such pro forma adjustments are acceptable to the Administrative Agent in its Permitted Discretion.

“ECP” means an “eligible contract participant” as defined in Section 1(a)(18) of the Commodity Exchange Act or any regulations promulgated thereunder and the applicable rules issued by the Commodity Futures Trading Commission and/or the SEC.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Electronic System” means any electronic system, including e-mail, e-fax, Intralinks®, ClearPar®, Debt Domain, Syndtrak and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent and the Issuing Bank and any of its respective Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

“Eligible Accounts” means, at any time, all Accounts created in the ordinary course of business; provided that Eligible Accounts shall not include any Account:

(a) which is not subject to a first priority perfected Lien in favor of the Administrative Agent (for the benefit of the Lender Parties to secure the Secured Obligations, or for the benefit of the Canadian Lender Parties to secure the Canadian Secured Obligations, as the case may be); provided that Accounts comprising Eligible Securitization Receivables shall not be subject to a Lien in favor of the Administrative Agent;

(b) which is subject to any Lien other than (i) a Lien in favor of the Administrative Agent (for the benefit of the Lender Parties to secure the Secured Obligations, or for the benefit of the Canadian Lender Parties to secure the Canadian Secured Obligations, as the case may be), and (ii) a Permitted Encumbrance which does not have priority over the Lien in favor of the Administrative Agent (for the benefit of the Lender Parties or the Canadian Lender Parties, as the case may be); provided that Accounts comprising Eligible Securitization Receivables shall be subject to Liens in favor of the financial institutions which are purchasers (i.e. lenders) under the Receivables Securitization Agreements;

(c) in the case of any Account originated by a U.S. Loan Party, (i) with respect to which the scheduled due date is more than 90 days after the original invoice date, (ii) which is unpaid more than 120 days after the date of the original invoice therefor or more than 90 days after the original due date, or (iii) which has been written off the books of the applicable U.S. Loan Party or otherwise designated as uncollectible; provided that Accounts of the U.S. Loan Parties in an aggregate amount not exceeding 7.5% of the lesser of (x) the Aggregate Revolving Commitments and (y) the Aggregate Borrowing Base, shall not be deemed ineligible by reason of this clause (c) so long as (A) the scheduled due date thereof is more than 90 but less than 121 days after the original invoice date, (B) such Accounts remain unpaid for more than 120 but less than 151 days after the date of the original invoice therefor or more than 90 but less than 121 days after the original due date, and (C) such Accounts have not been written off the books of the applicable U.S. Loan Party or otherwise designated as uncollectible;

(d) in the case of any Account originated by a Canadian Loan Party, (i) with respect to which the scheduled due date is more than 60 days after the original invoice date, (ii) which is unpaid more than 90 days after the date of the original invoice therefor or more than 60 days after the original due date, or (iii) which has been written off the books of the applicable Canadian Loan Party or otherwise designated as uncollectible, provided that Accounts of the Canadian Loan Parties in an aggregate amount not exceeding 7.5% of the aggregate amount of all Eligible Accounts (as determined without giving effect to this proviso) of the Canadian Loan Parties shall not be deemed ineligible by reason of this clause (d) so long as (A) the scheduled due date thereof is more than 60 but less than 91 days after the original invoice date, (B) such Accounts remain unpaid for more than 90 but less than 121 days after the date of the original invoice therefor or more than 60 but less than 91 days after the original due date, and (C) such Accounts have not been written off the books of the applicable Canadian Loan Party or otherwise designated as uncollectible;

(e) which is owing by an Account Debtor for which more than 50% of the Accounts owing from such Account Debtor and its Affiliates are ineligible hereunder;

(f) which is owing by an Account Debtor to the extent the aggregate amount of Accounts owing from such Account Debtor and its Affiliates to any Loan Party or to WESCO Receivables exceeds 20% of the aggregate amount of Eligible Accounts (for clarification, only the amount of Accounts in excess of such percentage shall be deemed ineligible under this clause (f));

(g) with respect to which any covenant, representation, or warranty contained in this Agreement, the U.S. Security Agreement, or in the Canadian Security Agreement, as applicable, has been breached and not cured or is not true in any material respect;

(h) which (i) does not arise from the sale of goods or performance of services in the ordinary course of business, (ii) is not evidenced by an invoice or other documentation satisfactory to the Administrative Agent in its Permitted Discretion which has been sent to the Account Debtor, (iii) represents a progress billing (which term, for greater certainty, shall not include sales in connection with an ongoing project where each sale represents a separate billable sale), (iv) is contingent upon any Loan Party's completion of any further performance, (v) represents a sale on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment, cash-on-delivery or any other repurchase or return basis or (vi) relates to payments of interest;

(i) for which the goods giving rise to such Account have not been shipped to the Account Debtor or its designee or for which the services giving rise to such Account have not been performed by the applicable Loan Party that originated such Account or if such Account was invoiced more than once;

(j) [intentionally omitted];

(k) which is owed by an Account Debtor which has (i) applied for, suffered, or consented to the appointment of any receiver, interim receiver, custodian, trustee, monitor, administrator, sequestrator or liquidator of its assets, (ii) has had possession of all or a material part of its property taken by any receiver, interim receiver, custodian, trustee, monitor, administrator, sequestrator or liquidator, (iii) filed, or had filed against it, any request or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as bankrupt, winding-up, or voluntary or involuntary case under any state, provincial, territorial or federal bankruptcy laws (other than post-petition accounts payable of an Account Debtor that is a debtor-in-possession under the Bankruptcy Code or other bankruptcy or insolvency laws and reasonably acceptable to the Administrative Agent), (iv) has admitted in writing its inability, or is generally unable to, pay its debts as they become due, (v) become insolvent, or (vi) ceased operation of its business;

(l) [intentionally omitted];

(m) which is owed by an Account Debtor which (i) does not maintain a principal place of business in the U.S. or Canada or (ii) is not organized under applicable law of the U.S., any state of the U.S., Canada, or any province of Canada unless, in either case, such Account is backed by a Letter of Credit acceptable to the Administrative Agent in its Permitted Discretion and which is in the possession of, and is directly drawable by, the Administrative Agent;

(n) which is owed in any currency other than dollars or Canadian Dollars;

(o) which is owed by (i) any Governmental Authority of any country other than the U.S. unless such Account is backed by a Letter of Credit acceptable to the Administrative Agent which is in the possession of, and is directly drawable by, the Administrative Agent, or (ii) any Governmental Authority of the U.S., or any department, agency, public corporation, or instrumentality thereof, unless the Federal Assignment of Claims Act of 1940, as amended (31 U.S.C. § 3727 et seq. and 41 U.S.C. § 15 et seq., the "Assignment of Claims Act") has been complied with to the Administrative Agent's satisfaction in its Permitted Discretion, or (iii) the federal government of Canada, unless the *Financial Administration Act* (Canada), as amended, has been complied with to the Administrative Agent's satisfaction in its Permitted Discretion and any other steps necessary to perfect the Lien of the Administrative Agent in such Account have been complied with to the Administrative Agent's satisfaction in its Permitted Discretion; provided, that, Accounts owed by the government of the U.S. (or any department, agency, public corporation or instrumentality thereof) or the federal government of Canada in an aggregate amount not in excess of an amount equal

to five percent (5%) of the aggregate amount of Eligible Accounts as of any relevant date of determination shall not be excluded from "Eligible Accounts" pursuant to this clause (o);

(p) which is owed by any Affiliate, employee, officer, director, agent or stockholder of any Loan Party;

(q) which is owed by an Account Debtor or any Affiliate of such Account Debtor to which any Loan Party is indebted, but only to the extent of such indebtedness, or is subject to any security, deposit, progress payment, retainage or other similar advance made by or for the benefit of an Account Debtor, in each case to the extent thereof;

(r) which is subject to any counterclaim, deduction, defense, setoff or dispute but only to the extent of any such counterclaim, deduction, defense, setoff or dispute;

(s) which is evidenced by any promissory note, chattel paper, or instrument;

(t) which is owed by an Account Debtor located in any jurisdiction which requires filing of a "Notice of Business Activities Report" or other similar report in order to permit the applicable Loan Party or WESCO Receivables to seek judicial enforcement in such jurisdiction of payment of such Account, unless such Loan Party or WESCO Receivables, as applicable, has filed such report or qualified to do business in such jurisdiction, or which is a Sanctioned Person;

(u) with respect to which such Loan Party or WESCO Receivables has made any agreement with the Account Debtor for any reduction thereof, other than discounts and adjustments given in the ordinary course of business, or any Account which was partially paid and such Loan Party or WESCO Receivables created a new receivable for the unpaid portion of such Account;

(v) which does not comply in all material respects with the requirements of all applicable laws and regulations, whether federal, state, provincial, territorial or local, including without limitation the Federal Consumer Credit Protection Act, the Federal Truth in Lending Act and Regulation Z of the Board;

(w) which is for goods that have been sold under a purchase order or pursuant to the terms of a contract or other agreement or understanding (written or oral) that indicates or purports that any Person other than such Loan Party has an ownership interest in such goods, or which indicates any party other than such Loan Party as payee or remittance party;

(x) which was created on cash on delivery terms; or

(y) which the Administrative Agent determines may not be paid by reason of the Account Debtor's inability to pay or which the Administrative Agent otherwise determines, in its Permitted Discretion, is unacceptable.

In determining the amount of an Eligible Account, the face amount of an Account may, in the Administrative Agent's Permitted Discretion, be reduced by, without duplication, to the extent not reflected in such face amount, (i) the amount of all accrued and actual discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances (including any amount that such Loan Party may be obligated to rebate to an Account Debtor pursuant to the terms of any agreement or understanding (written or oral)) and (ii) the aggregate amount of all cash received in respect of such Account but not yet applied by such Loan Party or WESCO Receivables to reduce the amount of such Account. Notwithstanding anything to the contrary set forth herein, the Administrative Agent shall not (x) change the standards of eligibility set forth herein to make such standards more restrictive, (y) exclude from Eligible Accounts any Account that meets the eligibility standards set forth herein other than pursuant to clause (y) above, or (z) exclude any Account pursuant to clause (y) above, unless, in each such case, the Administrative Agent shall have provided the Borrower Representative not less than five (5) Business Days advance notice of such change or exclusion.

"Eligible Inventory" means, at any time, the Inventory of any Loan Party that sells goods to customers in the ordinary course of business; provided that Eligible Inventory shall not include any Inventory:

(a) which is not subject to a first priority perfected Lien in favor of the Administrative Agent (for the benefit of the Lender Parties to secure the Secured Obligations, or for the benefit of the Canadian Lender Parties to secure the Canadian Secured Obligations, as the case may be);

(b) which is subject to any Lien other than (i) a Lien in favor of the Administrative Agent (for the benefit of the Lender Parties to secure the Secured Obligations, or for the benefit of the Canadian Lender Parties to secure the Canadian Secured Obligations, as the case may be) and (ii) a Permitted Encumbrance which does not have priority over the Lien in favor of the Administrative Agent (for the benefit of the Lender Parties or the Canadian Lender Parties, as the case may be);

(c) which has remained unsold for twelve (12) consecutive months (or such longer period as Administrative Agent may determine in its permitted discretion), or for which there is more than a twelve (12) month (or such longer period as the Administrative Agent may determine in its Permitted Discretion) supply of inventory on hand unless an appropriate U.S. Borrowing Base Reserve or Canadian Borrowing Base Reserve, as applicable for such unsold / excess inventory has been established by the Administrative Agent;

(d) with respect to which (i) any covenant contained in this Agreement, the U.S. Security Agreement or any Canadian Security Agreement has been breached and not cured or (ii) any representation or warranty contained in this Agreement, the U.S. Security Agreement, or the Canadian Security Agreement is not true and correct in all material respects (provided that such materiality qualifier shall not be applicable to any representations and warranties that are already qualified or modified by materiality in the text thereof) and which does not conform to all standards imposed by any applicable Governmental Authority;

(e) in which any Person other than such Loan Party shall (i) have any direct or indirect ownership, interest (other than with respect to interests described in clause (b) of the definition of Permitted Encumbrances) or title to such Inventory or (ii) be indicated on any purchase order or invoice with respect to such Inventory as having or purporting to have an interest therein;

(f) which is not finished goods or is not goods held for sale or which constitutes work in process, samples, prototypes, displays or display items, bill and hold or ship in place goods, goods that are returned or marked for return, repossessed goods, defective or damaged goods, goods held on consignment or goods which are not of a type held for sale in the ordinary course of business; provided, that Inventory constituting work in process having a value not in excess of \$5,000,000 in the aggregate at any time shall not be excluded from "Eligible Inventory" pursuant to this clause (f);

(g) which is in transit with a common carrier from vendors and suppliers or is not located in: (i) the U.S. with respect to Inventory owned by a U.S. Loan Party; or (ii) Canada with respect to Inventory owned by a Canadian Loan Party, except that Inventory in transit between U.S. locations, between U.S. locations and Canadian locations, and between Canadian locations of the Loan Parties shall not be excluded from "Eligible Inventory" pursuant to this clause (g) so long as the Administrative Agent's Liens have been perfected at origin and destination;

(h) which is located in any location leased by such Loan Party unless (i) the lessor has delivered to the Administrative Agent a Collateral Access Agreement or (ii) an appropriate Rent Reserve has been established by the Administrative Agent in its Permitted Discretion;

(i) which is located in any third party warehouse or is in the possession of a bailee (other than a third party processor) and is not evidenced by a Document, unless (i) such warehouseman or bailee has delivered to the Administrative Agent a Collateral Access Agreement and such other documentation as the Administrative Agent may require or (ii) an appropriate reserve has been established by the Administrative Agent in its Permitted Discretion;

(j) which is being processed offsite at a third party location or outside processor, or is in-transit to or from said third party location or outside processor;

(k) which is located at any customer location; provided that Inventory having a value not in excess of \$70,000,000 in the aggregate at any time shall not be excluded from "Eligible Inventory" pursuant to this clause (k)

so long as such Inventory is located at a customer location acceptable to the Administrative Agent in its Permitted Discretion;

(l) which is the subject of a consignment by such Loan Party as consignor;

(m) which is perishable;

(n) which contains or bears any intellectual property rights licensed to such Loan Party unless the Administrative Agent in its Permitted Discretion is satisfied that it may sell or otherwise dispose of such Inventory without (i) infringing the rights of such licensor, (ii) violating any contract with such licensor, or (iii) incurring any liability with respect to payment of royalties other than royalties incurred pursuant to sale of such Inventory under the current licensing agreement;

(o) which is not reflected in a current perpetual inventory report of such Loan Party or other report acceptable to the Administrative Agent in its Permitted Discretion;

(p) for which reclamation rights have been asserted by the seller;

(q) which is located at any location where the aggregate value of all Inventory of the Loan Parties is less than \$100,000; or

(r) which the Administrative Agent otherwise determines, in its Permitted Discretion, is unacceptable.

Notwithstanding anything to the contrary set forth herein, the Administrative Agent shall not (x) change the standards of eligibility set forth herein to make such standards more restrictive, (y) exclude from Eligible Inventory any Inventory that meets the eligibility standards set forth herein other than pursuant to clause (r) above, or (z) exclude any Inventory pursuant to clause (r) above, unless, in each such case, the Administrative Agent shall have provided the Borrower Representative not less than five (5) Business Days advance notice of such change or exclusion.

“Eligible Securitization Receivables” means Eligible Accounts that have been sold to WESCO Receivables pursuant to the Receivables Securitization Agreements; provided that no such Accounts shall be Eligible Securitization Receivables unless (i) the Administrative Agent shall have determined, based on the results of the most recent field examination of the Accounts of the Loan Parties and WESCO Receivables conducted by the Administrative Agent, that the Loan Parties and WESCO Receivables are in compliance with Section 5.14, (ii) the Administrative Agent shall have obtained a first priority pledge of 100% of the equity interests of WESCO Receivables, and (iii) the Administrative Agent, WESCO Receivables and PNC Bank National Association shall have entered into a Control Agreement with respect to the master collection account of WESCO Receivables maintained at PNC Bank National Association into which all proceeds of Accounts sold to WESCO Receivables are required to be remitted under the terms of the Receivables Securitization Agreements.

“Environmental Laws” means all laws, rules, regulations, codes and ordinances and binding orders, decrees, judgments, injunctions, notices or agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters with respect to exposure to any Hazardous Materials.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Loan Party or any Subsidiary directly or indirectly resulting from or based upon (a) any violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) any exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with a Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or Section 4001(14) of ERISA or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event,” as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30day notice period is waived); (b) the failure to satisfy the “minimum funding standard” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by any Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by any 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 any Borrower or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal of any Borrower or any ERISA Affiliate from any Plan or Multiemployer Plan; or (g) the receipt by any Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Borrower or any ERISA Affiliate of any notice, concerning the imposition upon any Borrower or any ERISA Affiliate 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.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“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 Eurodollar Rate.

“Eurodollar Rate” means for any Interest Period as to any Eurodollar Loan, (i) the rate per annum determined by the Administrative Agent to be the offered rate which appears on the page of the Reuters Screen which displays the London interbank offered rate administered by ICE Benchmark Administration Limited (such page currently being the LIBO RATE01 page) (the “LIBO Rate”) for deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period in dollars, determined as of approximately 11:00 a.m. (London, England time), two Business Days prior to the commencement of such Interest Period, or (ii) in the event the rate referenced in the preceding clause (i) does not appear on such page or service or if such page or service shall cease to be available, the rate determined by the Administrative Agent to be the offered rate on such other page or other service which displays the LIBO Rate for deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period in dollars, determined as of approximately 11:00 a.m. (London, England time) two Business Days prior to the commencement of such Interest Period; provided that if LIBO Rates are quoted under either of the preceding clauses (i) or (ii), but there is no such quotation for the Interest Period elected, the LIBO Rate shall be equal to the Interpolated Rate; and provided, further, that if any such rate determined pursuant to the preceding clauses (i) or (ii) is less than zero, the Eurodollar Rate will be deemed to be zero.

“Event of Default” has the meaning assigned to such term in Article VII.

“Exchange Rate” means the rate at which any currency (the “Original Currency”) may be exchanged into dollars, Euros or another currency (the “Exchanged Currency”), as set forth on such date on the relevant Reuters screen at or about 11:00 a.m. (London, England time) on such date. In the event that such rate does not appear on the Reuters screen, the “Exchange Rate” with respect to such Original Currency into such Exchanged Currency shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent (or the Issuing Bank, if applicable) and the Borrower Representative or, in the absence of

such agreement, such “Exchange Rate” shall instead be the Administrative Agent’s (or the Issuing Bank’s, if applicable) spot rate of exchange in the interbank market where its foreign currency exchange operations in respect of such Original Currency are then being conducted, at or about 11:00 a.m. (local time), on such date for the purchase of the Exchanged Currency, with such Original Currency for delivery two Business Days later; provided, that, if at the time of any such determination, no such spot rate can reasonably be quoted, the Administrative Agent (or the Issuing Bank, if applicable) may use any reasonable method as it deems applicable to determine such rate, and such determination shall be conclusive absent manifest error.

“Excluded Accounts” means, collectively, (a) any Deposit Account of any Loan Party which is used exclusively for the payment of payroll, payroll taxes, employee benefits or escrow deposits or to maintain client postage advances, and (b) any other Deposit Account or Securities Account of any Loan Party, so long as the aggregate amount of available funds on deposit in such Deposit Account or the aggregate value of all cash, investment property and other financial assets in such Securities Account, as applicable, does not at any time exceed \$5,000,000 for more than five (5) consecutive Business Days, provided that the sum of (i) the aggregate amount of available funds on deposit in all Deposit Accounts under this clause (b) plus (ii) the aggregate value of all cash, investment property and other financial assets in all Securities Accounts under this clause (b) does not at any time exceed \$20,000,000.

“Excluded Subsidiary” means (a) any Foreign Subsidiary (other than any Foreign Subsidiary which is, or pursuant to the terms hereof is required to be, a party to the Canadian Security Agreement, the Canadian Guarantee or the U.S. Security Agreement), (b) any Immaterial Domestic Subsidiary (other than a Designated Immaterial Subsidiary), (c) any Immaterial Canadian Subsidiary (other than a Designated Immaterial Subsidiary), (d) any Dutch Subsidiary (other than WDINESCO II B.V., WDINESCO III B.V. and Anixter Mid Holdings B.V.) or (e) any Subsidiary of any Person described in any of the foregoing clauses (a) through (d).

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an ECP at the time the Guarantee of such Guarantor or the grant of such security interest becomes or would become effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

“Excluded Taxes” means, with respect to any payment made by any Loan Party under any Loan Document, any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office located or, in the case of any Lender, its applicable lending office being located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal or Canadian federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan, Letter of Credit or Revolving Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan, Letter of Credit or Revolving Commitment (other than pursuant to an assignment request by a Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17(a), amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.17(f), (d) any withholding Taxes imposed under FATCA and (e) any withholding Tax that a Lender is required to pay or incur pursuant to Part XIII of the ITA that (i) would not have been imposed had the Recipient and the payor of the amount been dealing with each other at arms’ length; or (ii) that arises because a dividend is deemed to be received by a Recipient in accordance with subsection 214(16) or subsection 214(17) of the ITA, in each case, except where (i) the non-arm’s length relationship arises or (ii) the Recipient is (or is deemed to be) a “specified non-resident shareholder” or does not deal at arm’s length with a “specified shareholder” a Loan Party, on account of the Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or enforced this Agreement or any other Loan Document.

“Existing Administrative Agents” has the meaning assigned to such term in the recitals of this Agreement.

“Existing Canadian Administrative Agent” has the meaning assigned to such term in the recitals of this Agreement.

“Existing Canadian Letters of Credit” means the letters of credit listed on Schedule 2.06 hereto.

“Existing Credit Agreement” has the meaning assigned to such term in the recitals of this Agreement.

“Existing Lenders” has the meaning assigned to such term in the recitals of this Agreement.

“Existing Letters of Credit” means the Existing Canadian Letters of Credit and the Existing U.S. Letters of Credit.

“Existing Loan Documents” means the “Loan Documents” as defined in the Existing Credit Agreement.

“Existing U.S. Administrative Agent” has the meaning assigned to such term in the recitals of this Agreement.

“Existing U.S. Letters of Credit” means the letters of credit listed on Schedule 2.06 hereto.

“FATCA” means Sections 1471 through 1474 of the Code, as of the Fourth Restatement Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code and any applicable intergovernmental agreements with respect thereto and applicable fiscal or regulatory legislation rules, practices or other official implementing guidance thereunder or pursuant to such intergovernmental agreements.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the Federal Reserve Bank of New York based on such day’s federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; provided, that if the Federal Funds Effective Rate for any day is less than zero, the Federal Funds Effective Rate for such day will be deemed to be zero.

“Federal Reserve Bank of New York’s Website” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Fee Letter” means that certain fee letter, dated as of January 10, 2020, by and among Holdings, Barclays, Canadian Imperial Bank of Commerce, New York Branch, Fifth Third Bank, National Association, PNC Bank, National Association, PNC Capital Markets LLC, The Toronto-Dominion Bank, New York Branch, TD Securities (USA) LLC, and U.S. Bank National Association, as amended by that certain amendment to commitment letter and fee letter, dated as of February 3, 2020.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer, assistant treasurer or corporate controller of a Borrower or other officer so designated by the Borrower.

“First Amendment” means that certain [First Amendment to Fourth Amended and Restated Credit Agreement, dated as of December 14, 2020, by and among the Borrowers, the Lenders party thereto and the Administrative Agent.](#)

“Fixed Charge Coverage Ratio” means, for any period of four consecutive fiscal quarters, the ratio of (a) EBITDA for such period to (b) Fixed Charges for such period, all calculated for Holdings and its Restricted Subsidiaries on a consolidated basis in accordance with GAAP.

“Fixed Charge Coverage Trigger Event” means any day on which either (a) a Specified Event of Default shall occur or (b) Aggregate Availability shall fall below the Aggregate Availability Trigger Amount.

“Fixed Charge Coverage Trigger Period” means the period (a) commencing on the occurrence of a Fixed Charge Coverage Trigger Event and (b) continuing until the date on which Aggregate Availability has exceeded the Aggregate Availability Trigger Amount for thirty (30) consecutive days and no Specified Event of Default exists.

“Fixed Charges” means, with reference to any period, without duplication, (i) cash Interest Expense, plus (ii) scheduled cash principal payments on Indebtedness made during such period (excluding (A) any scheduled payment on Indebtedness to the extent funded with additional Indebtedness permitted under Section 6.01 and (B) principal payments in respect of (x) the Revolving Loans or (y) Indebtedness owing under the Receivables Securitization Agreements), plus (iii) expense for taxes paid in cash for such period, plus (iv) Restricted Payments made by Holdings and paid in cash during such period, plus (v) Capital Lease Obligation payments and unfinanced Capital Expenditures made in cash made during such period (other than any such Capital Lease Obligation payments or Capital Expenditures to the extent that such Capital Lease Obligation payments or Capital Expenditures are made with proceeds from (A) any sale of assets permitted by this Agreement, (B) sale of Equity Interests permitted by this Agreement (other than in connection with the Anixter Acquisition), (C) tradeins of machinery, equipment or motor vehicles or (D) insurance covering any loss or damage to Collateral), all calculated for Holdings and its Restricted Subsidiaries on a consolidated basis in accordance with GAAP.

“Foreign Banking Services” means each and any of the following bank services provided to one or more of Holdings’ Foreign Subsidiaries by any Lender or any Affiliate of a Lender (or any Person that was a Lender or an Affiliate of a Lender at the time the service was initially provided, or in the case of any services in effect on the Fourth Restatement Date, was a Lender or an Affiliate of a Lender as of such date) solely in connection with or related to Foreign Credit Extensions extended by such Lender or its Affiliates to such Foreign Subsidiaries of Holdings: (a) credit cards for commercial customers (including, without limitation, “commercial credit cards” and purchasing cards), (b) stored value cards, (c) credit cards issued to employees of Holdings’ Foreign Subsidiaries for travel, entertainment and similar expenses, (d) supply chain finance arrangements, and (e) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and depository network services).

“Foreign Banking Services Obligations” of Holdings’ Foreign Subsidiaries means any and all obligations of such Foreign Subsidiaries, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Foreign Banking Services.

“Foreign Credit Extensions” means credit extended by any Lender (or any of its affiliates) to one or more of Holdings’ Foreign Subsidiaries, including Letters of Credit issued for the accounts of Holdings’ Foreign Subsidiaries (other than Letters of Credit issued under this Agreement), working capital and other loans made by any Lender (or any of its Affiliates) to Holdings’ Foreign Subsidiaries, guarantees by Barclays or any Lender (or any of its Affiliates) of indebtedness of Holdings’ Foreign Subsidiaries, international trade instruments issued or guaranteed by any Lender (or any of its affiliates) for the accounts of Holdings’ Foreign Subsidiaries, or other similar extensions of credit by any Lender (or any of its Affiliates) to Holdings’ foreign subsidiaries.

“Foreign Credit Reserves” means reserves (in an amount of dollars constituting the Dollar Amount of the currency in which such credit extension is denominated) established by the Administrative Agent in its Permitted Discretion in respect of Foreign Credit Extensions.

“Foreign Subsidiary” means, with respect to any Person, each subsidiary of such Person that is not a Domestic Subsidiary or a Canadian Subsidiary of such Person.

“Funding Accounts” has the meaning assigned to such term in Section 4.01(g).

“Fourth Restatement Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

“GAAP” means generally accepted accounting principles in the United States of America; provided, however, that with respect to any determination involving a Canadian Loan Party on a standalone basis, “GAAP” means generally accepted accounting principles in Canada.

“Governmental Authority” means the government of the United States of America, Canada, any other nation or any political subdivision thereof, whether state, provincial, territorial, or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity 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.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, 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 or wastes in each case above as regulated pursuant to any Environmental Law.

“Holdings” means WESCO International, Inc., a Delaware corporation.

“IBA” has the meaning assigned to such term in Section 1.06.

“IFRS” means the body of pronouncements issued by the International Accounting Standards Board (IASB), including International Financial Reporting Standards and interpretations approved by the IASB, International Accounting Standards and Standing Interpretations Committee interpretations approved by the predecessor International Accounting Standards Committee and adapted for use in the European Union.

“Immaterial Canadian Subsidiary” means any Canadian Subsidiary, whether existing as of the Fourth Restatement Date or formed or acquired thereafter, (i) the revenues of which, as of end of any fiscal year, for the period of four consecutive fiscal quarters then ended, were less than 5% of the consolidated revenues of Holdings and its Domestic Subsidiaries and Canadian Subsidiaries which are Restricted Subsidiaries for such period and (ii) the consolidated assets of which, as of end of any fiscal year, were less than 5% of the consolidated total assets of Holdings and its Domestic Subsidiaries and Canadian Subsidiaries which are Restricted Subsidiaries as of the end of such fiscal year, in each case as reflected on the most recent annual or quarterly consolidated financial statements of Holdings and its Subsidiaries.

“Immaterial Domestic Subsidiary” means any Domestic Subsidiary, whether existing as of the Fourth Restatement Date or formed or acquired thereafter, (i) the revenues of which, as of end of any fiscal year, for the period of four consecutive fiscal quarters then ended, were less than 5% of the consolidated revenues of Holdings and its Domestic Subsidiaries and Canadian Subsidiaries which are Restricted Subsidiaries for such period and (ii) the consolidated assets of which, as of end of any fiscal year, were less than 5% of the consolidated total assets of Holdings and its Domestic Subsidiaries and Canadian Subsidiaries which are Restricted Subsidiaries as of the end of such fiscal year, in each case as reflected on the most recent annual or quarterly consolidated financial statements of Holdings and its Subsidiaries.

“Immaterial Foreign Subsidiary” means any Foreign Subsidiary, whether existing as of the Fourth Restatement Date or formed or acquired thereafter (i) the revenues of which, as of end of any fiscal year, for the period of four consecutive fiscal quarters then ended, were less than 5% of the consolidated revenues of Holdings and its

Domestic Subsidiaries and Canadian Subsidiaries which are Restricted Subsidiaries for such period and (ii) the consolidated assets of which, as of end of any fiscal year, were less than 5% of the consolidated total assets of Holdings and its Domestic Subsidiaries and Canadian Subsidiaries which are Restricted Subsidiaries as of the end of such fiscal year, in each case as reflected on the most recent annual or quarterly consolidated financial statements of Holdings and its Subsidiaries.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (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 current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be 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, (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, (j) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, (k) all obligations of such Person under any liquidated earn-out to the extent such obligations remain unpaid after becoming due and owing, (l) Swap Agreement Obligations of such Person (measured as provided in the definition of “Material Indebtedness”) other than those related to a Permitted TEU Purchase Contract, Permitted TEU Capped Call Transaction or a Permitted Forward and (m) any other Off-Balance Sheet Liability of such Person. 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 (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in the foregoing clause (a), Other Taxes.

“Indemnitee” has the meaning assigned to such term in Section 9.03(b).

“Intercompany Guarantee” means a guaranty by any Loan Party of an Intercompany Obligation of another Loan Party.

“Intercompany Loan” means a loan or advance made by one Loan Party to another Loan Party, whether or not evidenced by a promissory note or other instrument.

“Intercompany Note” means any promissory note or other instrument evidencing an Intercompany Obligation.

“Intercompany Obligation” means any liability or obligation, contingent or otherwise, of one or more Loan Parties to one or more other Loan Parties, whether in respect of an Intercompany Loan or an Intercompany Guarantee, or in respect of property or other goods sold or delivered or for services rendered, or under a conditional sale or other title retention agreement, and, in each case, whether or not evidenced by an Intercompany Note.

“Interest Election Request” means a request by the Borrower Representative to convert or continue a Revolving Borrowing in accordance with Section 2.08.

“Interest Expense” means, with reference to any period, total interest expense (whether cash or non-cash interest expense and including interest expense attributable to Capital Lease Obligations) of Holdings and its Restricted Subsidiaries for such period with respect to all outstanding Indebtedness of Holdings and its Restricted Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such

net costs are allocable to such period in accordance with GAAP), calculated on a consolidated basis for Holdings and its Restricted Subsidiaries for such period in accordance with GAAP.

“Interest Payment Date” means (a) with respect to any ABR Loan and Canadian Prime Rate Loan (other than a Swingline Loan), the first Business Day of each April, July, October and January for the immediately prior quarter and the Maturity Date, and (b) with respect to any Eurodollar Loan or CDOR Rate 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 or a CDOR Rate Borrowing with an Interest Period of more than three months’ duration, each 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 and the Maturity Date.

“Interest Period” means with respect to: (a) 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, as the Borrower Representative may elect, and (b) any CDOR Rate Borrowing, the period commencing on the date of such Borrowing and ending on the date that is one, two, three or six months thereafter, as the Borrower Representative may elect; provided, that, in each case, (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, in the case of a CDOR Rate Borrowing or a Eurodollar Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Intermediate Holding Company” means a Subsidiary which has no Indebtedness (other than pursuant to the Loan Documents or intercompany Indebtedness to Holdings or any Restricted Subsidiary of Holdings not prohibited by Section 6.01) and holds no material assets other than Equity Interests in another Subsidiary.

“Interpolated Rate” means, in relation to the LIBO Rate, the rate which results from interpolating on a linear basis between:

- (a) the applicable LIBO Rate for the longest period (for which that LIBO Rate is available) which is less than the Interest Period of that Loan; and
 - (b) the applicable LIBO Rate for the shortest period (for which that LIBO Rate is available) which exceeds the Interest Period of that Loan,
- each as of approximately 11:00 a.m. (London, England time) two Business Days prior to the commencement of such Interest Period of that Loan.

“Inventory” has the meaning assigned to such term in the U.S. Security Agreement.

“Investment” means, for any Person: (a) the acquisition (whether for cash, property, services or securities or otherwise) of capital stock, bonds, notes, debentures, partnership, limited liability company or other ownership interests or other securities of any other Person or any agreement to make any such acquisition (including any “short sale” or any sale of any securities at a time when such securities are not owned by the Person entering into such short sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person); or (c) the entering into of any Guarantee of, or other contingent obligation with respect to, Indebtedness or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person. Notwithstanding the foregoing, Capital Expenditures shall not be deemed “Investments” for purposes hereof.

“IRS” means the United States Internal Revenue Service.

“Issuing Bank” means individually and collectively (a) with respect to U.S. Letters of Credit, each of Barclays, Bank of America N.A., Canadian Imperial Bank of Commerce, New York Branch, Citizens Bank, Fifth Third Bank, National Association, HSBC Bank USA, National Association, JPMorgan Chase Bank, N.A., PNC Bank, National Association, The Bank of Nova Scotia, TD Bank, N.A., U.S. Bank National Association and Wells Fargo Bank, National Association, and any other Lender proposed by the Borrower Representative that has agreed to act as an Issuing Bank with respect to U.S. Letters of Credit and is reasonably acceptable to the Administrative Agent, each in its capacity as an issuer of U.S. Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(j) and (b) with respect to Canadian Letters of Credit, each of Barclays, Bank of America N.A., Canadian Imperial Bank of Commerce, New York Branch, Citizens Bank, Fifth Third Bank, National Association, HSBC Bank USA, National Association, JPMorgan Chase Bank, N.A., PNC Bank, National Association, The Bank of Nova Scotia, TD Bank, N.A., U.S. Bank National Association and Wells Fargo Bank, National Association, and any other Lender proposed by the Borrower Representative that has agreed to act as an Issuing Bank with respect to Canadian Letters of Credit and is reasonably acceptable to the Administrative Agent, each in its capacity as an issuer of Canadian Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(j). The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Banks” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. At any time there is more than one Issuing Bank, all singular references to the Issuing Bank shall mean any Issuing Bank, either Issuing Bank, each Issuing Bank, the Issuing Bank that has issued the applicable Letter of Credit, or both (or all) Issuing Banks, as the context may require.

“ITA” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended.

“Joinder Agreement” has the meaning assigned to such term in Section 5.13.

“LC Aggregate Maximum Amount” means \$175,000,000.

“LC Alternative Currency” means any lawful currency (other than dollars or Canadian Dollars) acceptable to the Issuing Banks and which is freely transferable and convertible into dollars in the United States or London currency market, as applicable, and is freely available to the applicable Issuing Bank in the London interbank deposit market.

“LC Alternative Currency Sublimit” means \$50,000,000.

“LC Collateral Account” has the meaning assigned to such term in Section 2.06(k).

“LC Disbursement” means a payment made by the Issuing Bank pursuant to a Letter of Credit, provided that, with respect to any component of any such amount in an LC Alternative Currency under a U.S. Letter of Credit, such amount shall be the Dollar Amount thereof.

“LC Exposure” means, at any time, the sum of the U.S. LC Exposure and the Canadian LC Exposure.

“LC Individual Sublimit” means (a) \$5,000,000 for Barclays, in its capacity as an Issuing Bank, (b) 15,000,000 for Bank of America N.A. in its capacity as an Issuing Bank, (c) \$5,000,000 for Canadian Imperial Bank of Commerce, New York Branch in its capacity as an Issuing Bank, (d) \$5,000,000 for Citizens Bank in its capacity as an Issuing Bank, (e) \$10,000,000 for HSBC Bank USA, National Association in its capacity as an Issuing Bank, (f) \$5,000,000 for JPMorgan Chase Bank, N.A., in its capacity as an Issuing Bank, (g) \$20,000,000 for The Bank of Nova Scotia in its capacity as an Issuing Bank, (h) \$5,000,000 for Fifth Third Bank, National Association in its capacity as an Issuing Bank, (i) \$5,000,000 for PNC Bank, National Association, in its capacity as an Issuing Bank, (j) \$5,000,000 for TD Bank, N.A., in its capacity as an Issuing Bank, (k) \$5,000,000 for U.S. Bank National Association in its capacity as an Issuing Bank, (l) \$40,000,000 for Wells Fargo Bank, National Association in its capacity as an Issuing Bank, and (m) with respect to any other Issuing Bank, such amount agreed to by the Borrowers and such Issuing Bank; provided that, at the request of the Borrowers, any Issuing Bank may, in its sole discretion, without the necessity of obtaining the consent of the Administrative Agent or any Lender, elect to increase its LC Individual Sublimit in an amount not to exceed the Revolving Commitment of the applicable Lender so long as after giving effect to such increase, the aggregate LC Individual Sublimit of all Issuing Banks does not exceed the LC Aggregate Maximum Amount; provided, further that the foregoing sublimits apply to the applicable Lender and its Affiliates.

“LCT Election” has the meaning assigned to such term in Section 1.08.

“LCT Specified Transaction” has the meaning assigned to such term in Section 1.08.

“LCT Test Date” has the meaning assigned to such term in Section 1.08.

“Lender Parties” means, individually and collectively as the context may require, the Administrative Agent, the Lenders and the Issuing Banks.

“Lenders” means, individually and collectively as the context may require, the Canadian Lenders and the U.S. Lenders. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lenders.

“Letter of Credit” means any letter of credit issued pursuant to this Agreement.

“LIBO Rate” has the meaning assigned to such term in the definition of Eurodollar Rate.

“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.

“Limited Condition Transaction” means any Investment the consummation of which is not conditioned on the availability of, or on obtaining, third party financing.

“Liquidity” means, at any time, the sum of (a) Combined Availability and (b) unrestricted cash held at such time in Deposit Accounts subject to Control Agreements.

“Loan Documents” means, individually and collectively as the context may require, this Agreement, any promissory notes issued pursuant to this Agreement, any Letter of Credit applications, the Collateral Documents, each Loan Guaranty, each Canadian Guarantee, the Receivables Intercreditor Agreement, any Permitted Term Debt Intercreditor Agreement, the Affiliate Subordination Agreement and each additional guaranty entered into by a Canadian Loan Party pursuant to Section 5.13, and all other agreements, instruments, documents and certificates identified in Section 4.01 executed and delivered to, or in favor of, the Administrative Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices, letter of credit agreements, letter of credit applications and any agreements between the Borrower Representative and the Issuing Bank regarding the Issuing Bank’s LC Individual Sublimit or the respective rights and obligations between the applicable Borrower and the Issuing Bank in connection with the issuance by the Issuing Bank of Letters of Credit, and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to the Administrative Agent or any Lender in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“Loan Guarantor” means (a) with respect to the U.S. Obligations, each U.S. Borrower, each U.S. Loan Guarantor and any other Person that becomes a U.S. Loan Guarantor pursuant to Section 5.13; and (b) with respect to the Canadian Obligations, each Loan Party and any other Person that becomes a Loan Guarantor pursuant to Section 5.13.

“Loan Guaranty” means (a) each U.S. Loan Party Guaranty and (b) each other separate Guarantee in form and substance reasonably satisfactory to the Administrative Agent delivered by each Loan Guarantor that is a Foreign

Subsidiary of Holdings (provided, that any Guarantee provided by a Foreign Subsidiary of Holdings shall be governed by the laws of the country in which such Foreign Subsidiary is located), as the same may be amended or modified and in effect from time to time.

“Loan Parties” means, individually and collectively as the context may require, the U.S. Loan Parties and the Canadian Loan Parties.

“Loans” means the loans and advances made by the Lenders pursuant to this Agreement, including Swingline Loans, Overadvances and Protective Advances.

“Lock Box” means a postal lock box established by any Person with any banking institution, securities intermediary or other financial institution.

“MaxCell Patents” means domestic and international patents and patents pending associated with the fabric innerduct and conduit divider system known as MaxCell.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, operations or financial condition, of Holdings and its Subsidiaries taken as a whole, (b) the ability of the Loan Parties, taken as a whole, to perform any of their obligations under the Loan Documents to which they are a party, (c) the Collateral, the Administrative Agent’s Liens (for the benefit of the Lender Parties or the Canadian Lender Parties, as the case may be) on the Collateral or the priority of such Liens (this clause (c) to be taken as a whole), or (d) the rights of or benefits available to the Administrative Agent, any Issuing Bank or the Lenders under any of the Loan Documents.

“Material Indebtedness” means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of Holdings and its Restricted Subsidiaries in an aggregate principal amount exceeding \$50,000,000. For purposes of determining Material Indebtedness, the “obligations” of any Loan Party or any Restricted Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Loan Party or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Maturity Date” means the earliest of: (a) the Scheduled Maturity Date, (b) the date that is 91 days prior to the final scheduled maturity date of the 2021 Senior Notes unless as of such 91st day (i) not more than \$50,000,000 of 2021 Senior Notes remain outstanding, (ii) the Borrower Representative has received a binding commitment to refinance the 2021 Senior Notes on or prior to the maturity date of the 2021 Senior Notes (subject only to reasonable and customary conditions) so that upon receipt of the net proceeds thereof not more than \$50,000,000 of 2021 Senior Notes will remain outstanding and such refinancing is permitted by this Agreement and matures no earlier than 91 days after the Scheduled Maturity Date or (iii) there shall exist Reserves in an amount equal to or greater than the amount remaining outstanding under the 2021 Senior Notes and Liquidity shall be at least \$250,000,000; (c) the date that is 91 days prior to the final scheduled maturity date of the 2024 Senior Notes unless as of such 91st day (i) not more than \$50,000,000 of 2024 Senior Notes remain outstanding, (ii) the Borrower Representative has received a binding commitment to refinance the 2024 Senior Notes on or prior to the maturity date of the 2024 Senior Notes (subject only to reasonable and customary conditions) so that upon receipt of the net proceeds thereof not more than \$50,000,000 of 2024 Senior Notes will remain outstanding and such refinancing is permitted by this Agreement and matures no earlier than 91 days after the Scheduled Maturity Date or (iii) there shall exist Reserves in an amount equal to or greater than the amount remaining outstanding under the 2024 Senior Notes and Liquidity shall be at least \$250,000,000; (d) the date that is 91 days prior to the final scheduled maturity date of the 2025 Senior Notes unless as of such 91st day (i) not more than \$50,000,000 of 2025 Senior Notes remain outstanding, (ii) the Borrower Representative has received a binding commitment to refinance the 2025 Senior Notes on or prior to the maturity date of the 2025 Senior Notes (subject only to reasonable and customary conditions) so that upon receipt of the net proceeds thereof not more than \$50,000,000 of 2025 Senior Notes will remain outstanding and such refinancing is permitted by this Agreement and matures no earlier than 91 days after the Scheduled Maturity Date or (iii) there shall exist Reserves in an amount equal to or greater than the amount remaining outstanding under the 2025 Senior Notes and Liquidity shall be at least \$250,000,000; and (e) the final scheduled maturity date of any Bridge Debt, unless on such maturity date (i) all such Bridge Debt is refinanced with Indebtedness that is permitted by this agreement and matures no earlier than 91 days after the Scheduled Maturity Date or (ii) none of such Bridge Debt remains outstanding. For purposes of this definition, “refinance” shall include any transaction that has the effect of extending the maturity date.

“Minimum Borrowing Base Amount” means (i) from the date that is 151 days after the Fourth Restatement Date to the date that is 180 days after the Fourth Restatement Date, the greater of (x) \$1,100,000,000 and (y) an amount equal to the sum of (A) the Aggregate Borrowing Base for Holdings and its Subsidiaries immediately prior to the Fourth Restatement Date; provided, for the purposes of such calculation, that (1) “70%” in the definitions of Canadian Borrowing Base and U.S. Borrowing Base shall in each case be deemed to be “55%,” (2) “85%” in the definition of Canadian Borrowing Base shall be deemed to be “70%” and (3) clause (b) of the definition of U.S. Borrowing Base shall be revised in its entirety to “85% of the Securitization Additional Availability” and (B) an amount equal to the sum of 65% of Eligible Accounts of the Anixter Loan Parties and 35% of Eligible Inventory of the Anixter Loan Parties and (ii) as of the date that is 180 days after the Fourth Restatement Date and thereafter, zero.

“Moody’s” means Moody’s Investors Service, Inc.

“Monthly Financial Statement Trigger Period” means the period (a) commencing on the day that (i) an Event of Default occurs or (ii) Combined Availability falls below the Combined Availability Trigger Amount; and (b) continuing until the date on which, at all times during the preceding thirty (30) consecutive days, (i) no Event of Default has existed and (ii) Combined Availability has been greater than the Combined Availability Trigger Amount.

“Monthly Reporting Trigger Period” means any period (a) commencing on the day that Aggregate Credit Exposure shall have been greater than or equal to 20% of the lesser at such time of (i) the Aggregate Revolving Commitments and (ii) the Aggregate Borrowing Base for three (3) consecutive Business Days and (b) continuing until the date on which Aggregate Credit Exposure shall have been less than 20% of the lesser at such time of (i) the Aggregate Revolving Commitments and (ii) the Aggregate Borrowing Base for 365 consecutive days. For the avoidance of doubt, the parties acknowledge and agree that as of the Fourth Restatement Date, a Monthly Reporting Trigger is not in effect.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Income” means, for any period, the consolidated net income (or loss) of Holdings and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with Holdings or any of its Restricted Subsidiaries, (b) the income (or deficit) of any Person (other than a Restricted Subsidiary) in which Holdings or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by Holdings or a Restricted Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary is prohibited by the terms of any contractual obligation (other than under any Loan Document) or Requirement of Law applicable to such Restricted Subsidiary.

“Net Orderly Liquidation Value” means, with respect to Inventory of any Person, the orderly liquidation value thereof as determined in a manner acceptable to the Administrative Agent in its Permitted Discretion by an appraiser reasonably acceptable to the Administrative Agent, net of all costs of liquidation thereof.

“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 non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, (ii) in the case of a casualty, insurance proceeds and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid to third parties (other than Affiliates) 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 a condemnation or similar proceeding), the amount of all payments required to be made 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 (iii) the amount of all taxes paid (or reasonably estimated to be payable) and the amount of any reserves established 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 a Financial Officer).

“Non-Consenting Lender” has the meaning assigned to such term in Section 9.02(d).

“Non-U.S. Lender” means a Lender that is not a U.S. Person.

“Obligations” means, individually and collectively as the context may require, the U.S. Obligations and the Canadian Obligations.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Off-Balance Sheet Liability” of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any indebtedness, liability or obligation under any so-called “synthetic lease” transaction entered into by such Person, or (c) any indebtedness, liability or obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person (other than operating leases).

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than a connection arising from such Recipient having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan Document).

“Other Taxes” means any present or future stamp, court, documentary, intangible, recording, filing or similar excise or property Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the registration, receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment under Section 2.19(b)).

“Overadvances” means, individually and collectively as the context may require, the U.S. Overadvances and the Canadian Overadvances.

“Parent” means, with respect to any Lender, the Person as to which such Lender is, directly or indirectly, a subsidiary.

“Participant” has the meaning set forth in Section 9.04.

“Participant Register” has the meaning set forth in Section 9.04.

“Payment Conditions” shall be deemed to be satisfied with respect to a transaction if:

(a) no Default has occurred and is continuing or would result immediately after giving effect to such transaction;

(b) for the period of thirty (30) consecutive days prior to, and as of the date of, such transaction, in each case, after giving effect to such transaction, Combined Availability exceeds the Combined Availability Trigger Amount; provided that (A) in calculating Combined Availability for the thirty day period prior to such transaction for purposes of this clause (b), Combined Availability for such thirty day period shall be determined on a pro forma basis, as if such transaction had occurred (and any Revolving Loans or loans, transfers or sales made under the Receivables Securitization Agreements to fund such transaction had been made) on the first day of such period and (B), if at any time during such thirty day period, Combined Availability shall be less than the Combined Availability Trigger Amount and (x) the Borrowers shall raise additional capital through the issuance of Equity Interests by Holdings or the incurrence of Indebtedness permitted under Section 6.01 and utilize a portion of the proceeds of such additional capital raise to pay down outstanding Revolving Loans or outstanding amounts owing under the Receivables Securitization Agreements or (y) the Aggregate Revolving Commitments are increased pursuant to Section 2.09(e) hereof or the Securitization Purchase Limit is increased pursuant to the Receivables Securitization Agreements, for purposes of determining whether the Borrowers have met the foregoing test, Combined Availability shall be determined on a pro forma basis, as if such capital raise and pay down of outstanding Revolving Loans or amounts owing under the

Receivables Securitization Agreements or such increase in the Aggregate Revolving Commitments or Securitization Purchase Limit, as applicable, had occurred on the first day of such thirty day period;

(c) immediately after giving effect to such transaction, the Fixed Charge Coverage Ratio (calculated for the period of four consecutive fiscal quarters then most recently ended as if such transaction had been made on the first day of such period) shall be not less than 1.1 to 1.0;

(d) in connection with any incurrence of Indebtedness, any sale, transfer or other disposition (or series of related sales, transfers or other dispositions), any Investment (or series of related Investments) or any Restricted Payment (or series of related Restricted Payments) in an aggregate amount in excess of \$50,000,000, the Borrower Representative shall have delivered to the Administrative Agent a written certification as to (and reasonably detailed calculations of) the Fixed Charge Coverage Ratio demonstrating compliance with the foregoing clause (c) and of Combined Availability demonstrating compliance with the foregoing clause (b), which certification and calculations shall be reasonably satisfactory in form and detail to the Administrative Agent.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Pension Event” means: (a) the whole or partial withdrawal of a Canadian Loan Party from a Canadian Pension Plan during a plan year; or (b) the filing of a notice of interest to terminate in whole or in part a Canadian Pension Plan or the treatment of a Canadian Pension Plan amendment as a termination or partial termination; or (c) the institution of proceedings by any Governmental Authority to terminate in whole or in part or have a trustee appointed to administer a Canadian Pension Plan; or (d) any other event or condition which might reasonably constitute grounds for the termination of, winding up or partial termination of winding up or the appointment of trustee to administer, any Canadian Pension Plan.

“Permitted Acquisition” means, subject to Section 1.08, any Acquisition by any Borrower or Loan Guarantor in a transaction that satisfies each of the following requirements: (a) such Acquisition is not a hostile acquisition or contested by the Person to be acquired; (b) both before and after giving effect to such Acquisition, each of the representations and warranties in the Loan Documents is true and correct in all material respects (or if such representation or warranty relates to an earlier date, as of such earlier date) (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the context thereof); (c) at the time of, and immediately after giving effect to the consummation of such Acquisition, the conditions set forth in clauses (a), (b) and (d) of the definition of Payment Conditions are satisfied with respect to such Acquisition; (d) in the case of any Acquisition for Total Consideration in excess of \$350,000,000, (i) as soon as available, but not less than ten (10) days (or such shorter period as may be agreed to by the Administrative Agent in its Permitted Discretion) prior to such Acquisition, the Borrowers have provided the Administrative Agent with notice of such Acquisition and a summary of the material terms of such Acquisition and (ii) as soon as available, but not less than five (5) days (or such shorter period as may be agreed to by the Administrative Agent in its Permitted Discretion) prior to such Acquisition, the Borrowers shall have provided the Administrative Agent with a copy of all available business and financial information reasonably requested by Administrative Agent (in each case, to the extent available) including pro forma financial statements, statements of cash flow, and Aggregate Availability, Canadian Availability and U.S. Availability projections; and (e) to the extent the acquirer is a Loan Party, a material portion of the assets being acquired are located within the United States or Canada, or the Person whose Equity Interests are being acquired is organized in a jurisdiction located within the United States or Canada; provided that, notwithstanding anything herein to the contrary, the Borrowers may designate any Acquisition that would otherwise qualify as a Permitted Acquisition but for the foregoing clause (e) as a Permitted Acquisition so long as the aggregate Total Consideration for all Permitted Acquisitions so designated pursuant to this proviso does not exceed \$75,000,000. Unless otherwise consented to in writing by the Administrative Agent, in no event will assets acquired pursuant to a Permitted Acquisition constitute assets eligible for inclusion in the Aggregate Borrowing Base prior to completion of a field examination and other due diligence acceptable to Administrative Agent in its Permitted Discretion; provided that with respect to any Permitted Acquisition as to which the aggregate value of the assets being acquired by any U.S. Loan Party or Canadian Loan Party is less than 5% of the Aggregate Borrowing Base, respectively (each determined prior to giving effect to any inclusion of any such assets in the Aggregate Borrowing Base, as applicable), Accounts or Inventory acquired in connection with such Permitted Acquisition which would otherwise constitute Eligible Accounts

and Eligible Inventory may be included in the Aggregate Borrowing Base, as applicable, without a field examination for a period of ninety (90) days after the consummation of such Permitted Acquisition, it being understood that, unless otherwise agreed by the Administrative Agent in its Permitted Discretion, such Accounts and Inventory will cease to be included in the Aggregate Borrowing Base from and after the 90th day after the consummation of such Permitted Acquisition if the Administrative Agent has not received a field examination and other due diligence acceptable to the Administrative Agent by such 90th day.

“Permitted Discretion” means a determination made in good faith and in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment.

“Permitted Encumbrances” means:

(a) Liens imposed by law for (i) Taxes, assessments or other governmental charges that are not yet due, or (ii) Taxes, assessments or other governmental charges in an aggregate amount not in excess of \$50,000,000 that are overdue by not more than 30 days;

(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 60 days or are being contested in compliance with Section 5.04;

(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) deposits 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 (l) of Article VII; and

(f) easements, zoning restrictions, rights-of-way and similar 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 materially interfere with the ordinary conduct of business of any Borrower or any Subsidiary;

provided that the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness except with respect to clause (e) above (to the extent that any such judgment constitutes Indebtedness).

“Permitted Forward” means any Swap Agreements relating to forward sales of the common stock of any Loan Party pursuant to an effective registration statement of such Loan Party filed with the SEC (including any prospectus related thereto).

“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 Canada (or by any agency thereof to the extent such obligations are backed by the full faith and credit of such government), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 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 Canada or any State or province thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000 or any Lender or an Affiliate of a Lender;

(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) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and AAA by Moody's, and (iii) have portfolio assets of at least \$500,000,000; and

(f) other Investments that are similar to the foregoing, are of comparable credit quality and are customarily used by companies in such jurisdiction for cash management purposes or approved by the Administrative Agent.

“Permitted Lien” means any Lien permitted under Section 6.02.

“Permitted Term Debt Agent” means any person acting as administrative agent or collateral agent pursuant to Permitted Term Debt Documents.

“Permitted Term Debt” shall have the meaning assigned to such term in Section 6.01(x).

“Permitted Term Debt Documents” means each Permitted Term Loan Agreement, each Permitted Term Debt Security Document, and each other “loan document,” “credit document” or document included in a similar term under and as defined in any such Permitted Term Loan Agreement (other than any Permitted Term Debt Intercreditor Agreement).

“Permitted Term Debt Intercreditor Agreement” means any Intercreditor Agreement(s) executed and delivered after the Fourth Restatement Date by the Administrative Agent, any Permitted Term Debt Agent and the Borrower Representative in connection with any Permitted Term Debt in form and substance reasonably acceptable to the Administrative Agent (including, without limitation, any Intercreditor Agreement in substantially the form attached hereto as Exhibit I, with such changes as shall be agreed upon among the parties thereto), providing, among other things, that (i) the Liens of the Administrative Agent on the ABL Priority Collateral shall be senior to the Liens of the Permitted Term Debt Agent on the ABL Priority Collateral and (ii) the Liens of the Permitted Term Debt Agent on the Term Loan Priority Collateral shall be senior to the Liens of the Administrative Agent on the Term Loan Priority Collateral.

“Permitted Term Debt Security Documents” means any security documents, collateral documents or other similar documents entered into by any of the Loan Parties in connection with any Permitted Term Loan Agreement to create or perfect Liens on assets of the Loan Parties as security for the Permitted Term Debt, and any other documents that are designated under any Permitted Term Loan Agreement as “Term Loan Security Documents” for purposes of a Permitted Term Debt Intercreditor Agreement.

“Permitted Term Loan Agreement” means any credit agreement, loan agreement or other similar definitive document entered into by any Loan Party after the Fourth Restatement Date with respect to the Permitted Term Debt.

“Permitted TEU Capped Call Transaction” means any Swap Agreement in the form of a capped call option pursuant to which Holdings acquires an option requiring the counterparty thereto to deliver to Holdings shares of Holdings' common stock (or other securities or property following a merger event or other change in the common stock of Holdings) from time to time upon exercise of such option entered into by Holdings in connection with the issuance of customary tangible equity units; provided that (i) the terms, conditions and covenants of each such Swap Agreement shall be customary for swap agreements of such type as determined by the Borrower Representative in good faith and (ii) the purchase price for such Permitted TEU Capped Call Transaction does not exceed the net proceeds received by Borrower Representative from the issuance of the related tangible equity units.

“Permitted TEU Purchase Contract” means one or more purchase contracts of Holdings that obligates Holdings to deliver a variable number of shares of Holdings’ common stock (or other securities or property following a merger event or other change in the common stock of Holdings) initially issued as a component of customary tangible equity units; provided that the terms, conditions and covenants of such purchase contracts must be customary for purchase contracts of such type (as determined by the Borrower Representative in good faith).

“Person” means any natural person, corporation, limited liability company, unlimited 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.

“Plan Asset Regulations” means 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

“Pledged Cash” means cash of the Loan Parties (a) which has been pledged to the Administrative Agent as security for the Obligations and in which the Administrative Agent has a perfected, first priority Lien (subject to Permitted Encumbrances with respect to any Pledged Cash domiciled in a bank account in Canada and statutory liens in favor of the depository bank), and (b) which is on deposit in one or more segregated Deposit Accounts (which for avoidance of doubt shall not include any operating account of any Loan Party) maintained with Barclays or another commercial bank in the name of the Administrative Agent and under the sole dominion and control of the Administrative Agent (other than in the case of a bank account in Canada), each of which segregated Deposit Accounts is subject to a Control Agreement among Barclays or such bank (as applicable), as depositary, the Administrative Agent and the applicable Loan Party, which Control Agreement provides the Administrative Agent with exclusive dominion and full control over such Deposit Account and all cash held therein and does not permit the Loan Parties to make withdrawals from or otherwise give instructions with respect to the investment or disposition of the cash held in such Deposit Account.

“PPSA” means the *Personal Property Security Act* (Ontario), including the regulations thereto and related Minister’s Orders, provided that if perfection or the effect of perfection or nonperfection or the priority of any Lien created hereunder or under any other Loan Document on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in a jurisdiction in Canada other than the Province of Ontario, “PPSA” means the Personal Property Security Act or such other applicable legislation in effect from time to time in such other jurisdiction in Canada (including the Civil Code of Quebec) for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“Preferred Equity” means preferred stock issued by WESCO International, Inc. in accordance with the terms of the Anixter Acquisition Agreement.

“Prepayment Event” means:

(a) any sale, transfer or other disposition (including pursuant to a sale and leaseback transaction) of any ABL Priority Collateral of any Loan Party, other than dispositions described in Section 6.05(a), (b), (c), (e), (f), (g), (h), (i), (j), (k), (l), (m), (p), (r) and (s); or

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any ABL Priority Collateral of any Loan Party.

“Prepayment Notice” means a notice by the Borrower Representative regarding a prepayment in accordance with Section 2.11 substantially in the form of Exhibit K attached hereto.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the

Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent).

“Priority Payables Reserve” means reserves for amounts secured by any Liens, choate or inchoate, which rank or are capable of ranking in priority to the Administrative Agent’s or any other Canadian Lender Parties’ Liens, including without limitation, in the Permitted Discretion of the Administrative Agent, any such amounts due and not paid for wages, vacation pay, amounts due and not paid under any legislation relating to workers’ compensation or to employment insurance, all amounts deducted or withheld and not paid and remitted when due under the ITA, amounts currently or past due and not paid for realty, municipal or similar taxes (to the extent impacting personal or moveable property) and all amounts currently or past due and not contributed, remitted or paid to or under any Canadian Pension Plan or under the Canada Pension Plan, the *Pension Benefits Act* (Ontario) or any similar legislation, other than amounts included in the Wage Earner Protection Act Reserve.

“Proceeds of Crime Act” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended from time to time, and including all regulations thereunder.

“Projections” has the meaning assigned to such term in Section 5.01(e).

“Protective Advance” means, individually and collectively as the context may require, the U.S. Protective Advances and the Canadian Protective Advances.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant Loan Guaranty or grant of the relevant security interest becomes or would become effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Real Estate Subsidiaries” means WESCO Real Estate I, LLC, WESCO Real Estate II, LLC, WESCO Real Estate III, LLC, and WESCO Real Estate IV, LLC, each of which is a Delaware limited liability company.

“Receivables Intercreditor Agreement” means (i) that certain Intercreditor Agreement, dated as of the Fourth Restatement Date, by and among the Administrative Agent, the Borrower Representative, WESCO Receivables and PNC Bank National Association as receivables agent, as the same may be amended, supplemented or otherwise modified from time to time and (ii) any other similar Intercreditor Agreement(s) executed and delivered after the Fourth Restatement Date by the Administrative Agent in connection with the Receivables Securitization Agreements.

“Receivables Securitization” means the transactions contemplated by the Receivables Securitization Agreements.

“Receivables Securitization Agreements” means (a) that certain Fifth Amended and Restated Receivables Purchase Agreement, dated as of the Fourth Restatement Date, among WESCO Receivables, as seller, the Borrower Representative, as servicer, the purchasers from time to time party thereto, and PNC Bank National Association, as administrator, (b) that certain Second Amended and Restated Purchase and Sale Agreement, dated as of the Fourth Restatement Date, among WESCO Receivables, the Borrower Representative and the other parties from time to time party thereto, and (c) all other documents executed or delivered in connection therewith, in each case, as amended, restated, supplemented, modified, renewed, refinanced or replaced from time to time in accordance with Section 6.11 (including, for greater certainty, amendments, renewals, refinancings and replacements which increase the maximum amount available under such facilities which are not prohibited by Section 6.11).

“Recipient” means (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, as applicable.

“Register” has the meaning set forth in Section 9.04.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Relevant CDOR Governmental Body” means the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada or any successor thereto.

“Rent Reserve” means with respect to any leased facility, warehouse, distribution center, depot or other place where any Inventory is located, a reserve equal to three (3) months’ rent at such leased facility, warehouse, distribution center, depot or other place.

“Report” means reports prepared by the Administrative Agent or another Person showing the results of appraisals, field examinations or audits pertaining to the assets of the Loan Parties from information furnished by or on behalf of the Borrowers, after the Administrative Agent has exercised its rights of inspection pursuant to this Agreement, which Reports may be distributed to the Lenders by the Administrative Agent.

“Required Lenders” means, at any time, Lenders (other than Defaulting Lenders) having Aggregate Credit Exposure and unused Revolving Commitments representing more than 50% of the sum of the total Aggregate Credit Exposure and total unused Revolving Commitments at such time.

“Requirement of Law” means, as to any Person, the Certificate of Incorporation and ByLaws 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.

“Reserves” means any and all reserves which the Administrative Agent deems necessary, in its Permitted Discretion, to maintain (including, without limitation, reserves for accrued and unpaid interest on the Secured Obligations, Priority Payables Reserves, Wage Earner Protection Act Reserve, Banking Services Reserves, Foreign Credit Reserves, Rent Reserves, Dilution Reserves, reserves for consignee’s, warehousemen’s and bailee’s charges, reserves for Inventory shrinkage, reserves for customs charges and shipping charges related to any Inventory in transit, reserves for Swap Agreement Obligations, reserves for any Unfunded Pension Liability in any Canadian Pension Plan, and reserves for taxes, fees, assessments, and other governmental charges) with respect to the Collateral or any Loan Party; provided that to the extent any reserve (including, without limitation, any Priority Payables Reserve, Wage Earner Protection Act Reserve, Banking Services Reserve, Foreign Credit Reserve, reserve for Swap Agreement Obligations or reserve for Unfunded Pension Liability in any Canadian Pension Plan) with respect to any specific item, claim, liability or potential claim or liability is deducted by the Administrative Agent in the computation of the U.S. Borrowing Base, such reserve for such specific item, claim, liability or potential claim or liability shall not be deducted in the computation of the Canadian Borrowing Base, and viceversa, it being the intention of the parties to avoid duplication of reserves with respect to any specific item, claim, liability or potential claim or liability in the computation of the Aggregate Borrowing Base, Canadian Borrowing Base and U.S. Borrowing Base; provided that the Administrative Agent may reserve any amount of any Eligible Securitization Receivables in excess of \$25,000,000 for which a surety bond has been issued by any Loan Party.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in any Loan Party, 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, cancellation or termination of any such Equity Interests in Holdings or any option, warrant or other right to acquire any such Equity Interests in Holdings; provided, that any payment with respect to, or early unwind or settlement of, any Permitted TEU Capped Call Transaction, in each case, in accordance with the terms of the agreement governing such Permitted TEU Capped Call Transaction shall not constitute a Restricted Payment.

“Restricted Subsidiary” means any Subsidiary of Holdings other than an Unrestricted Subsidiary.

“Revaluation Date” means (a) with respect to any Loan denominated in Canadian Dollars, each of the following: (i) each date of a Borrowing, (ii) each date of a continuation of such Loan pursuant to Section 2.08, (iii) the date any Borrowing Base Certificate is delivered, and (iv) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require, and (b) with respect to any Letter of Credit denominated in Canadian Dollars or any LC Alternative Currency, each of the following: (i) each date of issuance of such Letter of Credit, (ii) each date of an amendment of such Letter of Credit having the effect of increasing the amount thereof (solely with respect to the increased amount), (iii) each date of any payment by the applicable Issuing Bank under such Letter of Credit, (iv) the date any Borrowing Base Certificate is delivered and (v) such additional dates as the Administrative Agent or the applicable Issuing Bank shall determine or the Required Lenders shall require.

“Revolving Commitment” means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit, Overadvances and Swingline Loans hereunder, which commitment may be (a) comprised of both a U.S. Commitment and a Canadian Commitment or solely a U.S. Commitment, as set forth on the Revolving Commitment Schedule or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Commitment, as applicable, and (b) reduced or increased from time to time pursuant to (i) Section 2.09 and (ii) assignments by or to such Lender pursuant to Section 9.04. As of the Fourth Restatement Date, the Aggregate Revolving Commitments total \$1,100,000,000. As of the 2021 Additional Revolving Commitments Availability Date, the Aggregate Revolving Commitments total \$1,200,000,000.

“Revolving Commitment Schedule” means the Schedule attached hereto identified as such.

“Revolving Exposure” means, individually and collectively as the context may require, the U.S. Revolving Exposure and the Canadian Revolving Exposure.

“Revolving Lender” means, as of any date of determination, a Lender with a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with Revolving Exposure.

“Revolving Loan” means a Loan made pursuant to Section 2.01.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc.

“Sanctioned Country” means, at any time, a country or territory which is itself the subject or target of Sanctions.

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the Government of Canada, the government of any province or territory of Canada or by the United Nations Security Council, the European Union or any European Union member state, or Her Majesty’s Treasury of the United Kingdom, (b) any Person that constitutes a Canadian Blocked Person, (c) any Person operating, organized or resident in a Sanctioned Country, (d) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) through (c), or (e) any Person otherwise the subject of any Sanctions.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty’s Treasury of the United Kingdom, or (c) the Government of Canada.

“Scheduled Maturity Date” means June 22, 2025.

“SEC” means the Securities and Exchange Commission of the U.S.

“Second Restatement Date” means September 24, 2015.

“Secured Indebtedness” means, at any date, the portion of Total Funded Indebtedness that is secured by a Lien on any property or assets of Holdings or any of its Restricted Subsidiaries at such date.

“Secured Leverage Ratio” means, on any date, the ratio of (a)(i) Secured Indebtedness on such date less (ii) the aggregate amount not in excess of \$50,000,000 of unrestricted cash held at such time in Deposit Accounts subject to Control Agreements to (b) EBITDA for the then most recently ended period of four consecutive fiscal quarters for which financial statements are available, provided that, to the extent any Borrower or any Restricted Subsidiary makes any acquisition permitted pursuant to Section 6.04 or disposition of assets outside the ordinary course of business that is permitted by Section 6.05 during the period of four fiscal quarters of Holdings most recently ended, the Secured Leverage Ratio shall be calculated after giving pro forma effect thereto (including pro forma adjustments arising out of events which are directly attributable to the acquisition or the disposition of assets, are factually supportable and are expected to have a continuing impact, in each case as determined on a basis consistent with Article 11 of Regulation S-X of the Securities Act of 1933, as amended, as interpreted by the SEC, and as certified by a Financial Officer of the Borrower Representative), as if such acquisition or such disposition (and any related incurrence, repayment or assumption of Secured Indebtedness) had occurred in the first day of such four quarter period.

“Secured Obligations” means, individually and collectively as the context may require, the U.S. Secured Obligations and the Canadian Secured Obligations.

“Securities Account” has the meaning assigned to such term in Article 8 of the UCC or the Securities Transfer Act of Ontario, as applicable.

“Securitization Additional Availability” means (a) 85% of the book value of Eligible Securitization Receivables less (b) Reserves, less (c) the greater of (i) the amount of credit actually extended to WESCO Receivables by the Securitization Lenders, and (ii) the Securitization Maximum Potential Capital (but not in excess of the Securitization Purchase Limit); provided, that, notwithstanding the foregoing, in no event shall Securitization Additional Availability exceed the lesser of (A) ~~\$192,500,000~~ 210,000,000 and (B) seventeen and one half percent (17.5%) of the lesser at such time of (1) the Aggregate Revolving Commitments and (2) the Aggregate Borrowing Base.

“Securitization Availability” means, at any time, the available borrowing capacity of WESCO Receivables under the Receivables Securitization Agreements, which available borrowing capacity is equal to (a) the lesser, at such time, of (i) the Securitization Maximum Potential Capital and (ii) the Securitization Purchase Limit minus (b) the amount of credit extended at such time to WESCO Receivables by the Securitization Lenders.

“Securitization Lenders” means the purchasers (i.e., the lenders) of Eligible Accounts that have been sold to WESCO Receivables under the Receivables Securitization Agreements.

“Securitization Maximum Potential Capital” means, at any time, the maximum amount of credit that could be extended to WESCO Receivables at such time (based on Eligible Securitization Receivables) by the Securitization Lenders under the Receivables Securitization Agreements, which amount is set forth on the monthly reports delivered by WESCO Receivables to the Securitization Lenders as the “Maximum Potential Capital.”

“Securitization Purchase Limit” means on any date the aggregate commitment of the Securitization Lenders under the Receivables Securitization Agreements, as the same may be increased or decreased from time to time under the Receivables Securitization Agreements. As of the Fourth Restatement Date, the Securitization Purchase Limit under the Receivables Securitization Agreements is ~~\$1,025,000,000~~ 1,200,000,000.

“Senior Notes” means, collectively, the 2021 Senior Notes, the 2024 Senior Notes, the 2025 Senior Notes and the 2028 Senior Notes.

“Senior Notes Indentures” means, collectively, the 2021 Senior Notes Indenture, the 2024 Senior Notes Indenture, the 2025 Senior Notes Indenture and the 2028 Senior Notes Indenture.

“Settlement” has the meaning assigned to such term in Section 2.05(g).

“Settlement Date” has the meaning assigned to such term in Section 2.05(g).

“Significant Subsidiary” shall mean, with respect to paragraphs (i), (j) and (k) of Article VII hereof, on any date of determination, (a) any Restricted Subsidiary that, together with its Subsidiaries that constitute Restricted Subsidiaries, would constitute a “significant subsidiary” as set forth in Rule 1-02(w) of Regulation S-X under the Securities Act, and (b) any Restricted Subsidiary which, when aggregated with all other Restricted Subsidiaries that are not otherwise Significant Subsidiaries and as to which any event described in paragraph (i), (j) or (k) of Article VII hereof has occurred, would collectively satisfy the criteria for the determination of a Significant Subsidiary under clause (a) of this definition.

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website.

“SOFR-Based Rate” means SOFR, Compounded SOFR or Term SOFR.

“Specified Event of Default” any Event of Default of type specified in clauses (a), (b), (d), (e)(i), (i), (j) or (k) of Article VII.

“Specified Foreign Credit Extensions” means Foreign Credit Extensions of which the Administrative Agent has received notice in accordance with Section 2.22.

“Specified Representations” means the representations and warranties under Sections 3.01, 3.02, 3.03(d), 3.08, 3.13(c), 3.13(d), 3.16, 3.20(c) (solely with respect to the use of proceeds of any Loans made on the Fourth Restatement Date) and 3.23.

“Standby LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding standby Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements relating to standby Letters of Credit that have not yet been reimbursed by or on behalf of the Borrowers at such time. The Standby LC Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the total Standby LC Exposure at such time.

“Subordinated Indebtedness” of a Person means any Indebtedness of such Person the payment of which is subordinated to payment of the Secured Obligations to the written satisfaction of the Administrative Agent in its Permitted Discretion.

“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 (a) 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, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any direct or indirect subsidiary of a Loan Party, as applicable.

“Supermajority Revolving Lenders” means, at any time, Lenders (other than Defaulting Lenders) having Revolving Exposure and unused Revolving Commitments representing at least 66 2/3% of the sum of the Aggregate Revolving Exposure and unused Revolving Commitments.

“Supported QFC” has the meaning assigned to such term in Section 9.26.

“Swap Agreement” means any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrowers or the Subsidiaries shall be a Swap Agreement; provided, further, that any Permitted TEU Purchase Contract shall not constitute a Swap Agreement.

“Swap Agreement Obligations” means any and all obligations of the Loan Parties and their Subsidiaries, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements permitted hereunder with a Lender or an Affiliate of a Lender (or any Person that was a Lender or an Affiliate of a Lender at the time the agreement was initially executed, or in the case of any agreement as in effect on the Fourth Restatement Date, was a Lender or an Affiliate of a Lender as of such date), and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any such Swap Agreement transaction; provided, however, in no event shall Swap Agreement Obligations include Excluded Swap Obligations.

“Swap Obligation” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act or any rules or regulations promulgated thereunder.

“Swingline Exposure” means, at any time, the sum of the aggregate undrawn amount of all outstanding Swingline Loans at such time. The Swingline Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the total Swingline Exposure at such time.

“Swingline Lender” means Barclays, in its capacity as the lender of Swingline Loans hereunder.

“Swingline Loan” means, individually and collectively as the context may require, each U.S. Swingline Loan and each Canadian Swingline Loan.

“TARGET Day” means any day on which (i) TARGET2 is open for settlement of payments in Euro and (ii) banks are open for dealings in deposits in Euro in the London interbank market.

“TARGET2” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), value added taxes, or any other goods and services, use or sales taxes, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Temporary Borrowing Base Amount” means, as of any date, the greater of \$1,100,000,000 and an amount equal to the sum of (i) the Aggregate Borrowing Base of Holdings and its Subsidiaries immediately prior to the Fourth Restatement Date and (ii) an amount equal to the sum of 80% of the Eligible Accounts of the Anixter Loan Parties and 50% of the Eligible Inventory of the Anixter Loan Parties.

“Term Loan Priority Collateral” means all Collateral other than the ABL Priority Collateral, including, without limitation, all Collateral consisting of (a) Equipment and Fixtures, (b) Fee Interests in Real Property, (c) Intellectual Property, (d) Equity Interests in Loan Parties and their subsidiaries; (e) Intercompany Loans, Intercompany Notes and Intercompany Obligations; and (f) all Proceeds from the sale or disposition of any of the

items referred to in the preceding clauses (a) through (e); provided that cash, cash equivalents and Securities obtained as proceeds from the sale or disposition of the items referred to in the preceding clauses (a) through (e) and that are deposited into or credited to a Deposit Account or a Securities Account shall only constitute Term Loan Priority Collateral to the extent that such cash, cash equivalents or Securities are specifically identifiable as proceeds from the sale or disposition of the items referred to in the preceding clauses (a) through (e).

“Term SOFR” means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Third Restatement Date” means September 26, 2019.

“Total Consideration” means, with respect to any Acquisition, the sum (but without duplication) of (a) cash paid in connection with any Acquisition, (b) Indebtedness payable to the seller in connection with such Acquisition, (c) the fair market value of any equity securities, including any warrants or options therefor, delivered in connection with any Acquisition, and (d) the amount of Indebtedness assumed in connection with such Acquisition.

“Total Funded Indebtedness” means, at any date, the aggregate principal amount of all Indebtedness of the types described in clauses (a), (b), (f), (h), (k) and, solely to the extent such Indebtedness being guaranteed would otherwise constitute Total Funded Indebtedness, (g), determined on a consolidated basis in accordance with GAAP.

“Total Leverage Ratio” means, on any date, the ratio of (a) (i) Total Funded Indebtedness on such date less (ii) the aggregate amount not in excess of \$50,000,000 of unrestricted cash held at such time in Deposit Accounts subject to Control Agreements to (b) EBITDA for the then most recently ended period of four consecutive fiscal quarters for which financial statements are available, provided that, to the extent any Borrower or any Restricted Subsidiary makes any acquisition permitted pursuant to Section 6.04 or disposition of assets outside the ordinary course of business that is permitted by Section 6.05 during the period of four fiscal quarters of Holdings most recently ended, the Total Leverage Ratio shall be calculated after giving pro forma effect thereto (including pro forma adjustments arising out of events which are directly attributable to the acquisition or the disposition of assets, are factually supportable and are expected to have a continuing impact, in each case as determined on a basis consistent with Article 11 of Regulation S-X of the Securities Act of 1933, as amended, as interpreted by the SEC, and as certified by a Financial Officer of the Borrower Representative), as if such acquisition or such disposition (and any related incurrence, repayment or assumption of Indebtedness) had occurred in the first day of such four quarter period.

“Transactions” means (i) the execution, delivery and performance by the Loan Parties (and any Foreign Subsidiaries which are party to the Canadian Security Agreement, the Canadian Guarantee or the U.S. Security Agreement) of this Agreement and the other Loan Documents, (ii) the borrowing of Loans and other credit extensions, (iii) the use of the proceeds thereof and the issuance of Letters of Credit hereunder, (iv) the granting of Liens under the Collateral Documents, (v) the Anixter Acquisition, (vi) the (a) satisfaction and discharge and/or repayment in full of the 5.125% Senior Notes due 2021 issued by Anixter, Inc. and (b) settlement, and payment of any fees, costs, premiums and expenses in connection therewith, of any tender offer, consent solicitation, satisfaction and discharge, repayment and/or redemption in connection with the 5.50% Senior Notes due 2023 and the 6.00% Senior Notes due 2025, in each case, issued by Anixter, Inc., (vii) the issuance of the 2025 Senior Notes and (viii) the issuance of the 2028 Senior Notes, in each case, on or around the Fourth Restatement Date.

“Type,” when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the ABR, the Canadian Prime Rate, the CDOR Rate or the Eurodollar Rate.

“UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom

Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

“Unfunded Pension Liability” means, at a point in time, with respect to any defined benefit Canadian Pension Plan, the total unfunded liability or solvency deficiency as determined by a professional actuary for the purposes of the *Employment Pension Plans Act* (Alberta) or such other provincial pension standards legislation that may be applicable to the funding and solvency requirements of that plan.

“Unliquidated Obligations” means, at any time, any Secured Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Secured Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any guarantee) that is contingent in nature at such time; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

“Unrestricted Subsidiary” means (a) any Subsidiary of a Borrower that is formed or acquired after the Fourth Restatement Date that is designated as an Unrestricted Subsidiary in accordance with Section 6.13, (b) any Restricted Subsidiary designated or re-designated as an Unrestricted Subsidiary by the Borrower Representative in a written notice to the Administrative Agent and in accordance with Section 6.13, and (c) each Subsidiary of an Unrestricted Subsidiary.

“USA Patriot Act” has the meaning assigned to such term in Section 9.14.

“U.S. Availability” means, as of any date of determination, (a) the lesser of (i) the total Revolving Commitments as of such date and (ii) the U.S. Borrowing Base as of such date, minus (b) the sum of (i) the total U.S. Revolving Exposure of all U.S. Lenders as of such date (calculated with respect to any Defaulting Lender as if such Defaulting Lender had funded its Applicable Percentage of all outstanding Borrowings) and (ii) the Canadian U.S. Borrowing Base Utilization as of such date.

“U.S. Borrower” or “U.S. Borrowers” means, individually or collectively as the context may require: (a) the entities listed on the Loan Party Schedule attached hereto under the heading “U.S. Borrowers,” and (b) any Domestic Subsidiary of Holdings (other than a CFC Subsidiary Holding Company) that becomes a party to this Agreement as an additional borrower after the Fourth Restatement Date pursuant to a Joinder Agreement in accordance with Section 5.13.

“U.S. Borrowing Base” means, at any time, the sum of (a) the lesser of (i) 70% of the U.S. Loan Parties (other than Intermediate Holding Companies) Eligible Inventory, valued at the lower of cost or market value, determined on a first-in-first-out basis, at such time and (ii) the product of 90% multiplied by the Net Orderly Liquidation Value percentage identified in the most recent inventory appraisal ordered by the Administrative Agent multiplied by the U.S. Loan Parties (other than Intermediate Holding Companies) Eligible Inventory (determined after taking into account adjustments made in such appraisal in the calculation of the Net Orderly Liquidation Value percentage), valued at the lower of cost or market value, determined on a first-in-first-out basis, at such time, plus (b) the Securitization Additional Availability, minus (c) Reserves.

“U.S. Cash Management Bank” means (a) as of the Fourth Restatement Date, PNC Bank National Association and Bank of America, N.A., in their respective capacities as the principal depository banks for the U.S. Loan Parties (other than the Canadian Cross-Border Loan Guarantors), and (b) at any time after the Fourth Restatement Date, any one or more of the Lenders selected by the U.S. Loan Parties (other than the Canadian Cross-Border Loan Guarantors), in consultation with the Administrative Agent, to become the successor principal depository bank for the U.S. Loan Parties (other than the Canadian Cross-Border Loan Guarantors); provided that, unless the

Administrative Agent otherwise consents in writing, no Person shall become the successor “U.S. Cash Management Bank” unless and until such Person shall have entered into a Control Agreement with the U.S. Loan Parties (other than the Canadian Cross-Border Loan Guarantors) and the Administrative Agent in form and substance reasonably acceptable to the Administrative Agent.

“U.S. Collection Account” means the account at Barclays (or another commercial bank in the name of the Administrative Agent and under the sole dominion and control of the Administrative Agent, and otherwise established in a manner satisfactory to the Administrative Agent), so designated by the Administrative Agent, in a written notice delivered to the Borrower Representative, to be the “U.S. Collection Account,” to which funds on deposit in Deposit Accounts (other than Excluded Accounts) maintained by the U.S. Loan Parties (other than Canadian Cross-Border Loan Guarantors) with the U.S. Cash Management Bank and all collections and other payments received in respect of the Accounts of the U.S. Loan Parties (other than the Canadian Cross-Border Loan Guarantors) by the U.S. Cash Management Bank shall be remitted at all times (subject to the provisions of the Receivables Intercreditor Agreement) during a Cash Dominion Period.

“U.S. Commitment” means, with respect to each U.S. Lender, the commitment, if any, of such U.S. Lender to make U.S. Revolving Loans and to acquire participations in U.S. Letters of Credit, U.S. Overadvances and U.S. Swingline Loans hereunder, expressed as an amount representing the maximum possible aggregate amount of such U.S. Lender’s U.S. Revolving Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to (a) Section 2.09 and (b) assignments by or to such U.S. Lender pursuant to Section 9.04. The initial amount of each U.S. Lender’s U.S. Commitment is set forth on the Revolving Commitment Schedule, or in the Assignment and Assumption pursuant to which such U.S. Lender shall have assumed its U.S. Commitment, as applicable. The U.S. Commitment is a sub-facility of the Revolving Commitment and is not in addition to the Revolving Commitment.

“U.S. LC Exposure” means, at any time, the sum of the Commercial LC Exposure and the Standby LC Exposure of the U.S. Borrowers. The U.S. LC Exposure of any U.S. Lender at any time shall be its Applicable Percentage of the total U.S. LC Exposure at such time.

“U.S. Lender Parties” means, individually and collectively as the context may require, the Administrative Agent, the U.S. Lenders, and the Issuing Banks issuing U.S. Letters of Credit.

“U.S. Lenders” means the Persons listed on the Revolving Commitment Schedule as having a U.S. Commitment and any other Person that shall acquire a U.S. Commitment pursuant to an Assignment and Assumption or become a lender pursuant to an Aggregate Commitment Increase in accordance with Section 2.09, other than any such Person that ceases to be such a Person hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “U.S. Lenders” includes the Swingline Lender in its capacity as a lender of U.S. Swingline Loans.

“U.S. Letter of Credit” means any Letter of Credit issued hereunder for the purpose of providing credit support for any U.S. Borrower, any Domestic Subsidiary or any Foreign Subsidiary.

“U.S. Loan Guarantors” means, individually or collectively, as the context may require: (a) the entities listed on the Loan Party Schedule attached hereto under the heading “U.S. Loan Guarantors,” (b) any Canadian Cross-Border Loan Guarantor, (c) any Domestic Subsidiary (other than a CFC Subsidiary Holding Company) that after the Fourth Restatement Date guarantees payment of the U.S. Obligations and the Canadian Obligations pursuant to Section 5.13 and (d) the successors and assigns of the Persons described in clauses (a), (b) and (c) of this definition; provided, however, that for the avoidance of doubt, “U.S. Loan Guarantors” shall not include (i) WESCO Receivables, (ii) any Real Estate Subsidiary, (iii) any CFC Subsidiary or CFC Subsidiary Holding Company or (iv) any Dutch Subsidiary.

“U.S. Loan Parties” means, individually or collectively, as the context may require, the U.S. Borrowers and the U.S. Loan Guarantors.

“U.S. Loan Party Guaranty” means (i) Article VIII of the U.S. Security Agreement, and (ii) each other separate Guarantee having terms substantially similar to those set forth in Article VIII of the U.S. Security Agreement delivered by any other U.S. Loan Party after the Fourth Restatement Date, in each case, as amended or modified and in effect from time to time.

“U.S. Loans” means, individually and collectively as the context may require, the U.S. Revolving Loans, the U.S. Swingline Loans, the U.S. Overadvances, and the U.S. Protective Advances.

“U.S. Obligations” means, with respect to the U.S. Loan Parties, all unpaid principal of and accrued and unpaid interest on the U.S. Loans, all U.S. LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the U.S. Loan Parties to the Lenders or to any Lender, the Administrative Agent, any Issuing Bank with respect to a U.S. Letter of Credit or any indemnified party arising under the Loan Documents.

“U.S. Overadvances” has the meaning assigned to such term in Section 2.05(c).

“U.S.” means the United States of America.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“U.S. Protective Advance” has the meaning assigned to such term in Section 2.04(a).

“U.S. Revolving Exposure” means, with respect to any U.S. Lender at any time, the sum of (a) the outstanding principal amount of U.S. Revolving Loans of such U.S. Lender at such time, plus (b) an amount equal to such U.S. Lender’s Applicable Percentage of the aggregate principal amount of the U.S. Swingline Loans outstanding at such time, plus (c) an amount equal to such U.S. Lender’s Applicable Percentage of the aggregate U.S. LC Exposure outstanding at such time, plus (d) an amount equal to such U.S. Lender’s Applicable Percentage of the aggregate principal amount of the U.S. Overadvances outstanding at such time.

“U.S. Revolving Loan” means a Revolving Loan made to the U.S. Borrowers.

“U.S. Secured Obligations” means all U.S. Obligations, together with all (a) Banking Services Obligations of the U.S. Loan Parties; (b) Swap Agreement Obligations of the U.S. Loan Parties and their Subsidiaries owing to one or more U.S. Lenders or their respective Affiliates (or any Person that was a Lender or an Affiliate of a Lender at the time the agreement was initially executed, or in the case of any agreement as in effect on the Fourth Restatement Date, was a Lender or an Affiliate of a Lender as of such date); provided that promptly after any transaction relating to such Swap Obligation is executed, the U.S. Lender or Affiliate of a U.S. Lender party thereto (other than Barclays or its Affiliates) shall have delivered written notice to the Administrative Agent that such a transaction has been entered into and that it constitutes a U.S. Secured Obligation entitled to the benefits of the Collateral Documents in favor of the U.S. Lender Parties; and (c) all obligations of the U.S. Loan Parties in respect of all Guarantees provided by such U.S. Loan Parties of Indebtedness of Foreign Subsidiaries under Foreign Credit Extensions and Foreign Banking Services Obligations; provided that promptly after any such Guarantee by any U.S. Loan Party relating to such Foreign Credit Extensions and Foreign Banking Services Obligations is entered into, the U.S. Lender or Affiliate of a U.S. Lender party thereto (other than Barclays or its Affiliates) shall have delivered written notice to the Administrative Agent that such a Guarantee has been entered into and that it constitutes a U.S. Secured Obligation entitled to the benefits of the Collateral Documents in favor of the U.S. Lender Parties.

“U.S. Security Agreement” means that certain Fourth Amended and Restated Pledge and Security Agreement, dated as of the Fourth Restatement Date, among the U.S. Loan Parties, WDINESCO II B.V (solely, in the case of WDINESCO II B.V., with respect to the pledge of the Equity Interests of WDCH, LP) and the Administrative Agent, for the benefit of the Lender Parties in substantially the form of Exhibit E attached hereto, which Third Amended and Restated Pledge and Security Agreement amends and restates in its entirety the Second Amended and Restated Pledge and Security Agreement among the U.S. Loan Parties and the Existing U.S. Administrative Agent, for the benefit of the Lender Parties, dated as of the Third Restatement Date, and any other pledge or security agreement entered into after the Fourth Restatement Date by any other U.S. Loan Party (as required by this Agreement or any other Loan

Document), or any other Person, in each case, as the same may be amended, restated or otherwise modified from time to time.

“U.S. Swingline Loan” means a Loan made by the Swingline Lender pursuant to Section 2.05(a).

“Wage Earner Protection Act Reserve” means, on any date of determination, a reserve established from time to time by the Administrative Agent in such amount as the Administrative Agent determines reflects the amounts that may become due under the *Wage Earner Protection Program Act* (Canada) with respect to the employees of any Loan Party employed in Canada which would give rise to a Lien with priority under applicable law over the Lien of the Administrative Agent.

“WDC Holding” means WDC Holding, Inc., a Delaware corporation.

“Weekly Reporting Trigger Period” means the period (a) commencing on the day that (i) an Event of Default occurs, or (ii) Aggregate Availability falls below the Aggregate Availability Trigger Amount and (b) continuing until the date on which no Event of Default has existed and the Aggregate Availability has exceeded the Aggregate Availability Trigger Amount for thirty consecutive days.

“WESCO Canada I” means WESCO Canada I, LP, a limited partnership organized under the laws of Alberta.

“WESCO Receivables” means WESCO Receivables Corp., a Delaware corporation.

“WESCO Receivables Intercompany Loans” means all loans owing to any Loan Party from WESCO Receivables Corp., and all guarantees of such loans, whether or not such loans or guarantees are evidenced by the WESCO Receivables Intercompany Notes or any other Instruments or Documents.

“WESCO Receivables Intercompany Notes” means all promissory notes issued from time to time by WESCO Receivables Corp. in favor of certain of the Loan Parties, in each case, evidencing loans made by such Loan Parties to WESCO Receivables Corp. under the WESCO Receivables Securitization Agreements, as such notes may be amended, restated, supplemented or otherwise modified or replaced from time to time.

“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.

“Withholding Agent” means any Loan Party or the Administrative Agent, as applicable.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

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, replaced, or otherwise modified (subject to any restrictions on such amendments, supplements, replacements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and 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, (e) any reference in any definition to the phrase “at any time” or “for any time” shall refer to the same time or period for all calculations or determination within such definition, and (f) 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. All certificates and other documents required to be provided by a specified officer of a Loan Party shall be deemed to be provided by such person solely in their capacity as such officer.

For purposes of any Collateral located in the Province of Quebec or charged by any deed of hypothec (or any other Loan Document) and for all other purposes pursuant to which the interpretation or construction of a Loan Document may be subject to the laws of the Province of Quebec or a court or tribunal exercising jurisdiction in the Province of Quebec, (a) “personal property” shall be deemed to include “movable property,” (b) “real property” shall be deemed to include “immovable property,” (c) “tangible property” shall be deemed to include “corporeal property,” (d) “intangible property” shall be deemed to include “incorporeal property,” (e) “security interest” and “mortgage” shall be deemed to include a “hypothec,” (f) all references to filing, registering or recording under the UCC or the PPSA shall be deemed to include publication under the Civil Code of Québec, (g) all references to “perfection” of or “perfected” Liens shall be deemed to include a reference to the “opposability” of such Liens to third parties, (h) any “right of offset,” “right of setoff” or similar expression shall be deemed to include a “right of compensation,” (i) “goods” shall be deemed to include “corporeal movable property” other than chattel paper, documents of title, instruments, money and securities, (j) an “agent” shall be deemed to include a “mandatary,” (k) “construction liens” shall be deemed to include “legal hypothecs,” (l) “joint and several” shall be deemed to include “solidary,” (m) “gross negligence or willful misconduct” shall be deemed to be “intentional or gross fault,” (n) “beneficial ownership” shall be deemed to include “ownership on behalf of another as mandatary,” (o) “servitude” shall be deemed to include “easement,” (p) “priority” shall be deemed to include “prior claim,” (q) “survey” shall be deemed to include “certificate of location and plan,” (r) “fee simple title” shall be deemed to include “absolute ownership,” and (s) “foreclosure” shall be deemed to include the “exercise of a hypothecary right.”

SECTION 1.04 Accounting Terms; GAAP.

(a) 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, after the Fourth Restatement Date, the Borrowers migrate to IFRS or there occurs any change in GAAP or in the application thereof on the operation of any provision hereof and the Borrower Representative notifies the Administrative Agent that the Borrowers request an amendment to any provision hereof to eliminate the effect of such migration to IFRS or any change occurring after the Fourth Restatement Date in GAAP or in the application thereof (or if the Administrative Agent notifies the Borrower Representative 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 migration to IFRS or 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 migration or change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Financial Accounting Standards Board Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of any Loan Party at “fair value,” as defined therein.

(b) Notwithstanding anything to the contrary contained in Section 1.04(a) or in the definition of “Capital Lease Obligations” or “Indebtedness,” any change in accounting for leases pursuant to GAAP resulting from the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2016-02, Leases (Topic 842)

(“FAS 842”), to the extent such adoption would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) would not have been required to be so treated under GAAP as in effect on December 31, 2015, such lease shall not be considered a capital lease, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith.

SECTION 1.05 Currency Matters.

(a) Principal, interest, reimbursement obligations, fees, and all other amounts payable under this Agreement and the other Loan Documents to the Administrative Agent and the Lenders shall be payable in the currency in which such Obligations are denominated, provided that (i) any reimbursement by a Canadian Borrower of an LC Disbursement in respect of a Canadian Letter of Credit denominated in Canadian Dollars or any payment by a Canadian Lender to the Administrative Agent or an Issuing Bank in respect of its participation with respect to any such Canadian Letter of Credit shall be payable in Canadian Dollars and (ii) any reimbursement by a U.S. Borrower of an LC Disbursement in respect of a U.S. Letter of Credit denominated in an LC Alternative Currency or any payment by a Lender to the Administrative Agent or an Issuing Bank in respect of its participation with respect to any such Letter of Credit in an LC Alternative Currency shall be payable in dollars.

(b) Without limiting the other terms of this Agreement, all calculations and determinations under this Agreement of any amount in any currency other than dollars shall be deemed to refer to the Dollar Amount thereof, as the case may be, and all Borrowing Base Certificates delivered under this Agreement shall express such calculations or determinations in dollars or the Dollar Amount thereof, as the case may be. Each requisite currency translation shall be based on the Exchange Rate.

(c) For purposes of this Agreement and the other Loan Documents, the Dollar Amount of any Borrowings, Loans, Letters of Credit and other Obligations shall be determined in accordance with the terms of this Agreement in respect of the most recent Revaluation Date. Such Dollar Amount shall become effective as of such Revaluation Date for such Borrowings, Loans, Letters of Credit and other Obligations and shall be the Dollar Amount employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur with respect to such Borrowings, Loans, Letters of Credit and other Obligations.

SECTION 1.06 Interest Rates; LIBO Rate Notifications

. The interest rate on Eurodollar Loans is determined by reference to the Eurodollar Rate, which is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the “IBA”) for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurodollar Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. In the event that the London interbank offered rate is no longer available or in certain other circumstances as set forth in Section 2.14(c) of this Agreement, such Section 2.14(c) provides a mechanism for determining an alternative rate of interest. The Administrative Agent will notify the Borrower Representative, pursuant to Section 2.14, in advance of any change to the reference rate upon which the interest rate on Eurodollar Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of “Eurodollar Rate” or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate, as it may or may not be adjusted pursuant to Section 2.14(c), will be similar to, or produce the same value or economic equivalence of, the Eurodollar Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

SECTION 1.07 Pro Forma Adjustments for Investments and Dispositions. To the extent any Loan Party or any Restricted Subsidiary makes any Investment permitted pursuant to Section 6.04 or Disposition outside the ordinary

course of business permitted by Section 6.05 during the period of four fiscal quarters of the Loan Parties most recently ended, the Fixed Charge Coverage Ratio, the Secured Leverage Ratio and the Total Leverage Ratio (as applicable) shall be calculated after giving pro forma effect thereto (including pro forma adjustments arising out of events which are directly attributable to the Investment or the Disposition, are factually supportable and are reasonably expected to have a continuing impact, in each case as determined on a basis consistent with Article 11 of Regulation S-X of the Securities Act of 1933, as amended, as interpreted by the SEC, and as certified by a Financial Officer of such Loan Party or Restricted Subsidiary), as if such Investment or such Disposition (and any related incurrence, repayment or assumption of Indebtedness) had occurred in the first day of such four-quarter period.

SECTION 1.08 Limited Condition Transactions. Notwithstanding anything in this Agreement or any Loan Document to the contrary, solely in connection with a Limited Condition Transaction (a) when calculating any applicable ratio or financial test or determining whether any Default or Event of Default has occurred, is continuing or would result from the consummation of such Limited Condition Transaction, in each case, pursuant to Section 6.01, Section 6.02, Section 6.04, Section 6.05, or Section 6.08 in connection with the incurrence of Indebtedness, the creation of Liens, the making of any Disposition, the making of an Investment (including consummating a Permitted Acquisition), the making of a Restricted Payment, the designation of a Subsidiary as restricted or unrestricted or the repayment of Indebtedness in connection with such Limited Condition Transaction (each, a "LCT Specified Transaction"); provided that any Borrowing hereunder shall not constitute an LCT Specified Transaction except in the case of any Borrowing with respect to any "first in, last out" incremental or (b) determining the accuracy of any representation or warranty under this Agreement or any other Loan Document in connection with a Limited Condition Transaction, the date of determination of such ratio or financial test, the accuracy of such representation or warranty (but taking into account any earlier date specified therein) or whether any Default or Event of Default has occurred, is continuing or would result therefrom shall, at the option of the Borrower Representative (the Borrower Representative's election to exercise such option in connection with any Limited Condition Transaction, an "LCT Election"), be deemed to be the date the definitive agreements for such Limited Condition Transaction are entered into (the "LCT Test Date"). If on a pro forma basis after giving effect to such Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) such ratios, financial tests, representations and warranties and absence of defaults are calculated as if such Limited Condition Transaction or other transactions had occurred at the beginning of the most recent period of four consecutive fiscal quarters ending prior to the LCT Test Date for which financial statements are available, the applicable Loan Party could have taken such action on the relevant LCT Test Date in compliance with the applicable ratios or other provisions, such provisions shall be deemed to have been complied with. For the avoidance of doubt, (i) if any of such ratios, financial tests, representations and warranties or absence of defaults are exceeded or breached as a result of fluctuations in such ratio (including due to fluctuations in EBITDA), a change in facts and circumstances or other provisions at or prior to the consummation of the relevant Limited Condition Transaction, such ratios, representations and warranties and absence of defaults will not be deemed to have been exceeded, breached, or otherwise failed as a result of such fluctuations or changed circumstances solely for purposes of determining whether the Limited Condition Transaction and any related transactions is permitted hereunder and (ii) such ratios and compliance with such conditions shall not be tested at the time of consummation of such Limited Condition Transaction or related LCT Specified Transactions. If the Borrower Representative has made an LCT Election for any Limited Condition Transaction, then in connection with any subsequent calculation of any ratio or basket availability with respect to any subsequent Acquisition or Investment that any Loan Party or Restricted Subsidiary is contractually committed to consummate on or following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, any such ratio or basket shall be calculated on a pro forma basis both (i) assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated and (ii) assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have not been consummated.

ARTICLE II. The Credits

SECTION 2.01 Revolving Commitments. Subject to the terms and conditions set forth herein, (a) each U.S. Lender agrees to make U.S. Revolving Loans to the U.S. Borrowers denominated in dollars from time to time

during the Availability Period, and (b) each Canadian Lender agrees to make Canadian Revolving Loans to the Canadian Borrowers denominated in either dollars or Canadian Dollars from time to time during the Availability Period, so long as, in each case after giving effect thereto:

- (i) the U.S. Revolving Exposure, Canadian Revolving Exposure or Revolving Exposure of any Lender would not exceed such Lender's U.S. Commitment, Canadian Commitment or Revolving Commitment, as the case may be;
- (ii) U.S. Availability would not be less than zero;
- (iii) Canadian Availability would not be less than zero; and
- (iv) Aggregate Availability would not be less than zero,

subject to the Administrative Agent's authority, in its sole discretion, to make Protective Advances and Overadvances pursuant to the terms of Section 2.04 and 2.05. Within the foregoing limits and subject to the terms and conditions set forth herein, each Borrower may borrow, prepay and reborrow Revolving Loans. On the Fourth Restatement Date, the Administrative Agent shall reallocate or terminate, as applicable, the commitments and loans outstanding under the Existing Credit Agreement in accordance with the Lenders' respective Applicable Percentages and all loans outstanding as of the Fourth Restatement Date under the Existing Credit Agreement shall automatically and without further action by the parties hereto be deemed converted into Loans under this Agreement and shall be included in the calculations as of the Fourth Restatement Date of "Aggregate Revolving Exposure" and "Revolving Exposure." All liabilities of the Loan Parties with respect to such Loans shall constitute Obligations and it is the intention of the Loan Parties that such Obligations shall continue to be secured by Collateral Documents.

SECTION 2.02 Loans and Borrowings

(a) Each Loan (other than a Swingline Loan) 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 Revolving 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 Revolving Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Any Protective Advance, any Overadvance and any Swingline Loan shall be made in accordance with the procedures set forth in Sections 2.04 and 2.05.

(b) Subject to Section 2.14: (i) each U.S. Borrowing shall be denominated in dollars; (ii) each Canadian Borrowing shall be denominated in dollars or Canadian Dollars; (iii) each U.S. Borrowing denominated in dollars shall be comprised entirely of ABR Loans or Eurodollar Loans, in each case, as the Borrower Representative may request in accordance herewith; (iv) each Canadian Borrowing denominated in dollars shall be comprised entirely of ABR Loans or Eurodollar Loans, in each case, as the Borrower Representative may request; and (v) each Canadian Borrowing denominated in Canadian Dollars shall be comprised entirely of Canadian Prime Rate Loans or CDOR Rate Loans, in each case, as the Borrower Representative may request in accordance herewith. Each Swingline Loan shall be an ABR Loan or 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 Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000. At the commencement of each Interest Period for any CDOR Rate Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000. ABR Revolving Borrowings and Canadian Prime Rate Revolving Borrowings may be in any amount. 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 a total of: (i) eight (8) Eurodollar Borrowings outstanding; and (ii) eight (8) CDOR Rate Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, neither the Borrower Representative nor any Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

(e) Each U.S. Borrower acknowledges and agrees that it is jointly and severally liable for, and absolutely, unconditionally and irrevocably promises to pay when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, all U.S. Loans and all other U.S. Obligations. Each Canadian Borrower acknowledges and agrees that it is jointly and severally liable for, and absolutely, unconditionally and irrevocably promises to pay when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, all Canadian Loans and all other Canadian Obligations.

(f) All “Loans” and “Letters of Credit” as defined and issued by the Existing Lenders under the Existing Credit Agreement shall be deemed to be Loans and Letters of Credit under and as defined under this Agreement.

SECTION 2.03 Requests for Revolving Borrowings

. To request a Revolving Borrowing, the Borrower Representative shall notify the Administrative Agent of such request either in writing (delivered by hand, facsimile or electronic mail delivery) in a form approved by the Administrative Agent and signed by the Borrower Representative (a) in the case of a Eurodollar Borrowing, not later than 12:00 p.m., New York City time, three Business Days before the date of the proposed Borrowing (or, in the case of any such Borrowings to be made on the Fourth Restatement Date, two Business Days), (b) in the case of a CDOR Rate Borrowing, not later than 12:00 p.m., New York City time, two Business Days before the date of the proposed Borrowing, (c) in the case of a ABR Borrowing, not later than 12:00 p.m., New York City time, on the date of the proposed Borrowing, or (d) in the case of a Canadian Prime Rate Borrowing, not later than 12:00 p.m., New York City time, on the date of the proposed Borrowing; provided that any such notice of an ABR Borrowing or a Canadian Prime Rate Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 3:00 p.m., New York City time, on the date of the proposed Borrowing. Such request may be conditioned on the occurrence of one or more events (including, but not limited to, any merger, acquisition, disposition, asset sale or corporate restructuring, financing or reorganization). Each such written Borrowing Request shall specify the following information in compliance with Section 2.01:

- (i) the name of the applicable Borrower(s);
- (ii) the aggregate amount of the requested Borrowing and a breakdown of the separate wires comprising such Borrowing;
- (iii) the date of such Borrowing, which shall be a Business Day;
- (iv) in the case of a Canadian Borrowing, the applicable currency in which the Borrowing will be funded;
- (v) whether such Borrowing is to be a ABR Borrowing, a Eurodollar Borrowing, a Canadian Prime Rate Borrowing, or a CDOR Rate Borrowing;

and

- (vi) in the case of a Eurodollar Borrowing or a CDOR Rate Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period.”

If no election as to the Type of Revolving Borrowing is specified, then the requested Revolving Borrowing shall be (a) an ABR Borrowing in the case of a U.S. Revolving Loan or Canadian Revolving Loan requested in dollars, or (b) a Canadian Prime Rate Borrowing in the case of a Canadian Revolving Loan requested in Canadian Dollars. If no Interest Period is specified with respect to any requested Eurodollar Revolving Borrowing or CDOR Rate Revolving Borrowing, then the applicable Borrower(s) shall be deemed to have selected an Interest Period of one month’s (or, in the case of a CDOR Rate Revolving Borrowing, 30 days’) duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each applicable Lender of the details thereof and of the amount of such Lender’s Loan to be made as part of the requested Borrowing.

SECTION 2.04 Protective Advances. (a) Subject to the limitations set forth below, the Administrative Agent is authorized by the Borrowers and the Lenders, from time to time in the Administrative Agent’s sole discretion (but shall have absolutely no obligation to), to make Loans to the U.S. Borrowers in dollars, on behalf of the U.S.

Lenders (each such Loan, a “U.S. Protective Advance”) and Loans to the Canadian Borrowers in Canadian Dollars or dollars, on behalf of the Canadian Lenders (each such Loan, a “Canadian Protective Advance”), which the Administrative Agent in its Permitted Discretion, deems necessary or desirable (A) to preserve or protect the Collateral, or any portion thereof, (B) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations, or (C) to pay any other amount chargeable to or required to be paid by the applicable Borrower pursuant to the terms of this Agreement, including payments of reimbursable expenses (including costs, fees, and expenses as described in Section 9.03) and other sums payable under the Loan Documents; provided that, (x) the aggregate amount of U.S. Protective Advances outstanding at any time shall not exceed \$27,500,000 and (y) the aggregate amount of Canadian Protective Advances outstanding at any time shall not exceed \$27,500,000, provided further that, (1) the aggregate amount of outstanding U.S. Protective Advances in favor of the U.S. Borrowers plus the aggregate U.S. Revolving Exposure shall not exceed (I) the aggregate U.S. Commitments minus (II) the sum of (X) the Priority Payables Reserve, (Y) the Rent Reserve and (Z) the Wage Earner Protection Act Reserve, (2) the aggregate amount of outstanding Canadian Protective Advances in favor of the Canadian Borrowers plus the aggregate Canadian Revolving Exposure shall not exceed the (I) aggregate Canadian Commitments minus (II) the sum of (X) the Priority Payables Reserve, (Y) the Rent Reserve and (Z) the Wage Earner Protection Act Reserve, (3) the aggregate amount of all outstanding Protective Advances plus the Aggregate Revolving Exposure shall not exceed (I) the Aggregate Revolving Commitments minus (II) the sum of (X) the Priority Payables Reserve, (Y) the Rent Reserve and (Z) the Wage Earner Protection Act Reserve, (4) the sum of (I) the aggregate amount of all outstanding Protective Advances plus (II) the aggregate amount of all outstanding Overadvances shall not exceed \$110,000,000, and (5) a Protective Advance shall not be made if such Protective Advance would cause the sum of (I) any Lender’s Revolving Exposure plus (II) such Lender’s Applicable Percentage (determined for purposes of this clause (II) in accordance with clause (a) of the definition of Applicable Percentage set forth in Section 1.01) of all outstanding Protective Advances to exceed such Lender’s Revolving Commitment. Protective Advances may be made even if the conditions precedent set forth in Section 4.02 have not been satisfied. The (i) U.S. Protective Advances shall be secured by the Liens in favor of the Administrative Agent (for the benefit of the Lender Parties) in and to the Collateral of the U.S. Loan Parties; and (ii) Canadian Protective Advances shall be secured by the Liens in favor of the Administrative Agent (for the benefit of the Canadian Lender Parties) in and to the Collateral of the Loan Parties. All U.S. Protective Advances shall constitute U.S. Obligations and all Canadian Protective Advances shall constitute Canadian Obligations. All U.S. Protective Advances and Canadian Protective Advances denominated in dollars shall be ABR Borrowings, and all Canadian Protective Advances denominated in Canadian Dollars shall be Canadian Prime Rate Borrowings. The Administrative Agent’s authorization to make Protective Advances may be revoked at any time by the Required Lenders. Any such revocation must be in writing and shall become effective prospectively upon the Administrative Agent’s receipt thereof. At any time that there is sufficient: (I) U.S. Availability and the conditions precedent set forth in Section 4.02 have been satisfied, the Administrative Agent may request the U.S. Lenders to make a U.S. Revolving Loan to repay a U.S. Protective Advance; and (II) Canadian Availability and the conditions precedent set forth in Section 4.02 have been satisfied, the Administrative Agent may request the Canadian Lenders to make a Canadian Revolving Loan, in the currency in which the applicable Canadian Protective Advance was denominated, to repay a Canadian Protective Advance. At any other time the Administrative Agent may require the Lenders to fund, in the currency in which the applicable Protective Advance was denominated, their risk participations described in Section 2.04(b).

(b) Upon the making of a U.S. Protective Advance by the Administrative Agent (whether before or after the occurrence of a Default), each U.S. Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Administrative Agent without recourse or warranty, an undivided interest and participation in such U.S. Protective Advance in proportion to its Applicable Percentage. Upon the making of a Canadian Protective Advance by the Administrative Agent (whether before or after the occurrence of a Default), each Canadian Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Administrative Agent without recourse or warranty, an undivided interest and participation in such Canadian Protective Advance in proportion to its Applicable Percentage. From and after the date, if any, on which any Lender is required to fund its participation in any Protective Advance purchased hereunder, the Administrative Agent shall promptly distribute to such Lender, such Lender’s Applicable Percentage of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Protective Advance.

SECTION 2.05 Swingline Loans and Overadvances. (a) The Administrative Agent, the Swingline Lender and the Lenders agree that in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after the Borrower Representative requests that an ABR Borrowing be made to the U.S. Borrowers, the Swingline Lender may elect to have the terms of this Section 2.05(a) apply to such Borrowing Request by advancing, on behalf of the U.S. Lenders and in the amount requested, same day funds to the U.S. Borrowers, on the date of the applicable Borrowing to the Funding Account(s) (each such Loan made solely by the Swingline Lender pursuant to this Section 2.05(a) is referred to in this Agreement as a “U.S. Swingline Loan”), with settlement among them as to the U.S. Swingline Loans to take place on a periodic basis as set forth in Section 2.05(g). Each U.S. Swingline Loan shall be subject to all the terms and conditions applicable to other ABR Loans funded by the U.S. Lenders, except that all payments thereon shall be payable to the Swingline Lender solely for its own account. The aggregate amount of U.S. Swingline Loans outstanding at any time shall not exceed \$75,000,000. The Swingline Lender shall not make any U.S. Swingline Loan if, after giving effect to such U.S. Swingline Loan (i) U.S. Availability would be less than zero or (ii) Aggregate Availability would be less than zero. All U.S. Swingline Loans shall be ABR Borrowings.

(b) The Administrative Agent, the Swingline Lender and the Lenders agree that in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after the Borrower Representative requests that a Canadian Prime Rate Borrowing be made to the Canadian Borrowers, the Swingline Lender may elect to have the terms of this Section 2.05(b) apply to such Borrowing Request by advancing, on behalf of the Canadian Lenders and in the amount requested, same day funds to the Canadian Borrowers, on the date of the applicable Borrowing to the Funding Account(s) (each such Loan made solely by the Swingline Lender pursuant to this Section 2.05(b) is referred to in this Agreement as a “Canadian Swingline Loan”), with settlement among them as to the Canadian Swingline Loans to take place on a periodic basis as set forth in Section 2.05(g). Each Canadian Swingline Loan shall be subject to all the terms and conditions applicable to other Canadian Prime Rate Loans funded by the Canadian Lenders, except that all payments thereon shall be payable to the Swingline Lender solely for its own account. The aggregate amount of Canadian Swingline Loans outstanding at any time shall not exceed \$50,000,000. The Swingline Lender shall not make any Canadian Swingline Loan if, after giving effect to such Swingline Loan (i) Canadian Availability would be less than zero or (ii) Aggregate Availability would be less than zero. All Canadian Swingline Loans shall be Canadian Borrowings.

(c) Any provision of this Agreement to the contrary notwithstanding, at the request of the Borrower Representative, the Administrative Agent may in its sole discretion (but with absolutely no obligation), make U.S. Revolving Loans to the U.S. Borrowers, on behalf of the U.S. Lenders, in amounts that exceed U.S. Availability (any such excess U.S. Revolving Loans are herein referred to collectively as “U.S. Overadvances”); provided that, no U.S. Overadvance shall result in a Default due to U.S. Borrowers’ failure to comply with Section 2.01 for so long as such U.S. Overadvance remains outstanding in accordance with the terms of this paragraph, but solely with respect to the amount of such U.S. Overadvance. In addition, U.S. Overadvances may be made even if the condition precedent set forth in Section 4.02(c) has not been satisfied, it being understood that the conditions precedent set forth in Sections 4.02(a) and (b) shall continue to apply (subject to the proviso set forth in the immediately preceding sentence). All U.S. Overadvances shall constitute ABR Borrowings. The authority of the Administrative Agent to make U.S. Overadvances is limited to an aggregate amount not to exceed \$60,000,000 at any time, no U.S. Overadvance may remain outstanding for more than forty-five (45) days, no U.S. Overadvance shall cause any U.S. Lender’s U.S. Revolving Exposure or Revolving Exposure to exceed its U.S. Commitment or Revolving Commitment (as applicable), no U.S. Overadvance shall cause the Aggregate Revolving Exposure to exceed (i) the Aggregate Revolving Commitments minus (ii) the sum of (A) the Priority Payables Reserve, (B) the Rent Reserve and (C) the Wage Earner Protection Act Reserve and no U.S. Overadvance shall cause the sum of (x) the aggregate amount of all outstanding Overadvances plus (y) the aggregate amount of all outstanding Protective Advances to exceed \$110,000,000 provided that, the Supermajority Revolving Lenders may at any time revoke the Administrative Agent’s authorization to make U.S. Overadvances. Any such revocation must be in writing and shall become effective prospectively upon the Administrative Agent’s receipt thereof.

(d) Any provision of this Agreement to the contrary notwithstanding, at the request of the Borrower Representative, the Administrative Agent may in its sole discretion (but with absolutely no obligation), make Canadian Revolving Loans to the Canadian Borrowers, on behalf of the Canadian Lenders, in amounts that exceed Canadian Availability (any such excess Canadian Revolving Loans are herein referred to collectively as “Canadian Overadvances”); provided that, no Canadian Overadvance shall result in a Default due to Canadian Borrowers’ failure to comply with Section 2.01 for so long as such Canadian Overadvance remains outstanding in accordance with the

terms of this paragraph, but solely with respect to the amount of such Canadian Overadvance. In addition, Canadian Overadvances may be made even if the condition precedent set forth in Section 4.02(c) has not been satisfied, it being understood that the conditions precedent set forth in Sections 4.02(a) and (b) shall continue to apply (subject to the proviso set forth in the immediately preceding sentence). All Canadian Overadvances shall constitute ABR Borrowings or Canadian Prime Rate Borrowings. The authority of the Administrative Agent to make Canadian Overadvances is limited to an aggregate amount not to exceed \$50,000,000 at any time, no Canadian Overadvance may remain outstanding for more than forty-five (45) days, no Canadian Overadvance shall cause any Canadian Lender's Canadian Revolving Exposure or Revolving Exposure to exceed its Canadian Commitment or Revolving Commitment (as applicable), no Canadian Overadvance shall cause the Aggregate Revolving Exposure to exceed (i) the Aggregate Revolving Commitments minus (ii) the sum of (A) the Priority Payables Reserve, (B) the Rent Reserve and (C) the Wage Earners Protection Act Reserve, and no Canadian Overadvance shall cause the sum of (x) the aggregate amount of all outstanding Overadvances plus (y) the aggregate amount of all outstanding Protective Advances to exceed \$110,000,000 provided that, the Supermajority Revolving Lenders may at any time revoke the Administrative Agent's authorization to make Canadian Overadvances. Any such revocation must be in writing and shall become effective prospectively upon the Administrative Agent's receipt thereof.

(e) Upon the making of a U.S. Swingline Loan or a U.S. Overadvance (whether before or after the occurrence of a Default and regardless of whether a Settlement has been requested with respect to such U.S. Swingline Loan or U.S. Overadvance), each U.S. Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Swingline Lender or the Administrative Agent, as the case may be, without recourse or warranty, an undivided interest and participation in such U.S. Swingline Loan or U.S. Overadvance equal in amount to such U.S. Lender's Applicable Percentage of such U.S. Swingline Loan or U.S. Overadvance. The Swingline Lender or the Administrative Agent may, at any time, require the U.S. Lenders to fund their participations in U.S. Swingline Loans or U.S. Overadvances. From and after the date, if any, on which any U.S. Lender is required to fund its participation in any U.S. Swingline Loan or U.S. Overadvance purchased hereunder, the Administrative Agent shall promptly distribute to such U.S. Lender, such U.S. Lender's Applicable Percentage of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such U.S. Swingline Loan or U.S. Overadvance.

(f) Upon the making of a Canadian Swingline Loan or a Canadian Overadvance (whether before or after the occurrence of a Default and regardless of whether a Settlement has been requested with respect to such Canadian Swingline Loan or Canadian Overadvance), each Canadian Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Swingline Lender or the Administrative Agent, as the case may be, without recourse or warranty, an undivided interest and participation in such Canadian Swingline Loan or Canadian Overadvance equal in amount to such Canadian Lender's Applicable Percentage of such Canadian Swingline Loan or Canadian Overadvance. The Swingline Lender or the Administrative Agent may, at any time, require the Canadian Lenders to fund their participations in Canadian Swingline Loans or Canadian Overadvances. From and after the date, if any, on which any Canadian Lender is required to fund its participation in any Canadian Swingline Loan or Canadian Overadvance purchased hereunder, the Administrative Agent shall promptly distribute to such Canadian Lender, such Canadian Lender's Applicable Percentage of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Canadian Swingline Loan or Canadian Overadvance, as the case may be.

(g) The Administrative Agent, on behalf of the Swingline Lender shall request settlement (a "Settlement") with the U.S. Lenders or Canadian Lenders, as applicable, on at least a weekly basis or on any more frequent date that the Administrative Agent elects, by notifying the applicable Revolving Lenders of such requested Settlement by facsimile, telephone, or electronic mail no later than 12:00 p.m., New York City time, on the date of such requested Settlement (the "Settlement Date"). With respect to Settlements involving U.S. Loans, each U.S. Lender (other than the Swingline Lender, in the case of the U.S. Swingline Loans) shall transfer in dollars the amount of such U.S. Lender's Applicable Percentage of the outstanding principal amount of the applicable Loan with respect to which Settlement is requested to the Administrative Agent, to an account of the Administrative Agent as the Administrative Agent may designate, not later than 1:00 p.m., New York City time, on such Settlement Date. With respect to Settlements involving Canadian Loans, each Canadian Lender (other than the Swingline Lender, in the case of the Canadian Swingline Loans) shall transfer, in the currency in which the applicable Loan was denominated, the

amount of such Canadian Lender's Applicable Percentage of the outstanding principal amount of the applicable Loan with respect to which Settlement is requested to the Administrative Agent, to an account of the Administrative Agent as the Administrative Agent may designate, not later than 1:00 p.m., New York City time, on such Settlement Date. Settlements may occur during the existence of a Default and whether or not the applicable conditions precedent set forth in Section 4.02 have then been satisfied. Such amounts transferred to the Administrative Agent shall be applied against, as applicable, (i) the amounts of the Swingline Lender's U.S. Swingline Loans (and, together with Swingline Lender's Applicable Percentage of such U.S. Swingline Loan, shall constitute U.S. Revolving Loans of such U.S. Lenders, respectively) and (ii) the amounts of the Swingline Lender's Canadian Swingline Loans (and, together with Swingline Lender's Applicable Percentage of such Canadian Swingline Loan, shall constitute Canadian Revolving Loans of such Canadian Lenders, respectively). If any such amount is not transferred to the Administrative Agent by any Revolving Lender on such Settlement Date, the applicable Swingline Lender shall be entitled to recover such amount on demand from such Lender together with interest thereon as specified in Section 2.07.

SECTION 2.06 Letters of Credit. (a) General Terms; Issuing Bank Commitments; Requests for Letters of Credit. Subject to the terms and conditions set forth herein, the Borrower Representative may request the issuance of, and each Issuing Bank agrees, subject to its LC Individual Sublimit and in reliance upon the agreements of the Borrowers and the Lenders set forth in this Section 2.06 and elsewhere in the Agreement, to issue, Letters of Credit (denominated in dollars or in an LC Alternative Currency in the case of U.S. Letters of Credit and denominated in dollars or Canadian Dollars in the case of Canadian Letters of Credit) for the account of a Borrower or for the account of a Restricted Subsidiary, in a form reasonably acceptable to the applicable Issuing Bank and the Administrative Agent, at any time and from time to time during the Availability Period; provided that, unless expressly agreed by Barclays in writing, Barclays, in its capacity as an Issuing Bank shall only be required to issue standby Letters of Credit, provided further that (i) with respect to any Letter of Credit issued for the account of (x) a Domestic Subsidiary that is not a Borrower or (y) a Foreign Subsidiary, one or more of the U.S. Borrowers shall be the applicant or co-applicant with respect to such Letter of Credit, (ii) with regard to any Letter of Credit issued for the account of a Canadian Subsidiary that is not a Borrower, one or more of the Canadian Borrowers shall be the applicant or co-applicant with respect to such Letter of Credit, (iii) each U.S. Borrower and each other U.S. Loan Party irrevocably agrees that it shall be jointly and severally liable and fully responsible for any and all LC Disbursements and other obligations with respect to any Letter of Credit issued for the account of any Borrower or Restricted Subsidiary hereunder as if such Letter of Credit had been issued for the sole account of such U.S. Borrower or other U.S. Loan Party, (iv) each Canadian Borrower and each other Canadian Loan Party irrevocably agrees that it shall be jointly and severally liable and fully responsible for any and all LC Disbursements and other obligations with respect to any Canadian Letter of Credit issued for the account of any Canadian Borrower or Canadian Subsidiary hereunder as if such Letter of Credit had been issued for the sole account of such Canadian Borrower or other Canadian Loan Party, (v) each U.S. Lender severally agrees to participate in all U.S. Letters of Credit issued hereunder to the extent of its Applicable Percentage, and (vi) each Canadian Lender severally agrees to participate in all Canadian Letters of Credit issued hereunder to the extent of its Applicable Percentage. 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 Borrowers to, or entered into by the Borrowers with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Notwithstanding anything herein to the contrary, no Issuing Bank shall have any obligation hereunder to issue, and shall not issue, any Letter of Credit (i) the proceeds of which would be made available to any Person (A) to fund any activity or business of or with any Sanctioned Person, or in any country or territory that, at the time of such funding, is the subject of any Sanctions or (B) in any manner that would result in a violation of any Sanctions by any party to this Agreement, (ii) if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms enjoin or restrain such Issuing Bank from issuing such Letter of Credit, or any Change in Law relating to such Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit, or request that such Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Fourth Restatement Date, or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Fourth Restatement Date and which such Issuing Bank in good faith deems material to it, or (iii) if the issuance of such Letter of Credit would violate one or more policies of the Issuing Bank applicable to letters of credit generally; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act

and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in the implementation thereof, and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed not to be in effect on the Fourth Restatement Date for purposes of clause (ii) above, regardless of the date enacted, adopted, issued or implemented. If any Borrower requests that the Issuing Bank issue a Letter of Credit for the account of an affiliated or unaffiliated third party (an "Account Party"), (i) such Account Party shall have no rights against the Issuing Bank, (ii) the Borrowers shall be responsible for the application and the obligations under this Agreement and (iii) communications (including notices) related to such Letter of Credit shall be between the Issuing Bank and the Borrower Representative.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower Representative shall deliver by hand or facsimile (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Bank) to the applicable Issuing Bank and the Administrative Agent ((i) in the case of Letters of Credit to be issued in dollars, prior to 1:00 p.m., New York City time, at least three Business Days and (ii) in the case of Letters of Credit to be issued in an LC Alternative Currency, prior to 1:00 p.m., New York City time, at least five Business Days prior to the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the 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 Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the Loan Party or Restricted Subsidiary for whose account such Letter of Credit is to be issued, the currency in which such Letter of Credit will be denominated (which may be in: (x) dollars or an LC Alternative Currency in the case of U.S. Letters of Credit and (y) dollars or Canadian Dollars in the case of Canadian Letters 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 Letter of Credit. If requested by the applicable Issuing Bank, the applicable Borrower also shall submit a letter of credit application on the applicable Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the aggregate LC Exposure shall not exceed the LC Aggregate Maximum Amount, (ii) U.S. Availability shall not be less than zero, (iii) Canadian Availability shall not be less than zero, (iv) Aggregate Availability shall not be less than zero, (v) the aggregate LC Exposure with respect to all Letters of Credit issued in an LC Alternative Currency shall not exceed the LC Alternative Currency Sublimit, (vi) the LC Exposure of the applicable Issuing Bank shall not exceed such Issuing Bank's LC Individual Sublimit, and (vii) each Lender's U.S. Revolving Exposure, Canadian Revolving Exposure and Revolving Exposure shall not exceed such Lender's U.S. Commitment, Canadian Commitment and Revolving Commitment, respectively.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date that is two years (or, at the discretion of the applicable Issuing Bank, with the consent of the Administrative Agent and the Required Lenders, an agreed to longer period of time) after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, including, without limitation, any "evergreen" or automatic renewal provisions, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date (unless such Letter of Credit has been cash collateralized in accordance with the provisions of Section 2.06(k)) or otherwise in a manner reasonably satisfactory to the applicable Issuing Bank; provided, that in the case of any Letter of Credit providing for annual automatic renewal, such Letter of Credit may, at the discretion of the applicable Issuing Bank, be automatically extended for a period of up to one year after the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of any Issuing Bank or the Revolving Lenders, the applicable Issuing Bank hereby grants to each U.S. Lender, with respect to a U.S. Letter of Credit, and each Canadian Lender, with respect to a Canadian Letter of Credit, and each U.S. Lender and Canadian Lender, as applicable, hereby acquires from the applicable Issuing Bank, a participation in each such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, (i) with respect to each U.S. Letter of Credit, each U.S. Lender

hereby absolutely and unconditionally agrees to pay in dollars to the Administrative Agent, and (ii) with respect to any Canadian Letters of Credit, each Canadian Lender hereby absolutely and unconditionally promises to pay, in the same currency in which such Canadian Letter of Credit is issued, the Administrative Agent, in each case for the account of the applicable Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement, made by such Issuing Bank and not reimbursed by the applicable Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to such Borrowers for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, U.S. Commitments or Canadian Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the applicable Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent (i) in the case of any U.S. Letter of Credit, in dollars and (ii) in the case of any Canadian Letter of Credit, in the same currency as the applicable LC Disbursement, an amount equal to such LC Disbursement not later than 1:00 p.m., New York City time, on the date that such LC Disbursement is made, if the Borrower Representative shall have received notice of such LC Disbursement prior to 11:00 a.m., New York City time, on such date, or, if such notice has not been received by the Borrower Representative prior to such time on such date, then not later than 2:00 p.m., New York City time, on (x) the Business Day that the Borrower Representative receives such notice, if such notice is received prior to 11:00 a.m., New York City time, on the date of receipt, or (y) the Business Day immediately following the day that the Borrower Representative receives such notice, if such notice is not received prior to such time on the date of receipt; provided that the Borrowers may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with an ABR Revolving Borrowing or U.S. Swingline Loan (in the case of U.S. Letters of Credit), or a Canadian Prime Rate Revolving Borrowing or Canadian Swingline Loan (in the case of Canadian Letters of Credit), in an equivalent amount and, to the extent so financed (in the event that such LC Disbursement with respect to a U.S. Letter of Credit was made in an LC Alternative Currency, such Borrowing Request shall be for an amount in dollars equal to the Dollar Amount of such LC Disbursement), the Borrowers' obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing, Canadian Prime Rate Revolving Borrowing or Swingline Loan. If the Borrowers fail to make such payment when due, the Administrative Agent shall notify each U.S. Lender of the applicable LC Disbursement with respect to U.S. Letters of Credit and each Canadian Lender of the applicable LC Disbursement with respect of Canadian Letters of Credit, the payment then due from the applicable Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice with respect to any Letter of Credit, each U.S. Lender (in the case of any U.S. Letter of Credit) and each Canadian Lender (in the case of any Canadian Letter of Credit) shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the applicable Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, *mutatis mutandis*, to the payment obligations of the applicable Lenders), and the Administrative Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from such Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrowers pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse the applicable Issuing Bank, then to such Lenders and the applicable Issuing Bank as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse any Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans, Canadian Prime Rate Revolving Loans, or a Swingline Loan as contemplated above) shall not constitute a Loan (but shall be a Secured Obligation) and shall not relieve the Borrowers of their obligation to reimburse such LC Disbursement.

(f) Exchange Indemnification and Increased Costs. The U.S. Borrowers shall, upon demand from any Issuing Bank or any U.S. Lender, pay to such Issuing Bank or such U.S. Lender, the amount of (i) any loss or cost or increased cost incurred by such Issuing Bank or such U.S. Lender, (ii) any reduction in any amount payable to or in the effective return on the capital to such Issuing Bank or such U.S. Lender, (iii) any currency exchange loss, in each case with respect to clauses (i), (ii) and (iii), that such Issuing Bank or such U.S. Lender sustains as a result of the U.S. Borrowers' repayment in dollars of any U.S. Letter of Credit that was denominated in an LC Alternative Currency or (iv) any interest or any other return, including principal, foregone by such Issuing Bank as a result of the introduction of, changeover to or operation of the Euro in any member state participating in the Euro. A certificate of the

applicable Issuing Bank setting forth in reasonable detail the basis for determining such additional amount or amounts necessary to compensate such Issuing Bank shall be conclusively presumed to be correct save for manifest error.

(g) Obligations Absolute. The joint and several obligations of U.S. Borrowers to reimburse LC Disbursements and the obligation of the Canadian Borrowers to reimburse LC Disbursements on account of Canadian Letters of Credit, in each case, as provided in paragraph (e) of this Section shall be (subject to Section 12.01) 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 Letter of Credit or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such 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 Borrowers' obligations hereunder. None of the Administrative Agent, the Revolving Lenders nor any 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 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 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 any Issuing Bank; provided that the foregoing shall not be construed to excuse the applicable Issuing Bank from liability to the Borrowers to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by applicable law) suffered by any Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), such 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 which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(h) Disbursement Procedures. The applicable Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The applicable Issuing Bank shall promptly notify the Administrative Agent and the applicable Borrower by telephone (confirmed by facsimile or electronic mail) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrowers of their obligation to reimburse the applicable Issuing Bank and the applicable Revolving Lenders with respect to any such LC Disbursement.

(i) Interim Interest. If any Issuing Bank shall make any LC Disbursement, then, unless the Borrowers shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrowers reimburse such LC Disbursement, at the rate per annum (i) then applicable to ABR Revolving Loans in the case of LC Disbursements made in dollars; (ii) then applicable to Canadian Prime Rate Revolving Loans in the case of LC Disbursements made in Canadian Dollars; and (iii) equal to the Alternate Currency LIBO Rate plus the Alternate Currency LIBO Spread as set forth in the definition of "Applicable Rate" in the case of LC Disbursements made in an LC Alternative Currency; provided that, if the applicable Borrowers fail to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(f) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Bank shall be for the account of such Revolving Lender to the extent of such payment.

(j) Replacement of the Issuing Bank. Any Issuing Bank may be replaced at any time by written agreement among the Borrower Representative, the Administrative Agent, the Issuing Bank to be replaced and the

successor Issuing Bank. The Administrative Agent shall notify the Revolving Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term “Issuing Bank” shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(k) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower Representative receives notice from the Administrative Agent or the Required Lenders demanding the deposit of cash collateral pursuant to this paragraph, (i) the U.S. Borrowers shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lender Parties (the “LC Collateral Account”), an amount in cash equal to 103% of the U.S. LC Exposure as of such date plus accrued and unpaid interest thereon; and (ii) the Canadian Borrowers shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Canadian Lender Parties (the “Canadian LC Collateral Account”), an amount in cash equal to 103% of the Canadian LC Exposure as of such date plus 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 any Borrower described in clauses (i) or (j) of Article VII. Such deposits shall be held by the Administrative Agent as collateral for the payment and performance of the Secured Obligations in the case of deposits in the LC Collateral Account, and the Canadian Secured Obligations in the case of deposits in the Canadian LC Collateral Account. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such accounts; and (x) the U.S. Borrowers hereby grant the Administrative Agent (for the benefit of the Lender Parties) a security interest in the LC Collateral Account and (y) the Canadian Borrowers hereby grant the Administrative Agent (for the benefit of the Canadian Lender Parties) a security interest in the Canadian LC Collateral 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 Administrative Agent and at the Borrowers’ risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Subject to Section 12.01, moneys in such account shall be applied by the Administrative Agent to reimburse the applicable Issuing Bank for 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. Borrowers or the Canadian Borrowers, as applicable, for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Required Lenders), be applied, in the case of moneys in the LC Collateral Account, to satisfy other Secured Obligations or, in the case of moneys in the Canadian LC Collateral Account, to satisfy other Canadian Secured Obligations. If the Borrowers are 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 Borrowers within three Business Days after all such Events of Default have been cured or waived.

(l) Treatment of Existing Letters of Credit. On the Fourth Restatement Date, (i) each Existing U.S. Letter of Credit, to the extent outstanding, shall automatically and without further action by the parties thereto be deemed converted into a U.S. Letter of Credit under this Agreement (as reflected on Schedule 2.06) and each Existing Canadian Letter of Credit, to the extent outstanding, shall automatically and without further action by the parties thereto be deemed converted into a Canadian Letter of Credit under this Agreement (as reflected on Schedule 2.06), in each case, pursuant to this Section 2.06 and subject to the provisions hereof as if each such Existing U.S. Letter of Credit and each Existing Canadian Letter of Credit had been issued on the Fourth Restatement Date, (ii) each Existing U.S. Letter of Credit shall be included in the calculation of U.S. LC Exposure and each Existing Canadian Letter of Credit shall be included in the calculation of Canadian LC Exposure, and (iii) all liabilities of the Borrowers and the other Loan Parties with respect to such Existing Letters of Credit shall constitute Obligations.

(m) Issuing Bank Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, such Issuing Bank shall, in addition to its notification obligations set forth elsewhere in this Section, report in

writing to the Administrative Agent (i) periodic activity (for such period or recurrent periods as shall be requested by the Administrative Agent) in respect of Letters of Credit issued by such Issuing Bank, including all issuances, extensions, amendments and renewals, all expirations and cancellations and all disbursements and reimbursements, (ii) reasonably prior to the time that such Issuing Bank issues, amends, renews or extends any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the stated amount of the Letters of Credit issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed), (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date and amount of such LC Disbursement, (iv) on any Business Day on which any Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount of such LC Disbursement, and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such Issuing Bank.

(n) Limitation of Liability; Direct Damages. The liability of the Issuing Bank (or any other Indemnitee) under, in connection with and/or arising out of this Agreement, any letter of credit application or any Letter of Credit (or pre-advice), regardless of the form or legal grounds of the action or proceeding, shall be limited to direct damages suffered by the applicant with respect to such letter of credit application or Letter of Credit that are caused directly by the Issuing Bank's bad faith, gross negligence or willful misconduct in (i) failing to issue a Letter of Credit requested by the Borrowers when such Letter of Credit and the Borrowers are in strict compliance with the terms of this Agreement, (ii) honoring a presentation under a Letter of Credit that on its face does not at least substantially comply with the terms and conditions of such Letter of Credit, (iii) failing to honor a presentation under a Letter of Credit that strictly complies with the terms and conditions of such Letter of Credit or (iv) retaining drawing documents presented under a Letter of Credit. Such applicant's aggregate remedies against the Issuing Bank and any Indemnitee for wrongfully honoring a presentation under any Letter of Credit or wrongfully retaining honored drawing documents shall in no event exceed the aggregate amount paid by such applicant to the Issuing Bank in respect of the honored presentation in connection with such Letter of Credit under Section 2.06(e), plus interest at the rate then applicable to ABR Loans or Canadian Prime Rate Loans, as applicable.

SECTION 2.07 Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 2:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that, Swingline Loans shall be made as provided in Section 2.05. The Administrative Agent will make such Loans available to the Borrower Representative by promptly crediting the amounts so received, in like funds, to the Funding Account(s); provided that ABR Revolving Loans made to finance the reimbursement of (i) an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank, (ii) a U.S. Protective Advance or a U.S. Overadvance shall be retained by the Administrative Agent, and (iii) a Canadian Protective Advance or a Canadian Overadvance shall be retained by the Administrative Agent. U.S. Loans and participations in U.S. Swingline Loans and U.S. Letters of Credit will be funded by each U.S. Lender pro rata in accordance with its Applicable Percentage of the U.S. Commitments. Canadian Loans and participations in Canadian Swingline Loans and Canadian Letters of Credit will be funded by each Canadian Lender pro rata in accordance with its Applicable Percentage of the Canadian Commitments.

(b) Unless the 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 the Administrative Agent such Lender's share of such Borrowing, the 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 such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent then the applicable Lender and the Borrowers severally agree to pay to the 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 the Administrative Agent at (i) in the case of such Lender, the greater of either the Federal Funds Effective Rate (in the case of dollar denominated amounts) or the Canadian Overnight Rate (in the case of Canadian Dollar denominated amounts) and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrowers, the interest rate applicable to ABR Loans (in the case of dollar denominated amounts), or Canadian Prime Rate Loans (in the case of Canadian Dollar denominated amounts). If such Lender pays such amount to the Administrative Agent then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08 Interest Elections. (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Revolving Borrowing or a CDOR Rate Revolving Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower Representative may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Revolving Borrowing or a CDOR Rate Revolving Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower Representative 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, provided that a Borrowing in one currency may only be converted to another Type of Borrowing denominated in the same currency as the Borrowing to be so converted. This Section shall not apply to Swingline Borrowings, Overadvances or Protective Advances, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower Representative shall notify the Administrative Agent of such election in writing by the time that a Borrowing Request would be required under Section 2.03 if the Borrowers were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery, facsimile or electronic mail delivery to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower Representative.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the name of the applicable Borrower and 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 (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) the currency in which such Borrowing is to be funded;

(iv) whether the resulting Borrowing is to be an ABR Borrowing, a Canadian Prime Rate Borrowing, a CDOR Rate Borrowing, or a Eurodollar Borrowing; and

(v) if the resulting Borrowing is a Eurodollar Borrowing or a CDOR Rate 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."

If any such Interest Election Request requests a Eurodollar Borrowing or a CDOR Rate Borrowing but does not specify an Interest Period, then the Borrowers shall be deemed to have selected an Interest Period of one month's (or, in the case of a CDOR Rate Borrowing, 30 days') duration.

(d) Promptly following receipt of an Interest Election Request by the Administrative Agent, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower Representative 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, in the case of a Eurodollar Borrowing of either U.S. Revolving Loans or Canadian Revolving Loans denominated in dollars. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower Representative, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing of U.S. Revolving Loans or Canadian Revolving Loans denominated in dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

(f) If the Borrower Representative fails to deliver a timely Interest Election Request with respect to a CDOR Rate 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 a Canadian Prime Rate Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower Representative, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a CDOR Rate Borrowing and (ii) unless repaid, each CDOR Rate Borrowing shall be converted to a Canadian Prime Rate Borrowing of the same class at the end of the Interest Period applicable thereto.

SECTION 2.09 Termination and Reduction of Commitments; Increase in Revolving Commitments. (a) Unless previously terminated, all Revolving Commitments shall terminate on the Maturity Date. For clarification, all U.S. Commitments and Canadian Commitments, as sub-facilities of the Revolving Commitments, shall terminate upon the termination of the Revolving Commitments.

(b) Subject to Section 12.01, the Borrowers may at any time terminate the Revolving Commitments upon (i) the payment in full in cash of all outstanding U.S. Loans, in the case of the U.S. Commitment, and Canadian Loans, in the case of the Canadian Commitment, together with accrued and unpaid interest thereon and on any U.S. Letters of Credit, in the case of the U.S. Commitment, and Canadian Letters of Credit, in the case of the Canadian Commitment, as applicable, (ii) the cancellation and return of all outstanding U.S. Letters of Credit, in the case of the U.S. Commitment, and Canadian Letters of Credit, in the case of the Canadian Commitment (or alternatively, (A) with respect to each such U.S. Letter of Credit, the deposit in the LC Collateral Account of cash equal to 103% of the U.S. LC Exposure or with respect to each such Canadian Letter of Credit, the deposit in the Canadian LC Collateral Account of cash equal to 103% Canadian LC Exposure, as applicable, as of such date in accordance with Section 2.06(k), or (B) with the consent of the Administrative Agent and each applicable Issuing Bank, a back-up standby letter of credit equal to 103% of the U.S. LC Exposure or Canadian LC Exposure, as applicable, as of such date), (iii) the payment in full in cash of the accrued and unpaid fees, and (iv) the payment in full in cash of all reimbursable expenses and other U.S. Obligations or Canadian Obligations, as applicable, together with accrued and unpaid interest thereon. For clarification, all U.S. Commitments and Canadian Commitments, as sub-facilities of the Revolving Commitments, shall terminate upon the termination of the Revolving Commitments.

(c) Subject to Section 12.01, the Borrowers may from time to time reduce the Aggregate Revolving Commitments; provided that (i) each reduction of the Aggregate Revolving Commitments shall be in an amount that is an integral multiple of \$5,000,000 and not less than \$5,000,000 and (ii) the Borrowers shall not reduce the Aggregate Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.11, Aggregate Availability would be less than zero. Each reduction of the Aggregate Revolving Commitments shall be made ratably among the Lenders in accordance with their Applicable Percentages. In connection with any reduction of the Aggregate Revolving Commitments, the aggregate U.S. Commitments shall be automatically reduced on a dollar-for-dollar basis by the amount of the reduction in the Aggregate Revolving Commitments, and, to the extent that the reduction in the Aggregate Revolving Commitments would cause the Canadian Sublimit to exceed the aggregate amount of the Canadian Commitments of the Canadian Lenders, the Canadian Sublimit shall be automatically reduced so that after giving effect to the reduction in the Aggregate Revolving Commitments, the Canadian Sublimit does not exceed the aggregate amount of the Canadian Commitments of the Canadian Lenders.

(d) The Borrower Representative shall notify the Administrative Agent of any election to terminate or reduce the Revolving Commitments under paragraphs (b) or (c) 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 notice, the Administrative Agent shall advise the U.S. Lenders or the Canadian Lenders, as applicable, of the contents thereof. Each notice delivered by the Borrower Representative pursuant to this Section shall be irrevocable; provided that a notice of termination of the Revolving Commitments delivered by the Borrower Representative may state that such notice is conditioned upon the effectiveness of another transaction, in which case such notice may be revoked by the Borrower Representative (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Revolving Commitments shall be permanent.

(e) The Borrowers shall have the right to increase the Aggregate Revolving Commitments (an "Aggregate Commitment Increase") by obtaining additional Revolving Commitments, either from one or more of the Lenders or another lending institution, provided that (i) any such request for an Aggregate Commitment Increase shall

be in a minimum amount of \$25,000,000, (ii) the Administrative Agent has approved the identity of any such new Lender, such approval not to be unreasonably withheld, delayed or conditioned, (iii) any such new Lender assumes all of the rights and obligations of a “Lender” hereunder, (iv) the aggregate amount of all such Aggregate Commitment Increases shall not exceed ~~\$500,000,000~~400,000,000 (for the avoidance of doubt, after giving effect to the First Amendment), (v) the conditions described in Section 2.09(f) shall be satisfied and (vi) no Lender shall have any obligation to increase its Revolving Commitment in connection with any such Aggregate Commitment Increase requested by the Borrowers hereunder. The Administrative Agent may, in consultation with the Borrower Representative, allocate the additional Revolving Commitments between U.S. Commitments and Canadian Commitments.

(f) Any amendment hereto for such an Aggregate Commitment Increase shall be in form and substance reasonably satisfactory to the Administrative Agent and shall only require the written signatures of the Administrative Agent, the Borrowers and the Lender(s) being added or increasing their Revolving Commitment(s). As conditions precedent to such an increase, the Borrower Representative shall deliver to the Administrative Agent a certificate of each Loan Party signed by an authorized officer of such Loan Party (A) certifying and attaching the authorizations adopted by such Loan Party approving or consenting to such increase, and (B) in the case of the Borrowers, certifying that, before and after giving effect to such increase, subject to Section 1.08, (1) the representations and warranties contained in Article III and the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that are already qualified or modified by materiality in the text thereof or except to the extent such representation or warranty relates to an earlier date, in which case such representation and warranty shall be true and correct in all material respects as of such earlier date), and (2) no Default exists.

(g) In addition, the Borrowers shall have the right to request in connection with an Aggregate Commitment Increase that the Canadian Sublimit be increased (a “Canadian Sublimit Increase”) through the increase by one or more Canadian Lenders of their Canadian Commitments or the addition of one or more new lending institutions as additional Canadian Lenders hereunder. Any request for a Canadian Sublimit Increase shall be subject to the following conditions (which conditions shall be in addition to the conditions set forth in Sections 2.09(e) and (f) above): (i) such request shall be submitted by the Borrower Representative to the Administrative Agent in writing not less than 15 days prior to the proposed dates of such Canadian Sublimit Increase, (ii) the aggregate amount of the Canadian Sublimit Increase shall not exceed \$25,000,000, (iii) the Borrowers shall have executed and delivered to the Administrative Agent an amendment hereto in form and substance reasonably satisfactory to the Administrative Agent effecting such increase, which amendment shall require only the signature of the Borrowers, the Administrative Agent and the Lender(s) increasing their Canadian Commitments, (iv) the Borrowers shall have delivered to the Administrative Agent a certificate of each Loan Party signed by an authorized officer of such Loan Party (A) certifying and attaching the authorizations adopted by such Loan Party approving or consenting to such increase, and (B) in the case of the Borrowers, certifying that, before and after giving effect to such increase, subject to Section 1.08, (1) the representations and warranties contained in Article III and the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that are already qualified or modified by materiality in the text thereof or except to the extent such representation or warranty relates to an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date), and (2) no Default exists, and (v) no Lender shall have any obligation to increase its Canadian Commitment in connection with any such Canadian Sublimit Increase requested by the Borrowers hereunder.

(h) Within a reasonable time after the effective date of any Aggregate Commitment Increase or Canadian Sublimit Increase, the Administrative Agent shall, and is hereby authorized and directed to, revise the Revolving Commitment Schedule to reflect such increase and shall distribute such revised Revolving Commitment Schedule to each of the Lenders and the Borrowers, whereupon such revised Revolving Commitment Schedule shall replace the old Revolving Commitment Schedule and become part of this Agreement. On the Business Day following any such Aggregate Commitment Increase, all outstanding ABR Loans and Canadian Prime Rate Loans shall be reallocated among the Lenders (including any newly added Lenders) in accordance with the Lenders’ respective revised Applicable Percentages. Eurodollar Loans and CDOR Rate Loans shall not be reallocated among the Lenders prior to the expiration of the applicable Interest Period in effect at the time of any such increase.

SECTION 2.10 Repayment and Amortization of Loans; Evidence of Debt. (a)(i) The U.S. Borrowers hereby unconditionally promise to pay (A) to the Administrative Agent for the account of each U.S. Lender the then

unpaid principal amount of each U.S. Revolving Loan on the Maturity Date, (B) to the Administrative Agent the then unpaid principal amount of each U.S. Protective Advance on the earlier of the Maturity Date and demand by the Administrative Agent and (C) to the Administrative Agent the then unpaid principal amount of each U.S. Overadvance on the earliest of the Maturity Date, the forty-fifth (45th) day after such U.S. Overadvance is made, and demand by the Administrative Agent; and (ii) the Canadian Borrowers hereby unconditionally promise to pay (A) to the Administrative Agent for the account of each Canadian Lender the then unpaid principal amount of each Canadian Revolving Loan on the Maturity Date, (B) to the Administrative Agent the then unpaid amount of each Canadian Protective Advance on the earlier of the Maturity Date and demand by the Administrative Agent and (C) to the Administrative Agent the then unpaid principal amount of each Canadian Overadvance on the earliest of the Maturity Date, the forty-fifth (45th) day after such Canadian Overadvance is made, and demand by the Administrative Agent.

(b) On each Business Day during any Cash Dominion Period, (i) the Administrative Agent shall apply all funds credited to each U.S. Collection Account on such Business Day or the immediately preceding Business Day (at the discretion of the Administrative Agent, whether or not immediately available) first to prepay any U.S. Protective Advances and U.S. Overadvances that may be outstanding, pro rata, and second to prepay the U.S. Revolving Loans (including U.S. Swingline Loans) and to cash collateralize outstanding U.S. LC Exposure; and (ii) the Administrative Agent shall apply all funds credited to each Canadian Collection Account on such Business Day or the immediately preceding Business Day (at the discretion of the Administrative Agent, whether or not immediately available) first to prepay any Canadian Protective Advances and Canadian Overadvances that may be outstanding, pro rata, and second to prepay the Canadian Revolving Loans (including Canadian Swingline Loans) and to cash collateralize outstanding Canadian LC Exposure.

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers 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.

(d) The Administrative Agent shall maintain accounts in which it shall record (A) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (B) the amount of any principal and interest due and payable or to become due and payable from (i) the U.S. Borrowers to each U.S. Lender or (ii) the Canadian Borrowers to each Canadian Lender, as applicable, hereunder and (C) the amount of any sum received by the Administrative Agent hereunder for the account of (i) the U.S. Lenders and each U.S. Lender's share or (ii) the Canadian Lenders and each Canadian Lender's share, as applicable, thereof.

(e) The entries made in the accounts maintained pursuant to paragraph (c) or (d) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein subject to manifest error; provided that in the event of a conflict between an account maintained pursuant to clause (c) and an account maintained pursuant to clause (d) of this Section, the account maintained under clause (d) shall control; provided further that the failure of any Lender or the Administrative Agent 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.

(f) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the applicable Borrowers shall prepare, execute and deliver to such Lender a promissory note payable to such Lender and its registered assigns and in a form approved by the Administrative Agent (it being agreed that the form attached hereto as Exhibit H is approved by the Administrative Agent). Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the applicable Lender and its registered assigns.

SECTION 2.11 Prepayment of Loans. (a) The Borrowers shall have the right at any time and from time to time, without premium or penalty other than any break funding payments required in accordance with Section 2.16, to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (c) of this Section and subject to Section 12.01.

(b) Except for Overadvances permitted under Section 2.05 and subject to Section 2.23, in the event and on such occasion (including after any Revaluation Date) that (i) Aggregate Availability shall be less than zero, subject to Section 12.01, (ii) U.S. Availability shall be less than zero, or (iii) Canadian Availability shall be less than zero, the Borrowers shall immediately prepay (or in the case of the LC Exposure, cash collateralize) the Revolving Loans, LC

Exposure and/or Swingline Loans in an aggregate amount sufficient to cause Aggregate Availability, U.S. Availability and Canadian Availability to no longer be less than zero.

(c) In the event and on each occasion that any Net Proceeds are received by or on behalf of any Loan Party in respect of any Prepayment Event during any Cash Dominion Period, the Borrowers shall, subject to Section 12.01, promptly, and in any event within two Business Days, after such Net Proceeds are received by any Loan Party, prepay the Obligations as set forth in Section 2.11(d) below in an aggregate amount equal to 100% of such Net Proceeds (without any reduction in the Revolving Commitments), provided that if any Permitted Term Debt is outstanding, any Net Proceeds with respect to any Prepayment Event which are clearly identifiable as proceeds of Term Loan Priority Collateral shall be remitted to the applicable Permitted Term Debt Agent in accordance with and to the extent required by the applicable Permitted Term Debt Intercreditor Agreement.

(d) All such amounts pursuant to Section 2.11(c) shall be applied, first to prepay any Protective Advances and Overadvances that may be outstanding, pro rata, and second to prepay the Revolving Loans (including Swingline Loans) without a corresponding reduction in the Aggregate Revolving Commitments and to cash collateralize outstanding LC Exposure (in an amount up to 103% of the outstanding LC Exposure). Notwithstanding the foregoing, any such application of proceeds from the Collateral securing solely the Canadian Obligations shall be made solely in respect of the Canadian Obligations.

(e) The Borrower Representative shall notify the Administrative Agent by telephone (confirmed by a Prepayment Notice delivered via facsimile or electronic mail) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Revolving Borrowing or a CDOR Rate Revolving Borrowing, not later than 12:00 p.m., New York City time, three (or, in the case of a CDOR Rate Revolving Borrowing, two) Business Days before the date of prepayment, or (ii) in the case of prepayment of an ABR Revolving Borrowing or a Canadian Prime Rate Revolving Borrowing, not later than 1:00 p.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Revolving Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Revolving Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13.

SECTION 2.12 Fees. (a) The Borrowers agree to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall commence to accrue on the Fourth Restatement Date and shall be due and payable in arrears on the first Business Day of each April, July, October and January for the immediately prior quarter at the Applicable Commitment Fee Rate on the average daily amount of the Available Revolving Commitment of such Lender during the period from and including the Fourth Restatement Date to but excluding the date on which such Lenders' Revolving Commitment terminates. Accrued commitment fees shall be payable quarterly in arrears on the first day of each April, July, October and January and on the date on which the Revolving Commitments terminate, commencing on the first such date to occur after the Fourth Restatement Date. 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.

(b) The (i) U.S. Borrowers agree to pay to the Administrative Agent for the account of each U.S. Lender a participation fee with respect to its participations in U.S. Letters of Credit and (ii) Canadian Borrowers agree to pay to the Administrative Agent for the account of each Canadian Lender a participation fee with respect to its participations in Canadian Letters of Credit, which, in each case, shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurodollar Loans on the average daily amount of such Lender's applicable LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Fourth Restatement Date to but excluding the later of the date on which such Lender's Revolving Commitment terminates and the date on which such Revolving Lender ceases to have any LC Exposure. In addition, each Borrower agrees to pay to the applicable Issuing Bank with respect to each Letter of Credit issued for the account of such Borrower by such Issuing Bank a fronting fee in an amount separately agreed upon between the Borrowers and the applicable Issuing Bank but in any event not more than 0.125% per annum on the face amount of each Letter of

Credit, as well as the applicable Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees accrued through and including the last day of each calendar month shall be payable on the first day of each calendar month following such last day, commencing on the first such date to occur after the Fourth Restatement Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Fronting fees in respect of any Letter of Credit shall be payable on the date of the issuance of such Letter of Credit and on the date of any renewal thereof. Any other fees payable to an Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed.

(c) The Borrowers agree to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrowers and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the applicable Issuing Bank in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders. 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 for such Type of Loan.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Eurodollar Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate for such Type of Loan.

(c) The Loans comprising each Canadian Prime Rate Borrowing shall bear interest at the Canadian Prime Rate plus the Applicable Rate for such Type of Loan.

(d) The Loans comprising each CDOR Rate Borrowing shall bear interest at the CDOR Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate for such Type of Loan.

(e) Each Protective Advance and each Overadvance shall bear interest at the Canadian Prime Rate, if denominated in Canadian Dollars, or at the Alternate Base Rate, if denominated in dollars, plus the Applicable Rate for corresponding Revolving Loans plus 2% per annum.

(f) Notwithstanding the foregoing, during the occurrence and continuance of an Event of Default, the Administrative Agent or the Required Lenders may, at their option, by notice to the Borrower Representative (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 9.02 requiring the consent of "each Lender affected thereby" for reductions in interest rates), declare that (i) all Loans shall bear interest at 2% plus the rate otherwise applicable to such Loans as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount outstanding hereunder, such amount shall accrue at 2% above the rate applicable to such fee or other obligation, if any, as provided hereunder.

(g) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (f) 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 Loan or a Canadian Prime Rate Loan prior to the end of the Availability Period), 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 or CDOR Rate 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.

(h) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate, the Canadian Prime Rate or the CDOR 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. The applicable Alternate Base Rate, Canadian Prime Rate, CDOR Rate, or Eurodollar Rate shall be

determined in good faith by the Administrative Agent and such determination shall be conclusive absent manifest error.

(i) For purposes of disclosure pursuant to the *Interest Act* (Canada), the annual rates of interest or fees to which the rates of interest or fees provided in this Agreement and the other Loan Documents (and stated herein or therein, as applicable, to be computed on the basis of 360 days or any other period of time less than a calendar year) are equivalent are the rates so determined multiplied by the actual number of days in the applicable calendar year and divided by 360 or such other period of time, respectively.

SECTION 2.14 Alternate Rate of Interest; Illegality. (a) If prior to the commencement of any Interest Period for a Eurodollar Borrowing, the Administrative Agent is advised by the Required Lenders that the Eurodollar Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period, then the Administrative Agent shall give notice thereof to the Borrower Representative and the Lenders by telephone, facsimile or electronic mail as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower Representative and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurodollar Borrowing shall be ineffective and any such Eurodollar Borrowing shall be repaid or converted into an ABR Borrowing on the last day of the then current Interest Period applicable thereto, and (B) if any Borrowing Request requests a Eurodollar Revolving Borrowing, such Borrowing shall be made as an ABR Borrowing.

(b) If prior to the commencement of any Interest Period for a CDOR Rate Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent demonstrable or manifest error) that adequate and reasonable means do not exist for ascertaining the CDOR Rate for such Interest Period; or

(ii) the Administrative Agent is advised by the Required Lenders that the CDOR Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower Representative and the Lenders by telephone, facsimile or electronic mail as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower Representative and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a CDOR Rate Borrowing shall be ineffective, and any such CDOR Rate Borrowing shall be repaid or converted into a Canadian Prime Rate Borrowing on the last day of the then current Interest Period applicable thereto, and (B) if any Borrowing Request requests a CDOR Borrowing, such Borrowing shall be made as a Canadian Prime Rate Borrowing.

(c) If any Lender determines that any Requirement of Law has made it unlawful, or if any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain, fund or continue any Eurodollar Borrowing, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower Representative through the Administrative Agent, any obligations of such Lender to make, maintain, fund or continue Eurodollar Loans or to convert ABR Borrowings to Eurodollar Borrowings will be suspended until such Lender notifies the Administrative Agent and the Borrower Representative that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrowers will upon demand from such Lender (with a copy to the Administrative Agent), either convert or prepay all Eurodollar Borrowings of such Lender to ABR Borrowings, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Borrowings to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Borrowings. Upon any such conversion or prepayment, the Borrowers will also pay accrued interest on the amount so converted or prepaid.

(d) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower Representative may amend this Agreement to replace the LIBO Rate with a Benchmark Replacement.

Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrower Representative so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders; provided that, with respect to any proposed amendment containing any SOFR-Based Rate, the Lenders shall be entitled to object only to the Benchmark Replacement Adjustment contained therein. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders accept such amendment. No replacement of LIBO Rate with a Benchmark Replacement pursuant to this Section 2.14(d) will occur prior to the applicable Benchmark Transition Start Date.

In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right, in consultation with the Borrower Representative, to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

The Administrative Agent will promptly notify the Borrower Representative and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period.

Any determination, decision or election that may be made by the Administrative Agent or Lenders pursuant to this Section 2.14(d), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.14(d).

Upon the Borrower Representative's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower Representative may revoke any request for a Eurodollar Borrowing of, conversion to or continuation of Eurodollar Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower Representative will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans. During any Benchmark Unavailability Period, the component of ABR based upon LIBO Rate will not be used in any determination of ABR.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a CDOR Benchmark Transition Event or a CDOR Early Opt-in Election, as applicable, the Administrative Agent and the Borrower Representative may amend this Agreement to replace the CDOR Rate with a CDOR Benchmark Replacement. Any such amendment with respect to a CDOR Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrower Representative so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. Any such amendment with respect to a CDOR Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders accept such amendment. No replacement of CDOR Rate with a CDOR Benchmark Replacement pursuant to this Section 2.14(d) will occur prior to the applicable CDOR Benchmark Transition Start Date.

In connection with the implementation of a CDOR Benchmark Replacement, the Administrative Agent will have the right in consultation with the Borrower Representative to make CDOR Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such CDOR Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

The Administrative Agent will promptly notify the Borrower Representative and the Lenders of (i) any occurrence of a CDOR Benchmark Transition Event or a CDOR Early Opt-in Election, as applicable, and its related CDOR Benchmark Replacement Date and CDOR Benchmark Transition Start Date, (ii) the implementation of any

CDOR Benchmark Replacement, (iii) the effectiveness of any CDOR Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any CDOR Benchmark Unavailability Period.

Any determination, decision or election that may be made by the Administrative Agent or Lenders pursuant to this Section 2.14(d) including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.14(d).

Upon the Borrower's receipt of notice of the commencement of a CDOR Benchmark Unavailability Period the Borrower Representative may revoke any request for a CDOR Rate Borrowing of, conversion to or continuation of a Canadian Dollar Loans to be made, converted or continued during any CDOR Benchmark Unavailability Period and, failing that, the Borrower Representative will be deemed to have converted any such request into a request for a Borrowing of or conversion to Canadian Prime Rate Loans. During any CDOR Benchmark Unavailability Period the component of Canadian Prime Rate based upon the CDOR Rate will not be used in any determination of Canadian Prime Rate.

SECTION 2.15 Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Eurodollar Rate) or Issuing Bank;

(ii) impose on any Lender or Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender (or such other Recipient) of making or maintaining any Eurodollar Loan or CDOR Rate Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or such Issuing Bank (or such other Recipient) of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or Issuing Bank (or such other Recipient) hereunder (whether of principal, interest or otherwise), then subject to Section 12.01 the Borrowers will pay to such Lender or Issuing Bank (or such other Recipient), as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank (or such other Recipient), as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or Issuing Bank determines that any Change in Law regarding capital adequacy or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of, or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by a Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy and liquidity), then subject to Section 12.01 from time to time the Borrowers will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower Representative and shall be conclusive absent

manifest error. The Borrowers shall pay such Lender or Issuing Bank, as the case may be, 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 Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; provided that the Borrowers shall not be required to compensate a Lender or Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or Issuing Bank, as the case may be, notifies the Borrower Representative of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing 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 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 CDOR Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan or CDOR Rate Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan or CDOR Rate Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(c) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan or CDOR Rate Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower Representative pursuant to Section 2.19, then, in any such event, the U.S. Borrowers shall compensate each U.S. Lender and the Canadian Borrowers shall compensate each Canadian Lender, as applicable, for the loss, cost and expense incurred by such Lender that is attributable to such event. In the case of a Eurodollar Loan or CDOR Rate Loan, 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 which would have accrued on the principal amount of such Loan had such event not occurred, at the Eurodollar Rate or the CDOR Rate 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 therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period to such Eurodollar Loan from other banks in the eurodollar market, or for Canadian Dollar deposits of a comparable amount and period to such CDOR Rate Loan from other banks in the Canadian bankers' acceptance market. 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 Borrower Representative and shall be conclusive absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.17 Withholding of Taxes; Gross-Up.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.17) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrowers. The Borrowers shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Evidence of Payment. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, such Loan Party shall deliver to the 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 Administrative Agent.

(d) Indemnification by the Borrowers. Subject to Section 12.01, the Loan Parties shall jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable and documented out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified 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 any Loan Party by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable and documented out-of-pocket expenses arising therefrom or with respect thereto, whether or not such 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 any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower Representative and the Administrative Agent, at the time or times reasonably requested by the Borrower Representative or the Administrative Agent and at the time or times prescribed by applicable law, such properly completed and executed documentation reasonably requested by the Borrower Representative or the Administrative Agent or prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower Representative or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower Representative or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A), 2.17(f)(ii)(B) and 2.17(f)(ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower Representative and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower Representative or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower Representative and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Non-U.S. Lender becomes a Lender under this Agreement

(and from time to time thereafter upon the reasonable request of the Borrower Representative or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) in the case of a Non-U.S. Lender claiming that its extension of credit will generate U.S. effectively connected income, executed copies of IRS Form W-8ECI;

(3) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit C-1 to the effect that such Non-U.S. Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of a Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable; or

(4) to the extent a Non-U.S. Lender is not the beneficial owner of payments made under any Loan Document, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 or Exhibit C-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Non-U.S. Lender is a partnership and one or more direct or indirect partners of such Non-U.S. Lender are claiming the portfolio interest exemption, such Non-U.S. Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-4 on behalf of each such direct and indirect partner;

(C) any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower Representative and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Non-U.S. Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower Representative or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrowers or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower Representative and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower Representative or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower Representative or the Administrative Agent as may be necessary for the Borrowers and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the Fourth Restatement Date.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower Representative and the Administrative Agent in writing of its legal inability to do so.

(iii) On or prior to the date that the Administrative Agent (and any successor thereto) becomes a party to this Agreement, and from time to time as reasonably requested by the Borrower Representative, (x) if the Administrative Agent is a U.S. Person, it shall provide the Borrower Representative executed copies of IRS Form W-9, or (y) if the Administrative Agent is not a U.S. Person, (A) it shall provide the Borrower Representative with executed copies of IRS Form W-8ECI with respect to fees, interest or other payments received on its own behalf and any such other documentation prescribed by applicable law that would allow the Borrower Representative to make payments to it without deduction or withholding of any U.S. federal withholding Taxes and (B) it shall provide the Borrower Representative with executed copies of IRS Form W-8IMY (or successor form) certifying that it is either (1) a “qualified intermediary” and that it assumes primary withholding responsibility under Chapters 3 and 4 of the Code and primary Form 1099 reporting and backup withholding responsibility for fees, interest or other payments it receives for the account of others or (2) a “U.S. branch” and that the fees, interest or other payments it receives for the account of others are not effectively connected with the conduct of a trade or business in the U.S. and that it is using such form as evidence of its agreement with the Borrower to be treated as a United States person with respect to such payments (and the Borrower Representative and the Administrative Agent agree to so treat the Administrative Agent as a United States person with respect to such payments as contemplated by U.S. Treasury Regulations Section 1.1441-1(b)(2)(iv)(A)), with the effect that the Borrower Representative can make payments to the Administrative Agent without deduction or withholding of any Taxes imposed by the United States.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph (g) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party’s obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Defined Terms. For purposes of this Section 2.17, the term “Lender” includes any Issuing Bank and the term “applicable law” includes FATCA.

SECTION 2.18 Payments Generally; Allocation of Proceeds; Sharing of Set-offs. (a) The Borrowers shall make each payment required to be made by them hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 3:00 p.m., New York City time, on the date when due, in immediately available funds, without setoff or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 745 Seventh Avenue, except (i) payments to be made directly to an Issuing Bank or Swingline Lender as expressly provided herein shall be made to such Issuing Bank or Swingline

Lender, and (ii) payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient, in like funds, promptly following receipt thereof. If any payment hereunder 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. All payments hereunder shall be made in the currency in which the applicable Obligations are denominated (subject to the proviso set forth in the first sentence of Section 1.05), and, if not otherwise specified, in dollars.

(b) Subject to Section 12.01 (and subject at any time that any Permitted Term Debt is outstanding, to the terms of the applicable Permitted Term Debt Intercreditor Agreement), any proceeds of Collateral received by the Administrative Agent after an Event of Default has occurred and is continuing and the Administrative Agent so elects, or the Required Lenders so direct, shall be applied ratably (based in respect of each of the following separate categories, computed independently of the other categories, on each Lender Party's interest in the aggregate specific type of outstanding Secured Obligations described within (and only within) each specific category of Secured Obligations listed respectively below) first, to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent and each Issuing Bank from the Borrowers (other than in connection with Banking Services or Swap Agreement Obligations), second, to pay any fees or expense reimbursements then due to the Lenders from the Borrowers (other than in connection with Banking Services or Swap Agreement Obligations), third, to pay interest due in respect of Swingline Loans, Overadvances and Protective Advances, fourth, to pay the principal of Swingline Loans, Overadvances and Protective Advances, fifth, to pay interest then due and payable on the Loans (other than Swingline Loans, Overadvances and Protective Advances), sixth, to prepay principal on the Loans (other than Swingline Loans, Overadvances and Protective Advances) and unreimbursed LC Disbursements, seventh, to pay to the Administrative Agent an amount equal to one-hundred-three percent (103%) of the U.S. LC Exposure and an amount equal to one-hundred-three percent (103%) of the Canadian LC Exposure, as applicable, to be held as cash collateral for such Obligations, eighth, to pay any amounts owing to the Lenders and their Affiliates with respect to Specified Foreign Credit Extensions up to and including the amount most recently provided to the Administrative Agent pursuant to Section 2.22, ninth, to pay any amounts owing to the Lenders and their Affiliates with respect to Banking Services up to and including the amount most recently provided to the Administrative Agent pursuant to Section 2.22, Swap Agreement Obligations up to and including the amount most recently provided to the Administrative Agent pursuant to Section 2.22 and Foreign Credit Extensions (other than Specified Foreign Credit Extensions), and tenth, to pay any other Secured Obligation due to the Administrative Agent or any Lender by the Borrowers. Notwithstanding the foregoing, amounts received from any Loan Party shall not be applied to any Excluded Swap Obligation of such Loan Party. Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Borrower Representative, or unless an Event of Default is in existence, neither the Administrative Agent nor any Lender shall apply any payment which it receives to any Eurodollar Loan or CDOR Rate Loan of a Class, except (a) on the expiration date of the Interest Period applicable to any such Eurodollar Loan or such CDOR Rate Loan or (b) in the event, and only to the extent, with respect to CDOR Rate Loans, that there are no outstanding Canadian Prime Rate Loans of the same Class, and with respect to Eurodollar Loans, that there are no outstanding ABR Loans of the same Class and, in any such event, the Borrowers shall pay the break funding payment required in accordance with Section 2.16. The Administrative Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations. Notwithstanding the foregoing but subject to Section 9.20, any such application of proceeds from Collateral securing solely the Canadian Obligations shall be made solely in respect of Canadian Obligations.

(c) At the election of the Administrative Agent, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents, may be paid from the proceeds of Borrowings made hereunder whether made following a request by the Borrower Representative pursuant to Section 2.03 or a deemed request as provided in this Section or may be deducted from any deposit account of any Borrower maintained with the Administrative Agent. Each Borrower hereby irrevocably authorizes (i) the Administrative Agent to make a Borrowing for the purpose of paying each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Loans (including Swingline Loans and Overadvances, but such a Borrowing may only constitute a Protective Advance if it is to reimburse costs, fees and expenses as described in Section 9.03) and that all such

Borrowings shall be deemed to have been requested pursuant to Sections 2.03, 2.04 or 2.05, as applicable and (ii) the Administrative Agent to charge any deposit account of any Borrower maintained with the Administrative Agent for each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents.

(d) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements 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 Loans and participations in LC Disbursements 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 Loans and participations in LC Disbursements; 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 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). Each Borrower consents to the foregoing and agrees, 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 such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the Borrower Representative prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or an Issuing Bank hereunder that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have 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 the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or the Issuing Banks, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank 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 Administrative Agent at the greater of the Federal Funds Effective Rate (in the case of dollar denominated amounts) or the Canadian Overnight Rate (in the case of Canadian Dollar denominated amounts) and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) If any Lender shall fail to make any payment required to be made by it hereunder, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations hereunder until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and apply any such amounts to, any future funding obligations of such Lender hereunder; application of amounts pursuant to (i) and (ii) above shall be made in such order as may be determined by the Administrative Agent in its discretion.

(g) Notwithstanding the foregoing, unless requested otherwise by the Canadian Borrowers (i) no Borrowings shall be made to a Canadian Borrower for the purpose of paying any U.S. Obligations; and (ii) deposit accounts of the Canadian Borrowers may only be charged to pay Canadian Obligations.

SECTION 2.19 Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.14 or 2.15, or if the Borrowers are 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 to designate a different lending office for funding or booking its Loans hereunder or 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 2.14, 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. The U.S.

Borrowers hereby agree 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 2.14 or 2.15, or if the Borrowers are 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 becomes a Defaulting Lender, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), 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 Borrowers shall have received the prior written consent of the Administrative Agent and the Issuing Banks, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, 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 Borrowers (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. 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 Borrowers to require such assignment and delegation cease to apply. Each party hereto agrees that (x) an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower Representative, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Electronic System as to which the Administrative Agent and such parties are participants), and (y) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

(c) If any Lender requests compensation under Section 2.14 or 2.15, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, the Lender shall first use reasonable efforts to mitigate its costs or the effects of the applicable law or Change in Law, and any request for additional compensation shall specify in sufficient detail the reasons therefor and the mitigating actions taken.

SECTION 2.20 Defaulting Lenders

. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Revolving Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) such Defaulting Lender shall not have the right to vote on any issue on which voting is required (other than to the extent expressly provided in Section 9.02(b)) and the Revolving Commitment and Credit Exposure of such Defaulting Lender shall not be included in determining whether all Lenders or the Required Lenders or the Supermajority Revolving Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 9.02), provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender which affects such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender;

(c) if any Swingline Exposure or LC Exposure exists at the time a Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only (x) to the extent that the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless the Borrower Representative shall have otherwise notified the Administrative Agent

at such time, the Borrowers shall be deemed to have represented that such conditions are satisfied at such time) and (y) to the extent the sum of all non-Defaulting Lenders' Credit Exposures plus such Defaulting Lender's Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Revolving Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrowers shall within one Business Day following notice by the Administrative Agent (x) first, prepay such Defaulting Lender's Swingline Exposure and (y) second, cash collateralize such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(k) for so long as such LC Exposure is outstanding;

(iii) if the Borrowers cash collateralize any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) of this Section 2.20(c), the Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (ii) of this Section 2.20(c), then the fees payable to the Lenders pursuant to Section 2.12(a) and Section 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; or

(v) if all or any portion of any Defaulting Lender's LC Exposure is neither cash collateralized nor reallocated pursuant to this Section 2.20(c), then, without prejudice to any rights or remedies of the applicable Issuing Bank or any Lender hereunder, all facility fees that otherwise would have been payable to such Defaulting Lender (solely with respect to the portion of such Defaulting Lender's Commitment that was utilized by such LC Exposure) and letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable Issuing Bank until such Defaulting Lender's LC Exposure is cash collateralized and/or reallocated;

(d) no Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrowers in accordance with Section 2.20(c), and participating interests in any such newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.20(c)(i) (and Defaulting Lenders shall not participate therein); and

If (i) a Bankruptcy Event or a Bail-In Action with respect to the Parent of any Lender shall occur following the Fourth Restatement Date and for so long as such event shall continue or (ii) the Issuing Bank or the Swingline Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit and the Swingline Lender shall not be required to fund any Swingline Loan, unless the Issuing Bank or the Swingline Lender, as the case may be, shall have entered into arrangements with the Borrowers or such Lender, satisfactory to the Issuing Bank or the Swingline Lender, as the case may be, to defease any risk in respect of such Lender hereunder;

(e) in the event and on the date that each of the Administrative Agent, the Borrowers, the Issuing Banks and the Swingline Lenders agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the other Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

(f) For purposes of any covenant which permits or restricts actions by any Loan Party or any Subsidiary of a Loan Party or calculates compliance with financial covenants or any other provision of this Agreement, in each case, based in whole or in part upon the calculation of Aggregate Availability, U.S. Availability, Canadian Availability or Combined Availability, with respect to any Defaulting Lender, Aggregate Availability, U.S. Availability, Canadian

Availability and Combined Availability shall be calculated (i) as if such Defaulting Lender had funded its Applicable Percentage of all outstanding Borrowings and (ii) including such Defaulting Lender's Revolving Commitment in the same manner as if such Lender were not a Defaulting Lender.

SECTION 2.21 Returned Payments. If after receipt of any payment which is applied to the payment of all or any part of the Obligations, the Administrative Agent or any Lender is for any reason compelled to surrender such payment or proceeds to any Person because such payment or application of proceeds is invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, then the Obligations or part thereof intended to be satisfied shall be revived and continued and this Agreement shall continue in full force as if such payment or proceeds had not been received by the Administrative Agent or such Lender. The provisions of this Section 2.21 shall be and remain effective notwithstanding any contrary action which may have been taken by the Administrative Agent or any Lender in reliance upon such payment or application of proceeds. The provisions of this Section 2.21 shall survive the termination of this Agreement.

SECTION 2.22 Banking Services and Swap Agreements. Each Lender or Affiliate thereof providing Banking Services for, or having Swap Agreements with, any Loan Party, or providing Foreign Credit Extensions to any Foreign Subsidiary, shall deliver to the Administrative Agent, promptly after entering into such Banking Services, Swap Agreements or Foreign Credit Extensions, written notice setting forth the aggregate amount of all Banking Services Obligations and Swap Agreement Obligations of such Loan Party to such Lender or Affiliate or the aggregate amount of all Foreign Credit Extensions by such Lender to such Foreign Subsidiary, as applicable (in each case, whether matured or unmatured, absolute or contingent). In furtherance of that requirement, each such Lender or Affiliate thereof shall furnish the Administrative Agent, from time to time after a significant change therein or upon a request therefor, a summary of the amounts due or to become due in respect of such Banking Services Obligations, Swap Agreement Obligations and Foreign Credit Extensions. The most recent information provided to the Administrative Agent shall be used in determining which tier of the waterfall, contained in Section 2.18(b), such Banking Services Obligations, Swap Agreement Obligations and/or Foreign Credit Extensions will be placed.

SECTION 2.23 Excess Resulting From Exchange Rate Change. (a) With respect to the Canadian Commitments, at any time following one or more fluctuations in the exchange rate of the Canadian Dollar against the dollar, (i) the aggregate Canadian Revolving Exposure of the Canadian Lenders exceeds the lesser of: (A) the Canadian Borrowing Base plus U.S. Availability, or (B) (x) the Canadian Sublimit minus (y) the sum of (1) the Priority Payables Reserve, (2) the Rent Reserve and (3) the Wage Earner Protection Act Reserve, or (ii) the aggregate Canadian Obligations exceeds any other limit based on dollars set forth herein for such Canadian Obligations, the Canadian Borrowers shall (A) if such excess is an aggregate amount that is less than \$1,000,000 and such excess continues to exist in an aggregate amount less than \$1,000,000 for at least five Business Days, within two Business Days of notice from the Administrative Agent, (B) if such excess is in an aggregate amount that is greater than or equal to \$1,000,000 but less than \$5,000,000, within two Business Days of notice from the Administrative Agent, or (C) if such excess is in an aggregate amount greater than or equal to \$5,000,000 or if any Event of Default has occurred and is continuing, immediately, (x) make the necessary payments or repayments to reduce such Canadian Obligations to an amount necessary to eliminate such excess or (y) maintain or cause to be maintained with the Administrative Agent (for the benefit of the Canadian Lender Parties) deposits as continuing collateral security for the Canadian Obligations in an amount equal to or greater than the amount of such excess, such deposits to be maintained in such form and upon such terms as are acceptable to the Administrative Agent. Without in any way limiting the foregoing provisions, the Administrative Agent shall, weekly or more frequently in the sole discretion of the Administrative Agent, make the necessary exchange rate calculations to determine whether any such excess exists on such date and advise the Borrowers if such excess exists.

(b) With respect to the U.S. Commitments, at any time following one or more fluctuations in the exchange rate of any LC Alternative Currency against the dollar, (i) the sum of the aggregate U.S. Revolving Exposure of the U.S. Lenders plus the Canadian U.S. Borrowing Base Utilization exceeds the lesser of: (A) the U.S. Borrowing Base, or (B) (x) the total U.S. Commitments minus (y) the sum of (1) the Priority Payables Reserve, (2) the Rent Reserve and (3) the Wage Earner Protection Act Reserve, or (ii) the aggregate U.S. Obligations exceeds any other limit based on dollars set forth herein for such U.S. Obligations, the U.S. Borrowers shall (A) if such excess is an aggregate amount that is less than \$1,000,000 and such excess continues to exist in an aggregate amount less than \$1,000,000 for

at least five Business Days, within two Business Days of notice from the Administrative Agent, (B) if such excess is in an aggregate amount that is greater than or equal to \$1,000,000 but less than \$5,000,000, within two Business Days of notice from the Administrative Agent, or (C) if such excess is in an aggregate amount greater than or equal to \$5,000,000 or if any Event of Default has occurred and is continuing, immediately, (x) make the necessary payments or repayments to reduce such U.S. Obligations to an amount necessary to eliminate such excess or (y) maintain or cause to be maintained with the Administrative Agent (for the benefit of the Lender Parties) deposits as continuing collateral security for the Obligations in an amount equal to or greater than the amount of such excess, such deposits to be maintained in such form and upon such terms as are acceptable to the Administrative Agent. Without in any way limiting the foregoing provisions, the Administrative Agent shall, weekly or more frequently in the sole discretion of the Administrative Agent, make the necessary exchange rate calculations to determine whether any such excess exists on such date and advise the Borrowers if such excess exists.

(c) If one or more of the U.S. Borrowers provide cash collateral to secure obligations related to U.S. Letters of Credit that are denominated in an LC Alternative Currency (including, without limitation, pursuant to Section 2.06(k), 2.10(b) or 2.18(b)) and, as a result of fluctuations in the applicable exchange rate between dollars and the applicable LC Alternative Currency, the Dollar Amount in dollars of cash collateral held by the Administrative Agent is less than the specified amount of cash collateral so required to be maintained by the U.S. Borrowers, the U.S. Borrowers shall, promptly following a request therefor by the Administrative Agent, deposit in the LC Collateral Account an additional amount of cash collateral in dollars equal to such shortfall to be held as cash collateral in accordance with Section 2.06(k).

ARTICLE III. Representations and Warranties

Each of Holdings and each Borrower represents and warrants to the Lenders that (and by its execution of the Loan Guaranty to which it is a party, each other Loan Party represents and warrants to the Lenders that):

SECTION 3.01 Organization; Powers. Each of the Loan Parties 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 is qualified to do business in, and is in good standing in, every jurisdiction where the failure to so qualify would reasonably be expected to have a Material Adverse Effect.

SECTION 3.02 Authorization; Enforceability. The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. The Loan Documents to which each Loan Party is a party have been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, 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.

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 such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (b) will not violate any Requirement of Law applicable to any Loan Party, (c) will not violate or result in a default under any Material Indebtedness, or give rise to a right thereunder to require any payment to be made by any Loan Party, (d) will not violate the certificate of incorporation, by-laws, memorandum of association, management, operating or partnership agreement or other organizational documents of any Loan Party, and (e) except where failure to comply would not reasonably be expected to have a Material Adverse Effect, will not result in the creation or imposition of any Lien on any asset of any Loan Party, except Liens created pursuant to the Loan Documents.

SECTION 3.04 Financial Condition; No Material Adverse Effect. The financial statements delivered pursuant to Section 4.01(b), present fairly, in all material respects, the financial position and results of operations and cash flows of, as applicable Holdings and its consolidated subsidiaries or Anixter, Inc. and its consolidated subsidiaries, in each case as of the dates and periods specified in Section 4.01(b) in accordance with GAAP, subject to normal yearend audit adjustments and the absence of footnotes in the case of the quarterly financial statements referred to in Section 4.01(b).

(a) No event, change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect, since December 31, 2019.

SECTION 3.05 Properties. (a) As of the Fourth Restatement Date, Schedule 3.05 sets forth the address of each parcel of real property that is owned or leased by any Loan Party and at which ABL Priority Collateral is located. Except as would not reasonably be expected to result in a Material Adverse Effect, (x) each of such leases and subleases is valid and enforceable in accordance with its terms and is in full force and effect (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 a proceeding in equity or at law), and (y) no default by any Loan Party to any such lease or sublease exists. Each Loan Party and each Restricted Subsidiary has good and indefeasible title to, or valid leasehold interests in, all of its real and personal property, except where the failure to have such title or interests, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. Such real and personal property is free of all Liens other than those permitted by Section 6.02.

(b) Each Loan Party and each Subsidiary owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property necessary to its business as currently conducted, and the use thereof by the Loan Parties and their Restricted Subsidiaries does not infringe in any material respect upon the rights of any other Person, and the Loan Parties' rights thereto are not subject to any licensing agreement or similar arrangement, except in each case where the failure to do so could not reasonably be expected, individually or in the aggregate, 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 any Loan Party, threatened in writing against or affecting the Loan Parties or any of their Subsidiaries (i) which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve this Agreement or the Transactions.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, (i) no Loan Party nor any Restricted Subsidiary has received notice of any claim with respect to any Environmental Liability or knows of any basis for any Environmental Liability and (ii) no Loan Party nor any Restricted Subsidiary (A) 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 or (B) has become subject to any known Environmental Liability.

(c) Since the Fourth Restatement Date, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted, or could reasonably be expected to result, in a Material Adverse Effect.

SECTION 3.07 Compliance with Laws and Agreements.

(a) Each Loan Party and its Restricted Subsidiaries is in compliance with all Requirements of Law 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, would not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

(b) Subject to Section 3.07(d), no Loan Party nor any of its Subsidiaries is in violation of any Sanctions applicable to the Loan Parties. No Loan Party nor any of its Subsidiaries, nor any director or officer, or any employee, or, to the knowledge of any Loan Party, agent or Affiliate of, any Loan Party or any of its Subsidiaries (i) is a Sanctioned Person, (ii) has its assets located in a Sanctioned Country, or (iii) derives revenues from investments in, or transactions with Sanctioned Persons.

(c) Subject to Section 3.07(d), none of the transactions contemplated by the Loan Documents violates the Canadian Economic Sanctions and Export Control Laws. Furthermore, no Loan Party nor any Subsidiary thereof is a Canadian Blocked Person and, to the actual knowledge of each Loan Party, no Loan Party or Subsidiary thereof engages in any dealings or transactions, or is otherwise associated, with a Canadian Blocked Person.

(d) The representations and warranties provided for in Sections 3.07(b) and (c) shall only apply to any Loan Party and its respective Subsidiaries which is bound by any Blocking Regulation insofar as the giving thereof and compliance therewith do not and will not result in a violation of or conflict with or liability under any Blocking Regulation.

SECTION 3.08 Investment Company Status. No Loan Party nor any Restricted Subsidiary is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09 Taxes. Each Loan Party and its Restricted 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 or with respect to it, except (a)(i) Taxes that are being contested in good faith by appropriate proceedings and (ii) for which such Loan Party or such Restricted Subsidiary, as applicable, has set aside on its books adequate reserves, or (b) to the extent the failure to file such Tax returns or pay such Taxes could not reasonably be expected to result in a Material Adverse Effect. No Liens for Taxes (other than Permitted Encumbrances) have been filed with respect to any such Taxes.

SECTION 3.10 ERISA; Canadian Pension Plans. (a) 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, would 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 Financial Accounting Standards Board Accounting Standards Codification 715-30) 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 by an amount that would reasonably be expected to have a Material Adverse Effect.

(b) Each Canadian Loan Party and its Subsidiaries is in compliance with the requirements of the *Pension Benefits Act* (Ontario) and other federal or provincial laws with respect to each Canadian Pension Plan, except where the failure to so comply would not reasonably be expected to have a Material Adverse Effect. No fact or situation that may reasonably be expected to result in a Material Adverse Effect exists in connection with any Canadian Pension Plan. No Pension Event has occurred which has resulted or would reasonably be expected to result in any Loan Party incurring any liability which would reasonably be expected to have a Material Adverse Effect. Except where failure to comply with the following clauses (i) through (iv) would not reasonably be expected to have a Material Adverse Effect: (i) all contributions required to be made by a Loan Party or any of its Subsidiaries under the Canadian Union Plans have been made in the amounts and in the manner set forth in the applicable collective agreement, (ii) as of the Fourth Restatement Date, except as set forth on Schedule 3.10, each Canadian Pension Plan has no solvency deficiency and is funded as required under the most recent actuarial valuation filed with the applicable Governmental Authority pursuant to generally accepted actuarial practices and principles, (iii) all contributions (including employee contributions made by authorized payroll deductions or other withholdings) required to be made to the appropriate funding agency in accordance with all applicable laws and the terms of each Canadian Pension Plan have been made in accordance with all applicable laws and the terms of each Canadian Pension Plan, and (iv) all contributions required to be made by a Loan Party or any of its Subsidiaries under the Canadian Union Plans have been made, and the sole obligation of a Loan Party or any of its Subsidiaries under any Canadian Union Plan is to make contributions to the Canadian Union Plan, in the amounts and in the manner set forth in the applicable collective agreement.

SECTION 3.11 Disclosure. No report, financial statement, certificate or other information (other than projections, forward-looking statements and statements of a general economic nature) furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document (as modified or supplemented by other information so furnished), when 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 materially misleading; provided that, with respect to the Projections and any other projected financial information or forecasts, the Borrowers and Holdings represent only that such information and materials have been prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed by the Loan Parties to be reasonable at the time delivered and, if such projected financial information was delivered prior to the Fourth Restatement Date, as of the Fourth Restatement Date, it being understood and agreed that such Projections and such other projected financial information or forecasts are subject to uncertainties and contingencies, many of which are beyond the control of the Loan Parties, and as such, such Projections and other projected financial information or forecasts are not a guarantee of financial performance and

actual results may differ from such Projections and other projected financial information or forecasts and such differences may be material.

SECTION 3.12 [Reserved].

SECTION 3.13 Solvency. (a) Immediately after the consummation of the Transactions to occur on the Fourth Restatement Date, (i) the fair value of the assets of the U.S. Borrowers, taken as a whole, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of the U.S. Borrowers, taken as a whole, will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) the U.S. Borrowers, taken as a whole, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; (iv) the U.S. Borrowers, taken as a whole, 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 after the Fourth Restatement Date, and (v) no Canadian Borrower shall be an “insolvent person” as such term is defined in the *Bankruptcy and Insolvency Act* (Canada).

(b) Immediately after the consummation of the Transactions to occur on the Fourth Restatement Date, (i) the fair value of the assets of the Canadian Borrowers, taken as a whole, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of the Canadian Borrowers, taken as a whole, will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) the Canadian Borrowers, taken as a whole, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) the Canadian Borrowers, taken as a whole, 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 after the Fourth Restatement Date.

(c) Immediately after the consummation of the Transactions to occur on the Fourth Restatement Date, (i) the fair value of the assets of the Loan Parties, taken as a whole, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of the Loan Parties, taken as a whole, will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) the Loan Parties, taken as a whole, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) the Loan Parties, taken as a whole, 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 after the Fourth Restatement Date.

(d) The Loan Parties and their Restricted Subsidiaries (taken as a whole) do not intend to incur debts beyond their ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by the Loan Parties and their Restricted Subsidiaries (taken as a whole) and the timing of the amounts of cash to be payable on or in respect of the Indebtedness of the Loan Parties and their Restricted Subsidiaries (taken as a whole).

SECTION 3.14 Insurance. Schedule 3.14 sets forth a description of all insurance maintained by or on behalf of the Loan Parties and the Subsidiaries as of the Fourth Restatement Date. As of the Fourth Restatement Date, all premiums in respect of such insurance have been paid. The Loan Parties believe that the insurance maintained by or on behalf of the Loan Parties is adequate.

SECTION 3.15 Capitalization and Subsidiaries. As of the Fourth Restatement Date, Schedule 3.15 sets forth (a) an organizational chart of Holdings and its Subsidiaries showing the name and relationship of each and all of Holdings’ Subsidiaries to Holdings, (b) a true and complete listing of each class of each of the Loan Parties’ authorized Equity Interests, of which all of such issued shares are validly issued, outstanding, fully paid and non-assessable (to the extent such concepts are applicable), and, in the case of the Loan Parties (other than Holdings) and their Subsidiaries, owned beneficially and of record by the Persons identified on Schedule 3.15, and (c) the type of entity of Holdings and each of its Subsidiaries (other than Excluded Subsidiaries). All of the issued and outstanding

Equity Interests owned by any Loan Party have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and non-assessable.

SECTION 3.16 Security Interest in Collateral. Subject to the Certain Funds Provisions, the provisions of this Agreement and the other Loan Documents create legal and valid Liens on all the Collateral in favor of the Administrative Agent, for the benefit of the Lender Parties and the Canadian Lender Parties, as the case may be, and upon filing of any UCC financing statements (or the equivalent under the PPSA) as necessary, and the taking of actions or making of filings with respect to Intellectual Property registrations, such Liens constitute perfected and continuing Liens on the Collateral to the extent perfection can be obtained by the filing of an initial UCC financing statement (or the equivalent under the PPSA) or an Intellectual Property registration, securing the Secured Obligations, enforceable against the applicable Loan Party, 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 having priority over all other Liens on the Collateral except in the case of (a) Permitted Encumbrances, to the extent any such Permitted Encumbrances would have priority over the Liens in favor of the Administrative Agent pursuant to any applicable law or agreement, (b) Liens perfected only by possession (including possession of any certificate of title) to the extent the Administrative Agent has not obtained or does not maintain possession of such Collateral, and (c) other Liens permitted under Section 6.02 and, solely with respect to the ABL Priority Collateral, to the extent such Liens are expressly permitted to be senior priority to the Liens of the Administrative Agent.

SECTION 3.17 Employment Matters. As of the Fourth Restatement Date, there are no strikes, lockouts or slowdowns against any Loan Party or any Restricted Subsidiary pending or, to the knowledge of the Borrowers, threatened. Except as would not reasonably be expected to have a Material Adverse Effect, the hours worked by and payments made to employees of the Loan Parties and the Restricted Subsidiaries have not been in violation of the Fair Labor Standards Act, the *Employee Standards Act* (Ontario) or any other applicable federal, provincial, territorial, state, local or foreign law dealing with such matters. All payments due from any Loan Party or any Restricted Subsidiary, or for which any claim may be made against any Loan Party or any Restricted Subsidiary, on account of wages, vacation pay, and employee health and welfare insurance and other benefits, including with respect to the Canada Pensions Plans, have been paid or accrued as a liability on the books of the Loan Party or such Subsidiary, except where the failure to so comply would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.18 [Reserved.]

SECTION 3.19 Other Indebtedness. The execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents and the making of the Loans hereunder do not violate the terms of the Senior Notes Indentures or the Receivables Securitization Agreements.

SECTION 3.20 Anti-Corruption Laws and Sanctions.

(a) Subject to Section 3.20(d), each Loan Party has, in its reasonable business judgment, implemented and maintains in effect policies and procedures designed to ensure compliance in all material respects by such Loan Party, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws applicable to the Loan Parties and their Subsidiaries and applicable Sanctions, and such Loan Party, its Subsidiaries and their respective officers and employees and, to the knowledge of such Loan Party, its directors and agents, are in compliance with Anti-Corruption Laws applicable to the Loan Parties and their Subsidiaries and applicable Sanctions, in each case, in all material respects and are not engaged in any activity that would reasonably be expected to result in any Loan Party being designated as a Sanctioned Person.

(b) None of (i) any Loan Party, any Subsidiary or any of their respective directors, officers or employees, or (ii) to the knowledge of any such Loan Party or Subsidiary, any agent of such Loan Party or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person.

(c) No Borrowing or Letter of Credit, use of proceeds, Transaction or other transaction contemplated by this Agreement or the other Loan Documents will violate Anti-Corruption Laws or applicable Sanctions.

(d) The representations and warranties provided for in Section 3.20(a) shall only apply to any Loan Party and its respective Subsidiaries which is bound by any Blocking Regulation insofar as the giving thereof and compliance therewith do not and will not result in a violation of or conflict with or liability under any Blocking Regulation.

SECTION 3.21 Affected Financial Institutions. No Loan Party is an EEA Financial Institution.

SECTION 3.22 Plan Assets; Prohibited Transactions. No Loan Party or any of its Subsidiaries is an entity deemed to hold "plan assets" (within the meaning of the Plan Asset Regulations), and neither the execution, delivery nor performance of the transactions contemplated under this Agreement, including the making of any Loan and the issuance of any Letter of Credit hereunder, will give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

SECTION 3.23 Margin Regulations. No part of the proceeds of any Loans made on the Fourth Restatement Date will be used by the Borrowers in violation of any Regulations of the Board of Governors, including Regulations T, U and X.

Each of the representations and warranties set forth above in this Article III shall be deemed to be made by the Loan Parties on the Fourth Restatement Date, on the date of each Borrowing and each issuance, amendment, renewal or extension of any Letter of Credit and at any other time specified in any Loan Document or other document, certificate or instrument delivered in connection with any Loan Document. It is understood and agreed for purposes of this paragraph that, with respect to representations and warranties made or deemed made on the date of any Borrowing, any such representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (or, in the case of any representation or warranty already qualified or modified by materiality, in all respects) only as of such specified date. For the avoidance of doubt, this Article III shall be subject to the last paragraph in Article VII.

ARTICLE IV. Conditions

SECTION 4.01 Fourth Restatement Date. Subject to the Certain Funds Provisions, the amendment and restatement of the Existing Credit Agreement and the obligations of the Lenders to make Loans and of the 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 9.02):

(a) Credit Agreement and Loan Documents; Legal Opinions. The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence reasonably satisfactory to the Administrative Agent (which may include facsimile or other electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the Loan Documents, including any promissory notes requested by a Lender pursuant to Section 2.10 payable to each such requesting Lender and its registered assigns and written opinions of the Loan Parties' counsel, addressed to the Administrative Agent, the Issuing Banks and the Lenders in form and substance reasonably satisfactory to the Administrative Agent, it being understood that such legal opinions shall be satisfactory to the Administrative Agent if in form and substance consistent with those delivered on the Third Restatement Date.

(b) Financial Statements and Projections. The Lenders shall have received (i) audited consolidated financial statements of Holdings and of Anixter, respectively, consisting of balance sheets as of the last date of each of the two fiscal years of each entity ended at least 90 days prior to the Fourth Restatement Date and income statements and statements of stockholders' equity and cash flows for each of the three fiscal years of each entity ended at least 90 days prior to the Fourth Restatement Date and an unqualified audit report relating to such financial statements of Anixter, (ii) unaudited consolidated financial statements of Holdings and of Anixter, respectively, consisting of balance sheets and income statements and statements of cash flows of each entity as of the last day of and for the most recently completed fiscal quarter ended at least 45 days before the Fourth Restatement Date, or, in the case of the statement of cash flows, for the period from the beginning of the most recently completed fiscal year ended at least 90 days before the Fourth Restatement Date to the last day of the most recently completed fiscal quarter ended at least 45 days before the Fourth Restatement Date (all of which shall have been reviewed by the independent accountants for Holdings or Anixter (as applicable) as provided in AU 722), in each case other than with respect to any quarter-end

that is also a fiscal year-end, and (iii) (a) a *pro forma* consolidated statement of income of Holdings and its subsidiaries for the most recently completed fiscal year ended at least 90 days before the Fourth Restatement Date, (b) (X) a *pro forma* consolidated balance sheet of Holdings and its subsidiaries as of the last day of the most recently completed fiscal quarter ended at least 45 days before the Fourth Restatement Date and (Y) a *pro forma* consolidated statement of income of Holdings and its subsidiaries for the period from the beginning of the most recently completed fiscal year ended at least 90 days before the Fourth Restatement Date to the last day of the most recently completed fiscal quarter ended at least 45 days before the Fourth Restatement Date, together with, in the case of this clause (Y), a corresponding statement for the corresponding period of the prior year and (c) a *pro forma* consolidated income statement for the 12-month period ended on the last day of the most recently completed fiscal quarter ended at least 45 days before the Fourth Restatement Date, or, if the most recently completed fiscal period is the end of a fiscal year, ended at least 90 days before the Fourth Restatement Date, in each case prepared after giving effect to the Transactions as if the Transactions had occurred as of such date (in the case of each such balance sheet) or at the beginning of such period (in the case of each such statement of income), which need not be prepared in compliance with Regulation S-X under the Securities Act or include adjustments for purchase accounting, in each case, to the extent customary for bank financings of this type. Holdings' and Anixter's, as applicable, filing of any (a) required audited financial statements with respect to Holdings and of Anixter, as applicable, on Form 10K or (b) required unaudited financial statements with respect to Holdings or Anixter, as applicable, on Form 10-Q, in each case, will satisfy the requirements under clauses (i) or (ii), as applicable, of this Section 4.01(b).

(c) Closing Certificates; Certified Certificate of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Fourth Restatement Date and executed by its Secretary or Assistant Secretary, which shall (A) certify the resolutions of its Board of Directors, members or other body authorizing the execution, delivery and performance of the Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the Officers and any other officers of such Loan Party authorized to sign the Loan Documents to which it is a party, and (C) include as attachments thereto the certificate or articles of incorporation or organization of each Loan Party certified by the relevant authority of the jurisdiction of organization of such Loan Party (or officer of such Loan Party, as is customary in certain jurisdictions other than the United States) and a true and correct copy of its bylaws or operating, management or partnership agreement (or other equivalent organizational documents), and (ii) a long form good standing certificate (or equivalent, as is customary in certain jurisdictions other than the United States), to the extent applicable, for each Loan Party from its jurisdiction of organization.

(d) Officer's Certificate. The Administrative Agent shall have received a certificate, signed by a Financial Officer of the Borrower Representative, stating that the conditions set forth in Sections 4.01(p), (q) and (r) have been satisfied.

(e) Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid pursuant to the Commitment Letter and the Fee Letter, and all reasonable expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel and expenses relating to any field examination, collateral audit, or appraisal), at least two Business Days before the Fourth Restatement Date. All such amounts will be paid on the Fourth Restatement Date.

(f) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions where the Loan Parties are organized.

(g) Funding Accounts. The Administrative Agent shall have received a notice from the Borrower Representative setting forth the deposit account(s) of the Borrowers (the "Funding Accounts") to which the Lender is authorized by the Borrowers to transfer the proceeds of any Borrowings requested or authorized pursuant to this Agreement.

(h) [Reserved].

(i) [Reserved].

(j) Solvency. The Administrative Agent shall have received a solvency certificate from a Financial Officer of the Borrower Representative as described in the Commitment Letter.

(k) [Reserved].

(l) Filings, Registrations and Recordings. Each document (including any Uniform Commercial Code financing statement, PPSA financing statement or RDPRM recordation) required by the Collateral Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Lender Parties or the Canadian Lender Parties, as the case may be, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 6.02), shall be in proper form for filing, registration or recordation.

(m) [Reserved].

(n) [Reserved].

(o) USA PATRIOT Act, Etc. (i) Each Lender shall have received all documentation and other information required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act or the Proceeds of Crime Act, for each Loan Party, to the extent requested in a written notice to the Borrower Representative at least ten (10) Business Days prior to the Fourth Restatement Date, and (ii) to the extent any Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, at least five (5) days prior to the Fourth Restatement Date, any Lender that has requested, in a written notice to the Borrower Representative at least ten (10) Business Days prior to the Fourth Restatement Date, a Beneficial Ownership Certification in relation to each Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied).

(p) Concurrent Transactions. The Anixter Acquisition shall have been consummated or will be consummated substantially concurrently with the Borrowings made on the Fourth Restatement Date.

(q) No Material Adverse Effect. Since the date of the most recent financial statements included in the Filed Company SEC Documents (as defined in the Anixter Acquisition Agreement), there shall not have occurred a Company Material Adverse Effect (as defined in the Anixter Acquisition Agreement).

(r) Representations and Warranties. (i) The Anixter Acquisition Agreement Representations shall be true and correct in all respects on the Fourth Restatement Date and (ii) the Specified Representations shall be true and correct in all material respects on the Fourth Restatement Date (except, solely for purposes of this clause (ii), for such representations already qualified by materiality or material adverse effect, which representations shall be true and correct in all respects).

(s) Borrowing Request. The Administrative Agent shall have received a Borrowing Request in accordance with Section 2.03.

(t) Notes Refinancing. The Borrower Representative shall have deposited sufficient funds to satisfy and discharge and/or repay or redeem in full the 5.125% Senior Notes due 2021, issued pursuant to an indenture dated September 23, 2014 among Anixter, Inc., as the issuer, Anixter, as the guarantor and Wells Fargo Bank, National Association, as trustee, as amended and supplemented from time to time, with such trustee.

Notwithstanding anything to the contrary in this Section 4.01, to the extent any security interest in the Collateral or any deliverable related to the perfection of security interests in the Collateral, including any lien search, field examination, inventory appraisal and/or insurance certificate (other than any Collateral the security interest in which may be perfected by the filing of a UCC financing statement (or the equivalent financing statement under the PPSA), or, solely with respect to security interests in Collateral consisting of certificated stock of U.S.-organized entities, by the possession of stock certificates (or equivalent certificated equity interests)), is not or cannot be

provided, delivered and/or perfected on the Fourth Restatement Date (1) without undue burden or expense or (2) after the Borrower Representative's use of commercially reasonable efforts to do so, then the provision, delivery and/or perfection of such security interest(s) or deliverable shall not constitute a condition precedent to the availability of the Revolver Facility on the Fourth Restatement Date but shall be required to be delivered no later than 90 days after the Fourth Restatement Date (or such later date as may be reasonably agreed by the Administrative Agent). This paragraph, and the provisions herein, shall be referred to as the "Certain Funds Provisions".

The Administrative Agent shall notify the Borrowers and the Lenders of the Fourth Restatement Date on the Fourth Amendment Restatement Date, and such notice shall be conclusive and binding.

SECTION 4.02 Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of each Issuing Bank to issue, amend, renew or extend any Letter of Credit (other than any Loan made or Letter of Credit issued, amended, renewed or extended on the Fourth Restatement Date), is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Loan Parties set forth in this Agreement shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date, and that any representation or warranty which is subject to any materiality qualifier shall be required to be true and correct in all respects).

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing.

(c) After giving effect to any Borrowing or the issuance, amendment, renewal or extension of any Letter of Credit (i) U.S. Availability shall not be less than zero, (ii) Canadian Availability shall not be less than zero, and (iii) Aggregate Availability shall not be less than zero.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a), (b) and (c) of this Section.

ARTICLE V. Affirmative Covenants

Until all the Revolving 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 (or have been cash collateralized in accordance with Section 2.06(k)) and all LC Disbursements shall have been reimbursed, Holdings and each Borrower covenants and agrees, and Holdings shall cause each other Loan Party to covenant and agree, in each case (subject to Section 12.01) jointly and severally with all of the other Loan Parties, with the Lender Parties that:

SECTION 5.01 Financial Statements; Canadian Borrowing Base; U.S. Borrowing Base and Other Information. The Borrowers will furnish to the Administrative Agent (for distribution to each Lender):

(a) within 90 days after the end of each fiscal year of Holdings, (i) the audited consolidated balance sheet of Holdings and its Subsidiaries and related statements of operations, stockholders' equity and cash flows as of the end of and for such year (in the same format as the financial statements historically filed with the Securities and Exchange Commission), setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by 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 other than any such qualification, commentary or exception resulting solely from any upcoming maturity date of any of the Indebtedness occurring within one year from the end of the fiscal year to which such audit applies or with respect to any prospective, potential or actual breach of a financial covenant set forth in any agreement governing Indebtedness) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and

results of operations of Holdings and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, accompanied by any management letter prepared by said accountants, and (ii) the unaudited consolidating balance sheets of Holdings and its Subsidiaries and related consolidating statements of operations as of the end of and for such year (which unaudited consolidating financial statements shall be in a format reasonably satisfactory to the Administrative Agent, it being understood that such financial statements may be delivered to the Administrative Agent in electronic format), all certified by one of the Financial Officers of the Borrower Representative as presenting fairly in all material respects the financial condition and results of operations of Holdings and its Subsidiaries on a consolidating basis;

(b) within 45 days after the end of each fiscal quarter of Holdings (other than the last fiscal quarter of a fiscal year), its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year (in the same format as the financial statements historically filed with the Securities and Exchange Commission), 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 and showing all adjustments necessary to eliminate the results of all Unrestricted Subsidiaries, all certified by one of the Financial Officers of the Borrower Representative as presenting fairly in all material respects the financial condition and results of operations of Holdings and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) during any Monthly Financial Statement Trigger Period, within 30 days after the end of each fiscal month of Holdings (other than months which are the last month of a fiscal quarter), its consolidated balance sheet and related statements of operations, cash flows, and other reports, as of the end of and for such fiscal month 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 and showing all adjustments necessary to eliminate the results of all Unrestricted Subsidiaries, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of Holdings and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(d) concurrently with any delivery of financial statements under clause (a), (b) or (c) above, a certificate of a Financial Officer of the Borrower Representative in substantially the form of Exhibit C (i) certifying, in the case of the financial statements delivered under clause (b) or (c), as presenting fairly in all material respects the financial condition and results of operations of Holdings and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes, (ii) 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, (iii) in the case of certificates provided concurrently with the delivery of financial statements under clauses (a) and (b) above, setting forth reasonably detailed calculations of the Fixed Charge Coverage Ratio (x) demonstrating compliance with Section 6.12 if a Fixed Charge Coverage Trigger Period is then in effect or (y) for informational purposes only if a Fixed Charge Coverage Trigger Period is not then in effect, (iv) in the case of the financial statements delivered under clause (b), setting forth a reasonably detailed calculation of the Secured Leverage Ratio, (v) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 4.01(b)(i) and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate, and (vi) certifying, in the case of the certificate delivered concurrently with the financial statements under clause (a) above, a list of names of all Excluded Subsidiaries and Unrestricted Subsidiaries at such time and that each Subsidiary set forth on such list qualifies as an Excluded Subsidiary or Unrestricted Subsidiary, as the case may be;

(e) as soon as available, but in any event not more than 45 days after the end of each fiscal year of Holdings, a copy of the plan and forecast (including a projected consolidated and consolidating balance sheet, income statement and statement of cash flows) of Holdings and its Restricted Subsidiaries for each quarter of the upcoming fiscal year (the "Projections") in form reasonably satisfactory to the Administrative Agent;

(f) as soon as available but in any event within 20 days after the end of each calendar quarter (or, (i) within 20 days after the end of each calendar month during any Monthly Reporting Trigger Period or (ii) by

Wednesday of each week, with respect to the most recently ended calendar week during any Weekly Reporting Trigger Period), and at such other times as may be requested by the Administrative Agent, as of the period then ended, Borrowing Base Certificates which calculate the Aggregate Borrowing Base, the U.S. Borrowing Base, and the Canadian Borrowing Base, and supporting information in connection therewith, together with any additional reports with respect to the Canadian Borrowing Base and the U.S. Borrowing Base as the Administrative Agent may reasonably request;

(g) as soon as available but in any event within 20 days after the end of each calendar quarter (or, within 20 days after the end of each calendar month during any Monthly Reporting Trigger Period), and at such other times as may be reasonably requested by the Administrative Agent in its Permitted Discretion, as of the period then ended, all delivered electronically in a text formatted file acceptable to the Administrative Agent:

(i) a summary aging of the Canadian Borrowers' Accounts, including all invoices aged by invoice date or due date (with an explanation of the terms offered) prepared in a manner reasonably acceptable to the Administrative Agent, together with a detailed aging specifying the name, address, and balance due for each Account Debtor, if requested by the Administrative Agent;

(ii) a schedule detailing the Borrowers' Inventory, in form satisfactory to the Administrative Agent by location (showing Inventory in transit, any Inventory located with a third party under any consignment, bailee arrangement, or warehouse agreement) which Inventory shall be valued at the lower of cost (determined on a first-in, first-out basis) or market and adjusted for Reserves as the Administrative Agent has previously indicated to the Borrower Representative are deemed by the Administrative Agent to be appropriate, and, if requested by the Administrative Agent, such schedule to also provide detailing of the Borrowers' Inventory by class (raw material, work-in-process and finished goods), by product type, and by volume on hand and include a report of any variances or other results of Inventory counts performed by the Borrowers since the last Inventory schedule (including information regarding sales or other reductions, additions, returns, credits issued by Borrowers and complaints and claims made against the Borrowers);

(iii) a worksheet of calculations prepared by the Borrowers to determine Eligible Accounts and Eligible Inventory, such worksheets detailing the Accounts and Inventory excluded from Eligible Accounts and Eligible Inventory and the reason for such exclusion;

(h) as soon as available but in any event within 30 days after the end of each calendar quarter (or, within 20 days after the end of each calendar month during any Monthly Reporting Trigger Period), and at such other times as may be requested by the Administrative Agent in its Permitted Discretion, as of the period then ended, all delivered electronically in a text formatted file acceptable to the Administrative Agent:

(i) a summary aging of the U.S. Borrowers' Accounts, including all invoices aged by invoice date or due date (with an explanation of the terms offered) prepared in a manner reasonably acceptable to the Administrative Agent, together with a detailed aging specifying the name, address, and balance due for each Account Debtor, if requested by the Administrative Agent;

(ii) a reconciliation of the Borrowers' Accounts and Inventory between the amounts shown in the Borrowers' general ledger and financial statements and the reports delivered pursuant to clauses (i) and (ii) above; and

(iii) a reconciliation of the loan balance per the Borrowers' general ledger to the loan balance under this Agreement;

(i) as soon as available but in any event within 20 days after the end of each calendar quarter (or, within 20 days after the end of each calendar month during any Monthly Reporting Trigger Period), and at such other times as may be requested by the Administrative Agent, a summary of the Borrowers' accounts payable, delivered electronically in a text formatted file acceptable to the Administrative Agent in its Permitted Discretion;

(j) promptly upon the Administrative Agent's request during a Weekly Reporting Trigger Period, the Borrowers' sales journal, cash receipts journal (identifying trade and non-trade cash receipts) and debt memo/credit journal;

(k) within 20 days after each June 30, an updated list of customers from certain divisions of the Borrowers as requested by the Administrative Agent in form and with such details that are satisfactory to the Administrative Agent, which shall be certified as true and correct in all material respects by a senior officer of the Borrower Representative;

(l) [reserved];

(m) promptly upon the Administrative Agent's request but no more frequently than once each calendar quarter, a list of all Swap Agreements and amendments to Swap Agreements, in each case, having a term of 60 or more days, entered into by any Loan Party, which list shall include the estimated exposure of the Loan Parties under each such Swap Agreement and the counterparty party thereto;

(n) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by any Loan Party with the Securities and Exchange Commission, the Ontario Securities Commission or any Governmental Authority succeeding to any or all of the functions of said Commissions, or with any national securities exchange, or distributed by any Loan Party to its shareholders generally, as the case may be;

(o) promptly after the request by any Lender, all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under (i) applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act and the AML Legislation, and (ii) the Beneficial Ownership Regulation; and

(p) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of any Loan Party or any Restricted Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent may reasonably request.

SECTION 5.02 Notices of Material Events. The Borrowers will furnish to the Administrative Agent (for distribution to each Lender) prompt (but in any event within any time period specified below) written notice of the following:

(a) the occurrence of any Default or Event of Default;

(b) receipt of any notice of any governmental investigation or any litigation or proceeding commenced or threatened against any Loan Party that (i) seeks damages in excess of \$50,000,000, (ii) is asserted or instituted against any Plan or any Canadian Pension Plan, its fiduciaries or its assets an amount in excess of \$50,000,000, (iii) alleges criminal misconduct by any Loan Party, (iv) alleges the violation of any law regarding, or seeks remedies in connection with, any Environmental Laws to the extent such results in, or could reasonably be expected to result in, damages or liabilities in excess of \$50,000,000, or (v) contests any tax, fee, assessment, or other governmental charge in excess of \$50,000,000;

(c) any Lien (other than Permitted Encumbrances and Liens in favor of the Administrative Agent (for the benefit of the Lender Parties or the Canadian Lender Parties, as the case may be)) or claim made or asserted in writing against ABL Priority Collateral having a value in excess of \$50,000,000, upon any Loan Party's knowledge of such Lien or claim;

(d) any loss, damage, or destruction to the ABL Priority Collateral in the amount of \$50,000,000 or more, whether or not covered by insurance;

(e) any and all default notices in writing received with respect to any leased location or public warehouse where ABL Priority Collateral having a value in excess of \$50,000,000 is located;

(f) the occurrence of any ERISA Event or Pension Event that, alone or together with any other ERISA Events and Pension Events that have occurred, could reasonably be expected to result in liability of the Borrowers and their Subsidiaries in an aggregate amount exceeding \$50,000,000; and

(g) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Information required to be delivered pursuant to Section 5.01 or Section 5.02 (to the extent any such information is included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which such materials are publicly available as posted on the Electronic Data Gathering, Analysis and Retrieval system (EDGAR); or (ii) on which such documents are posted on a Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether made available by the Administrative Agent); provided that: (A) upon written request by the Administrative Agent (or any Lender through the Administrative Agent) to the Borrower Representative, the Borrower Representative shall deliver paper copies of such documents to the Administrative Agent or such Lender until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (B) the Borrower Representative shall notify the Administrative Agent and each Lender (by fax or through Electronic Systems) of the posting of any such documents and provide to the Administrative Agent through Electronic Systems electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by any Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents to it and maintaining its copies of such documents.

The Loan Parties hereby acknowledge that (a) the Administrative Agent will make available to the Lenders and the Issuing Banks materials and/or information provided by or on behalf of the Loan Parties hereunder (collectively, "Loan Party Materials") by posting the Loan Party Materials on the Electronic System and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Loan Parties or their Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Loan Parties hereby agree that they will use commercially reasonable efforts to identify that portion of the Loan Party Materials that may be distributed to the Public Lenders and that (w) all such Loan Party Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking the Loan Party Materials "PUBLIC," the Borrower Representative shall be deemed to have authorized the Administrative Agent, the Issuing Banks and the Lenders to treat such Loan Party Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Loan Parties for purposes of United States federal and state securities laws (provided, however, that to the extent such Loan Party Materials constitute "Information" (as defined in Section 9.12), they shall be treated as set forth in Section 9.12); (y) all Loan Party Materials marked "PUBLIC" are permitted to be made available through a portion of the Electronic System designated "Public Investor"; and (z) the Administrative Agent shall be entitled to treat any Loan Party Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Electronic System not designated "Public Investor."

SECTION 5.03 Existence; Conduct of Business. Each Loan Party will, and will cause each Subsidiary (other than an Excluded Subsidiary or Unrestricted Subsidiary) to, (a) (i) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and to maintain December 31 as the last day of its fiscal year (or if such Subsidiary has a last day of a fiscal year other than December 31 as of the date of its acquisition, such last day of its fiscal year applicable to such Subsidiary as of the date of such acquisition), (ii) do or cause to be done all things necessary to preserve, renew and keep in full force and effect the rights, qualifications, licenses, permits, franchises, governmental authorizations, intellectual property rights, licenses and permits material to the conduct of its business, and (iii) maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted except where the failure to comply with clauses (ii) and (iii) of Section 5.03 would not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing in this clause (a) shall not prohibit any merger, consolidation, amalgamation, sale, disposition, liquidation or dissolution permitted under Section 6.03 or otherwise permitted under this Agreement and (b) carry on and conduct its business in substantially the

same manner and in substantially the same fields of enterprise as it is presently conducted and any similar or related lines of business and logical extensions thereof.

SECTION 5.04 Payment of Obligations. Each Loan Party will, and will cause each Restricted Subsidiary to, pay or discharge all Material Indebtedness and all other material liabilities and obligations, including Taxes, 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 and such Loan Party or such Restricted Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP or (b) the failure to make payment would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05 Maintenance of Properties. Each Loan Party will, and will cause each material Restricted Subsidiary to, keep and maintain all property material to the conduct of its business, taken as a whole, in good working order and condition, ordinary wear and tear excepted, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.06 Books and Records; Inspection Rights. Each Loan Party will, and will cause each Restricted Subsidiary to, keep their books of record and account in accordance with GAAP and permit any representatives designated by the Administrative Agent (including employees of the Administrative Agent, or any consultants, accountants, lawyers and appraisers retained by the Administrative Agent), upon reasonable prior notice and during normal business hours, 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; provided that (a) the Administrative Agent shall give the Borrower Representative an opportunity to participate in any discussions with its accountants, (b) in the absence of the existence of an Event of Default, (i) only the Administrative Agent on behalf of the Lenders may exercise the rights of the Administrative Agent and the Lenders under this Section 5.06 and (ii) the Administrative Agent shall not exercise its rights under this Section 5.06 more often than two times during any period of twelve consecutive months; and (iii) when an Event of Default exists, the Administrative Agent or any Lender and its respective designees may do any of the foregoing at the expense of the Loan Parties at any time during normal business hours and upon reasonable advance notice. The Loan Parties acknowledge that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain Reports pertaining to the Loan Parties and their assets for internal use by the Administrative Agent and the Lenders.

SECTION 5.07 Compliance with Laws.

(a) Each Loan Party will, and will cause each Restricted Subsidiary to, comply with each Requirement of Law applicable to it or its property (including without limitation Environmental Laws), except, in each case, where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) Subject to Section 5.07(c), each Loan Party will, and will cause each of its Subsidiaries to comply with all applicable Sanctions. Each of the Loan Parties and its Subsidiaries has implemented and will maintain in effect policies and procedures designed, in such Loan Party's reasonable business judgment, to ensure compliance in all material respects by such Loan Party, its Subsidiaries and their respective directors, officers, employees and agents with applicable AntiCorruption Laws and applicable Sanctions, in each case, in all material respects.

(c) The covenants provided for in Section 5.07(b) shall only apply to any Loan Party and its respective Subsidiaries which is bound by any Blocking Regulation insofar as the giving thereof and compliance therewith do not and will not result in a violation of or conflict with or liability under any Blocking Regulation.

SECTION 5.08 Use of Proceeds.

(a) The proceeds of the Loans will be used only (i) on the Fourth Restatement Date, to finance the Transactions and pay fees and expenses related thereto and (ii) after the Fourth Restatement Date, for working capital needs and for general corporate purposes of the Borrowers and their Restricted Subsidiaries, to fund Permitted Acquisitions, to fund permitted Restricted Payments, to fund payments, repurchases and prepayments of Indebtedness permitted under this Agreement, to refinance existing Indebtedness and to fund Intercompany Loans and capital contributions to be made by Loan Parties and certain of their Restricted Subsidiaries to other Loan Parties. No part of

the proceeds of any Loan and no Letter of Credit 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. Furthermore, the Borrowers will not directly or indirectly use the proceeds of any Loans or otherwise make available such proceeds to any Person, for the purpose of financing the activities of any Person currently subject to any U.S. sanctions administered by OFAC, or for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business to obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended. Notwithstanding the foregoing, the provisions of clause (t) of the definition of Eligible Accounts, Section 2.06(a), Section 3.07, Section 3.20, Section 5.07 and this Section 5.08 shall not be interpreted to contravene, or require any notification to the Attorney General of Canada under, the Foreign Extraterritorial Measures (United States) Order, 1992, by any Canadian Borrower, any Canadian Loan Guarantor or any Canadian Subsidiary.

(b) No Borrower will request any Borrowing or Letter of Credit, and no Borrower shall use, and each Borrower shall procure that its Subsidiaries and its and their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any applicable Anti-Corruption Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.09 Insurance. The Loan Parties (taken as a whole) will maintain with financially sound and reputable carriers having a financial strength rating of at least A- by A.M. Best Company (a) insurance in such amounts (with no greater risk retention) and against such risks (including loss or damage by fire and loss in transit; theft, burglary, pilferage, larceny, embezzlement, and other criminal activities; business interruption; and general liability) and such other hazards, as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) all insurance required pursuant to the Collateral Documents. The Borrowers will furnish to the Lenders, upon request of the Administrative Agent in its Permitted Discretion, information in reasonable detail as to the insurance so maintained. Notwithstanding any provision to the contrary contained in this Agreement, if any Loan Party's insurance carrier at any time becomes insolvent or its financial strength weakens such that such insurance carrier loses the ratings described herein, such event shall not constitute a breach of this Section 5.09 provided that the Loan Parties replace such insurance carrier with a carrier that meets the requirements of this Section 5.09 within sixty (60) days (or such longer period as shall be agreed to by the Administrative Agent in its Permitted Discretion).

SECTION 5.10 Casualty and Condemnation. The Borrowers will ensure that the Net Proceeds of any casualty or other insured damage to any ABL Priority Collateral (whether in the form of insurance proceeds, condemnation awards or otherwise) are collected and applied in accordance with the applicable provisions of this Agreement and the Collateral Documents.

SECTION 5.11 Appraisals; Field Examinations. (a) Upon request by the Administrative Agent (in its Permitted Discretion or at the direction of the Required Lenders), the Borrowers and the other Loan Parties will provide the Administrative Agent with up to two appraisals or updates thereof of their Inventory during any period of twelve consecutive months from an appraiser selected and engaged by the Administrative Agent, and prepared on a basis satisfactory to the Administrative Agent, such appraisals and updates to include, without limitation, information required by applicable law and regulations; provided, however, that (i) if Average Utilization for the most recent fiscal quarter was less than or equal to twenty percent (20%), the Required Lenders may not direct the Administrative Agent to conduct any such appraisal, (ii) if Average Utilization for the most recent fiscal quarter was greater than twenty percent (20%), the Required Lenders may direct that the Administrative Agent conduct only one such appraisal during any period of twelve consecutive months, and (iii) if Average Utilization for the most recent fiscal quarter was greater than twenty percent (20%) and Aggregate Availability falls below twenty percent (20%) of the Aggregate Revolving Commitments, the Required Lenders may direct that the Administrative Agent conduct up to two such appraisals during any period of twelve consecutive months; provided, further, that other than with respect to the appraisals with respect to the Anixter Loan Parties to be completed in connection with the Fourth Restatement Date to establish the initial Aggregate Borrowing Base (either in lieu of or subsequent to the applicability of the Temporary Borrowing Base Amount and the Minimum Borrowing Base Amount, as applicable), the Administrative Agent shall not request

any new appraisals until after June 22, 2021 unless the existing appraisal firms of the Borrowers do not consent to the use of their most recent appraisal by the Administrative Agent or such most recent appraisals are dated prior to June 22, 2019; provided further that, if an Event of Default shall have occurred and be continuing, there shall be no limit on the number or frequency of appraisals conducted; provided, further, that an appraisal with respect to the Anixter Loan Parties shall be completed within 150 days of the Fourth Restatement Date.

(b) Upon request by the Administrative Agent (in its Permitted Discretion or at the direction of the Required Lenders), the Borrowers and the other Loan Parties will allow the Administrative Agent to conduct up to two field examinations or updates thereof during any period of twelve consecutive months and during normal business hours to ensure the adequacy of Collateral included in the Canadian Borrowing Base or the U.S. Borrowing Base and related reporting and control systems; provided, however, that (i) if Average Utilization for the most recent fiscal quarter was less than twenty percent (20%), the Required Lenders shall not have the right to direct the Administrative Agent to conduct any such field examination, (ii) if Average Utilization for the most recent fiscal quarter was greater than twenty percent (20%), the Required Lenders may direct that the Administrative Agent conduct only one such field examination during any period of twelve consecutive months, and (iii) if Average Utilization for the most recent fiscal quarter was greater than twenty percent (20%) and Aggregate Availability falls below twenty percent (20%) of the Aggregate Revolving Commitments, the Required Lenders may direct that the Administrative Agent conduct up to two such field examinations during any period of twelve consecutive months; provided, further, that other than with respect to the field examinations with respect to the Anixter Loan Parties to be completed in connection with the Fourth Restatement Date to establish the initial Aggregate Borrowing Base (either in lieu of or subsequent to the applicability of the Temporary Borrowing Base Amount and the Minimum Borrowing Base Amount, as applicable), the Administrative Agent shall not request any new field examinations until after June 22, 2021 unless the existing field examinations firms of the Borrowers do not consent to the use of their most recent field examinations by the Administrative Agent or such most recent field examinations are dated prior to June 22, 2019; provided, further, that if an Event of Default shall have occurred and be continuing, there shall be no limit on the number or frequency of field examinations conducted.

SECTION 5.12 Depository Banks; Control Agreements.

(a) The U.S. Loan Parties (other than the Canadian Cross-Border Loan Guarantors) will at all times maintain the U.S. Cash Management Bank as their principal depository bank, including for the maintenance of operating, administrative, cash management, collection activity, and other Deposit Accounts for the conduct of their business. The Canadian Loan Parties will at all times maintain the Canadian Cash Management Bank as their principal depository bank, including for the maintenance of operating, administrative, cash management, collection activity, and other Deposit Accounts for the conduct of its business.

(b) On or before the date which is one hundred twenty (120) days following the Fourth Restatement Date, to the extent that the Loan Parties have not already done so in connection with the Existing Credit Agreement (i) the U.S. Loan Parties (other than the Canadian Cross-Border Loan Guarantors) will cause the U.S. Cash Management Bank to enter into a Control Agreement with respect to all Deposit Accounts and Securities Accounts (other than Excluded Accounts) maintained by the U.S. Loan Parties (other than the Canadian Cross-Border Loan Guarantors) with the U.S. Cash Management Bank as of the Fourth Restatement Date, (ii) the Canadian Loan Parties will cause the Canadian Cash Management Bank to enter into a Control Agreement with respect to all Deposit Accounts and Securities Accounts (other than Excluded Accounts) maintained with the Canadian Loan Parties at the Canadian Cash Management Bank as of the Fourth Restatement Date and (iii) the Loan Parties will cause each other depository bank or other institution at which any Deposit Account or Securities Account (other than Excluded Accounts) is maintained as of the Fourth Restatement Date to enter into a Control Agreement with respect to such Deposit Account or Securities Account.

(c) The Loan Parties will obtain, within 60 days after the establishment of any Deposit Account or Securities Account (other than an Excluded Account) or Lock Box (or such later date as agreed to by the Administrative Agent), a Control Agreement with respect to such Deposit Account, Securities Account or Lock Box.

(d) If any Deposit Account, Securities Account or Lock Box is acquired in connection with a Permitted Acquisition, to the extent such Deposit Account, Securities Account or Lock Box does not constitute an Excluded Account, the Loan Parties will, within one hundred twenty (120) days after the consummation of such Permitted Acquisition (or such later date as agreed to by the Administrative Agent), either (x) obtain a Control Agreement with

respect to such Deposit Account, Securities Account or Lock Box, or (y) close such Deposit Account, Securities Account or Lock Box.

(e) The U.S. Loan Parties (other than the Canadian Cross-Border Loan Guarantors) will, substantially contemporaneously with any change in the U.S. Cash Management Bank, to the extent not already obtained, obtain a Control Agreement from the successor U.S. Cash Management Bank. The Canadian Loan Parties will, substantially contemporaneously with any change in the Canadian Cash Management Bank, to the extent not already obtained, obtain a Control Agreement from the successor Canadian Cash Management Bank.

(f) At all times during the continuance of a Cash Dominion Period (i) the U.S. Cash Management Bank shall be required to remit to the U.S. Collection Account on a daily basis (A) all available funds on deposit in any Deposit Account (other than an Excluded Account) maintained by the U.S. Loan Parties (other than the Canadian Cross-Border Loan Guarantors) with the U.S. Cash Management Bank and (B) collections and other similar payments relating to or constituting payments made in respect of Accounts of the U.S. Loan Parties (other than the Canadian Cross-Border Loan Guarantors) received by the U.S. Cash Management Bank, including any such items remitted to any Deposit Account which is subject to a Control Agreement and maintained or controlled by the U.S. Cash Management Bank (provided that the disbursement of payments received in respect of Accounts that have been sold to WESCO Receivables shall be subject to the provisions of the Receivables Intercreditor Agreement), and (ii) the Canadian Cash Management Bank shall be required to remit to the Canadian Collection Account on a daily basis (A) all available funds on deposit in any Deposit Account (other than an Excluded Account) maintained by the Canadian Loan Parties with the Canadian Cash Management Bank and (B) collections and other similar payments relating to or constituting payments made in respect of Accounts of the Canadian Loan Parties received by the Canadian Cash Management Bank, including any such items remitted to any Deposit Account which is subject to a Control Agreement and maintained or controlled by the Canadian Cash Management Bank.

(g) The Borrower Representative agrees that with respect to any individual Deposit Account, Securities Account or Lock Box holding an amount greater than \$20,000,000, the Borrower Representative shall provide prompt written notice to the Administrative Agent of any such Deposit Account, Securities Account or Lock Box after the acquisition or establishment thereof to the extent such Deposit Account, Securities Account or Lock Box is not subject to a Control Agreement.

SECTION 5.13 Additional Collateral; Further Assurances. (a) Subject to applicable law, each Loan Party shall cause each of its Domestic Subsidiaries (other than any Domestic Subsidiary constituting an Excluded Subsidiary, an Unrestricted Subsidiary or a CFC Subsidiary Holding Company) formed or acquired after the Fourth Restatement Date in accordance with the terms of this Agreement to become a U.S. Loan Party by executing (i) a U.S. Security Agreement (or a Joinder to the U.S. Security Agreement) and (ii) in the case of such Domestic Subsidiary that is to become a U.S. Borrower, the Joinder Agreement set forth as Exhibit D hereto (the "Joinder Agreement"). In connection with the execution and delivery of any such Joinder Agreement, the Administrative Agent shall have received all documentation and other information regarding such newly formed or acquired Subsidiaries reasonably requested in writing to comply with the applicable "know your customer" rules and regulations, including the USA Patriot Act. Upon execution and delivery thereof, each such Person (i) shall automatically become a U.S. Borrower or U.S. Loan Guarantor hereunder, as specified by such Person at the time of execution of such Joinder Agreement or separate U.S. Loan Party Guaranty, and thereupon shall have all of the rights, benefits, duties, and obligations in such capacity under the Loan Documents and (ii) will grant Liens to the Administrative Agent, for the benefit of the Lender Parties, in all personal property of a type required to be encumbered pursuant to the Collateral Documents.

(b) Subject to applicable law, Holdings, the Canadian Borrowers and each other Canadian Loan Party shall cause each of their Subsidiaries (other than any Subsidiary constituting an Excluded Subsidiary, or an Unrestricted Subsidiary) formed or acquired after the Fourth Restatement Date that is organized under the laws of Canada or any province thereof or is a CFC Subsidiary Holding Company that owns a Subsidiary organized under the laws of Canada or any province thereof to become a Canadian Loan Party by executing (A) a Canadian Guarantee and a Canadian Security Agreement (which Canadian Security Agreement shall, among other things, pledge 100% of the Equity Interests in each such Subsidiary and grant a security interest in all the personal property of a type required to be encumbered pursuant to the Collateral Documents, the foregoing to be in a form substantially similar to the Canadian Security Agreement) that secures repayment of the Canadian Obligations and (B) in the case of any Subsidiary that is to become a Canadian Borrower, a Joinder Agreement, in each case, together with such other

documentation and filings that the Administrative Agent may reasonably require in order to perfect its first priority security interest in the assets subject to the terms of such security agreement.

(c) To secure the prompt payment and performance of all U.S. Secured Obligations, Holdings, each Domestic Subsidiary that is a U.S. Loan Party and each Canadian Cross-Border Loan Guarantor will cause (i) 100% of the issued and outstanding Equity Interests of each Domestic Subsidiary (other than an Excluded Subsidiary, an Unrestricted Subsidiary, a CFC Subsidiary Holding Company or any other Subsidiary that is a special purpose entity which has no assets other than real property) that is formed or acquired after the Fourth Restatement Date, (ii) 65% of the Equity Interests constituting the total combined classes of Equity Interests entitled to vote in each Canadian Subsidiary and each first-tier Foreign Subsidiary (other than an Immaterial Foreign Subsidiary or an Unrestricted Subsidiary) or CFC Subsidiary Holding Company that is formed or acquired after the Fourth Restatement Date, and (iii) 100% of the non-voting Equity Interests of each first-tier Foreign Subsidiary (other than an Immaterial Foreign Subsidiary or an Unrestricted Subsidiary) or CFC Subsidiary Holding Company that is formed or acquired after the Fourth Restatement Date, to become subject to a perfected Lien in favor of the Administrative Agent (for the benefit of the U.S. Lender Parties) pursuant to the terms and conditions of the Loan Documents or other security documents as the Administrative Agent shall reasonably request within thirty (30) days of the formation or acquisition of such Subsidiary.

(d) To secure the prompt payment and performance of all Canadian Secured Obligations, Holdings and each Subsidiary that is a Canadian Loan Party will cause 100% of the issued and outstanding Equity Interests of each Canadian Subsidiary acquired after the Fourth Restatement Date (other than any Canadian Subsidiary constituting an Excluded Subsidiary or an Unrestricted Subsidiary), to be subject at all times to a perfected Lien in favor of the Administrative Agent (for the benefit of the Canadian Lender Parties) pursuant to the terms and conditions of the Loan Documents or other security documents as the Administrative Agent shall reasonably request.

(e) Without limiting the foregoing, each Loan Party will, and will cause each Restricted Subsidiary to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements, and other documents and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all at the expense of the Loan Parties.

(f) If any assets constituting personal property of a type required to be encumbered under the Collateral Documents (other than equity of a Domestic Subsidiary or Canadian Subsidiary constituting an Excluded Subsidiary, an Unrestricted Subsidiary or any other Subsidiary that is a special purpose entity which has no material assets other than real property) are acquired by any Loan Party (other than assets constituting Collateral under the U.S. Security Agreement or the Canadian Security Agreement that become subject to the Lien in favor of the Administrative Agent (for the benefit of the Lender Parties or the Canadian Lender Parties, as the case may be) upon acquisition thereof), the Borrower Representative will promptly notify the Administrative Agent and the Lenders thereof, and, if requested by the Administrative Agent or the Required Lenders, the Borrowers will cause such assets to be subjected to a Lien in favor of Administrative Agent (for the benefit of the Lender Parties or the Canadian Lender Parties, as the case may be) securing the U.S. Secured Obligations and/or the Canadian Secured Obligations, as applicable, and will take, and cause the applicable Loan Parties to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (c) of this Section, all at the expense of the Loan Parties.

(g) If either (i) the aggregate revenues of all Excluded Subsidiaries and Unrestricted Subsidiaries, as of end of any fiscal year, constitute 15% or more of the consolidated revenues of Holdings and its Subsidiaries for such period or (ii) the aggregate consolidated assets of all Excluded Subsidiaries and Unrestricted Subsidiaries, as of end of any fiscal year, constitute 15% or more of the consolidated total assets of Holdings and its Subsidiaries as of the end of such fiscal year, in each case as reflected on the most recent annual or quarterly consolidated financial statements of Holdings and its Subsidiaries, then, the Loan Parties (A) shall submit a written notice (a "Designated Immaterial Subsidiary Notice") to the Administrative Agent designating one or more Immaterial Domestic Subsidiaries and/or

Immaterial Canadian Subsidiaries as Subsidiaries which shall no longer constitute Excluded Subsidiaries (any such Subsidiary so designated being a “Designated Immaterial Subsidiary”) such that, after giving effect to such designation, (x) the aggregate revenues of all Excluded Subsidiaries and Unrestricted Subsidiaries, as of end of such fiscal year (calculated for purposes of this clause (x) on a pro forma basis as if each such Designated Immaterial Subsidiary had not been an Excluded Subsidiary at any time during such fiscal year), constitute less than 15% of the consolidated revenues of Holdings and its Subsidiaries for such period and (y) the consolidated total assets of all Excluded Subsidiaries and Unrestricted Subsidiaries, as of end of such fiscal year (calculated for purposes of this clause (y) on a pro forma basis as if each such Designated Immaterial Subsidiary had not been an Excluded Subsidiary as the last day of such fiscal year), constitute less than 15% of the consolidated total assets of Holdings and its Subsidiaries as of the end of such fiscal year and (B) shall cause each such Designated Immaterial Subsidiary to become a U.S. Loan Guarantor (in the case of a Designated Immaterial Subsidiary which is a Domestic Subsidiary) or a Canadian Loan Guarantor (in the case of a Designated Immaterial Subsidiary which is a Canadian Subsidiary) and shall, and shall cause each such Designated Immaterial Subsidiary to, execute and deliver to the Administrative Agent all Joinder Agreements, guarantees, Collateral Documents and other agreements and documents and shall take, and cause each such Designated Immaterial Subsidiary to take, such other actions as shall be necessary or which the Administrative Agent may reasonably request to comply with this clause (i) and clauses (a) through (f) of this Section 5.13 as to each such Designated Immaterial Subsidiary (it being understood for avoidance of doubt that, solely for purposes of this clause (B), in determining compliance with such clauses (a) through (f) of this Section 5.13, each such Designated Immaterial Subsidiary shall be treated as if it had been acquired or formed by the Loan Parties as of the date of delivery of the Designated Immaterial Subsidiary Notice with respect thereto).

SECTION 5.14 Covenants Regarding Accounts. In the ordinary course of its business, the Borrowers and WESCO Receivables process their Accounts in a manner such that (i) each payment received by each Borrower or WESCO Receivables in respect of an Account is allocated to a specifically identified invoice, which invoice corresponds to a particular Account owing to such Borrower or WESCO Receivables, and (ii) in the event that, at any time, less than 100% of the Accounts of the U.S. Borrowers are sold to WESCO Receivables under the Receivables Securitization Agreements, payments received in respect of those Accounts that are sold to WESCO Receivables under the Receivables Securitization Agreements would be identifiable and separate from payments received in respect of Accounts that are not sold to WESCO Receivables under the Receivables Securitization Agreements. No Canadian Loan Party shall enter into any Receivables Securitization or any other similar financing or transaction at any time.

SECTION 5.15 Post-Closing Covenants. The Borrower Representative shall, within the time periods specified on Schedule 5.15 (or such later date as may be agreed to by the Administrative Agent in its sole discretion), comply with the provisions set forth on Schedule 5.15.

ARTICLE VI. Negative Covenants

Until all of the Revolving Commitments have expired or terminated and the principal of and interest on each Loan and all fees, expenses and other amounts payable under any Loan Document have been paid in full and all Letters of Credit have expired or terminated (or have been cash collateralized in accordance with Section 2.06(k)) and all LC Disbursements shall have been reimbursed, Holdings and each Borrower covenants and agrees, and Holdings shall cause each other Loan Party to covenant and agree, in each case (subject to Section 12.01) jointly and severally with all of the other Loan Parties, with the Lender Parties that:

SECTION 6.01 Indebtedness. No Loan Party will, nor will it permit any Restricted Subsidiary to, create, incur or suffer to exist any Indebtedness, except:

(a) the Secured Obligations;

(b) Indebtedness existing on the Fourth Restatement Date (i) constituting intercompany indebtedness with an outstanding principal amount not in excess of \$25,000,000 or (ii) as set forth in Schedule 6.01 (which scheduled Indebtedness shall include the Senior Notes) and extensions, renewals and replacements of any such Indebtedness in accordance with clause (f) hereof;

(c) Indebtedness of WESCO Receivables under the Receivables Securitization Agreements (including for greater certainty any replacement thereof);

(d) Indebtedness of any Loan Party or any Restricted Subsidiary of a Loan Party incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including equipment (whether or not constituting purchase money Indebtedness), 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, and extensions, renewals and replacements of any such Indebtedness in accordance with clause (f) hereof; provided that (i) such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (d) shall not exceed the greater of \$100,000,000 and 10% of EBITDA at any time outstanding;

(e) Indebtedness of any Loan Party or any Restricted Subsidiary secured by a Lien on any real property (including any fixtures, equipment or other fixed or capital assets located at any such real property) and extensions, renewals and replacements of any such Indebtedness in accordance with clause (f) hereof; provided that (i) the Loan Party or Restricted Subsidiary has used commercially reasonable efforts to obtain an access agreement with respect to any such property subject to a Lien, in form and substance reasonably satisfactory to Administrative Agent, from the holder of such Indebtedness (it being understood that to the extent such an access agreement is not obtained, Administrative Agent may establish a Reserve in its Permitted Discretion); (ii) the aggregate outstanding principal amount of Indebtedness permitted by this clause (e) shall not at any time exceed an amount equal to 85% of the value of real estate owned or hereafter acquired by such Loan Party or such Restricted Subsidiary; and (iii) no Event of Default has occurred and is continuing at the time any such Indebtedness is incurred, or would result therefrom;

(f) Indebtedness which represents an extension, refinancing, replacement or renewal of any of the Indebtedness described in clauses (b), (c), (d), (e), (k), (n), (r), (s), (u), (v) and (x) hereof; provided that, solely with respect to Indebtedness of the type described in clauses (b), (c) or (d), (i) the principal amount of such Indebtedness is not increased, (ii) any Liens securing such Indebtedness are not extended to any additional property of any Loan Party, (iii) no Loan Party that is not originally obligated with respect to repayment of such Indebtedness is required to become obligated with respect thereto, (iv) in the case of any extension, refinancing, replacement or renewal of any of the Indebtedness described in clauses (b), (c) or (d), such extension, refinancing, replacement or renewal does not result in a shortening of the average weighted maturity of the Indebtedness so extended, refinanced, replaced or renewed, (v) the terms of any such extension, refinancing, replacement or renewal are not materially less favorable to the obligor thereunder than the original terms of such Indebtedness, and (vi) if the Indebtedness that is refinanced, renewed, replaced or extended was subordinated in right of payment to the Secured Obligations, then the terms and conditions of the refinancing, renewal, replacement or extension Indebtedness must include subordination terms and conditions that are substantially similar to those that were applicable to the refinanced, renewed, replaced or extended Indebtedness; provided further that in the case of (A) any such extension, refinancing, replacement or renewal of the Senior Notes such extension, refinancing, replacement or renewal expires not earlier than 91 days after the Scheduled Maturity Date and (B) any such extension, refinancing, replacement or renewal of the Indebtedness described in clause (x) of this Section 6.01, such extension, refinancing, replacement or renewal does not violate and continues to be subject to the applicable Permitted Term Debt Intercreditor Agreement;

(g) (i) Indebtedness owing by any U.S. Loan Party to any U.S. Loan Party and Guarantees by any U.S. Loan Party of Indebtedness of any U.S. Loan Party, (ii) Indebtedness owing by any Canadian Loan Party to any other Canadian Loan Party and Guarantees by any Canadian Loan Party of Indebtedness of any other Canadian Loan Party, and (iii) Indebtedness owing by any U.S. Loan Party to any Canadian Loan Party and Guarantees by any Canadian Loan Party of Indebtedness of any U.S. Loan Party, provided that (A) in the case of (1) any Indebtedness owing by any U.S. Loan Party to any other U.S. Loan Party or to any Canadian Loan Party and (2) any Indebtedness owing by any Canadian Loan Party to any other Canadian Loan Party, such Indebtedness shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent (it being agreed that the terms of the Affiliate Subordination Agreement are satisfactory to the Administrative Agent), (B) to the extent applicable, Guarantees permitted under this clause (g) shall be subordinated to the Secured Obligations on the same terms as the Indebtedness so Guaranteed is subordinated to the Secured Obligations and (C) for purposes of this Section 6.01(g), a Canadian Cross-Border Loan Guarantor shall be treated only as a Canadian Loan Party and not as a U.S. Loan Party;

(h) Indebtedness (i) owing by any Canadian Loan Party to any U.S. Loan Party (provided that for purposes of this Section 6.01(h), a Canadian Cross-Border Loan Guarantor shall be treated only as a Canadian Loan Party and not as a U.S. Loan Party), (ii) owing by any Foreign Subsidiary to any Loan Party, (iii) owing by any Canadian Loan Party to any unaffiliated third party for which a U.S. Loan Party has issued a Guarantee, and (iv) owing by any Foreign Subsidiary to any unaffiliated third party for which a Loan Party has issued a Guarantee, so long as: (i) the aggregate amount of all such Indebtedness owing or Guaranteed (together with the aggregate amount of all investments made pursuant to Section 6.04(c)(iii)) does not exceed at one time outstanding the sum of (x) the greater of \$250,000,000 and 25% of EBITDA and (y) the net proceeds of any issuance of Equity Interests by Holdings or incurrence of Indebtedness by any U.S. Loan Party permitted under Section 6.01 (other than Indebtedness incurred under the Receivables Securitization Agreements) which Equity Interests or Indebtedness is incurred for the purpose of funding a loan or advance by such U.S. Loan Party to a Canadian Loan Party or to a Foreign Subsidiary; (ii) no Event of Default has occurred and is continuing at the time of the incurrence of any such Indebtedness or execution of such Guarantee, or would result therefrom; (iii) in the case of Indebtedness owing by any Canadian Loan Party to any U.S. Loan Party, such Indebtedness shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent; and (iv) Guarantees permitted under this clause (h) shall be subordinated to the Secured Obligations on the same terms as the Indebtedness so Guaranteed is subordinated to the Secured Obligations;

(i) Indebtedness of any Loan Party under performance bonds or with respect to workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such person, in each case incurred in the ordinary course of business;

(j) Indebtedness of any Loan Party or any Restricted Subsidiary in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the ordinary course of business and so long as the aggregate amount of all Indebtedness pursuant to this clause (j) does not exceed the greater of \$150,000,000 and 15% of EBITDA at any one time outstanding;

(k) Indebtedness of any Person that becomes a Restricted Subsidiary after the Fourth Restatement Date; provided that (i) 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 (ii) the aggregate principal amount of Indebtedness permitted by this clause (k) shall not exceed the greater of \$100,000,000 and 10% of EBITDA at any time outstanding;

(l) other unsecured Indebtedness of any Loan Party (including, without limitation, Subordinated Indebtedness); provided that, if such Indebtedness constitutes Material Indebtedness, (i) the stated maturity date of such Material Indebtedness is not earlier than 180 days after the Maturity Date (as such Maturity Date is in effect at the time of issuance of such Indebtedness) (other than an earlier maturity date for (1) customary bridge financings, which, subject to customary conditions (as determined by Holdings in good faith) would either be automatically converted into or required to be exchanged for permanent financing which does not provide for an earlier maturity date than 181 days after the Maturity Date (as such Maturity Date is in effect at the time of issuance of such Indebtedness) (the Indebtedness described in this clause (l), "Bridge Debt"), or (2) pursuant to an escrow or similar arrangement with respect to the proceeds of such Indebtedness), (ii) the scheduled annual principal amortization of such Indebtedness to occur prior to the Maturity Date (excluding any payments due at maturity of such Indebtedness) does not exceed five percent (5%) of the original principal amount of such Indebtedness, (iii) the events of default and financial covenants applicable to such Material Indebtedness, taken as a whole, are not more restrictive than those set forth in this Agreement (as determined in the reasonable business judgment of the Borrowers), and (iv) no Event of Default has occurred and is continuing at the time of the incurrence of any such Material Indebtedness or shall result therefrom;

(m) secured or unsecured Indebtedness of any Foreign Subsidiary which is a Restricted Subsidiary or any other Excluded Subsidiary to any financial institution or other Person (other than a Loan Party) that (i) is not Guaranteed by any Loan Party or (ii) if Guaranteed by any Loan Party, such Guarantee is permitted under Section 6.01(h);

(n) other Indebtedness (i) owing by any Canadian Loan Party to any U.S. Loan Party (provided that for purposes of this Section 6.01(n), a Canadian Cross-Border Loan Guarantor shall be treated only as a Canadian Loan Party and not as a U.S. Loan Party), (ii) owing by any Foreign Subsidiary that is a Restricted Subsidiary to any Loan

Party, (iii) owing by any Canadian Loan Party to any unaffiliated third party for which a U.S. Loan Party has issued a Guarantee, and (iv) owing by any Foreign Subsidiary that is a Restricted Subsidiary to any unaffiliated third party for which a Loan Party has issued a Guarantee, so long as at the times such Indebtedness is incurred and immediately after giving effect to such incurrence, (A) the Payment Conditions are satisfied; (B) in the case of Indebtedness owing by any Canadian Loan Party to any U.S. Loan Party or by any Foreign Subsidiary to any Loan Party, such Indebtedness shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent; and (C) Guarantees permitted under this clause (n) shall be subordinated to the Secured Obligations on the same terms as the Indebtedness so Guaranteed is subordinated to the Secured Obligations; provided, that the aggregate principal amount of secured Indebtedness incurred by any Loan Party pursuant to this clause (n) shall not exceed \$75,000,000 at any time outstanding; and provided further that if such Indebtedness is secured by Liens on the ABL Priority Collateral, such Liens on the ABL Priority Collateral are junior in priority to the Liens on the ABL Priority Collateral securing the Obligations, pursuant to a subordination agreement in form and substance reasonably satisfactory to the Administrative Agent and the Borrower Representative;

(o) Indebtedness with respect to Swap Agreements permitted under Section 6.07;

(p) Indebtedness consisting of insurance premium financing in the ordinary course of business;

(q) [Reserved];

(r) [Reserved];

(s) to the extent constituting Indebtedness, Indebtedness in respect of loans constituting Investments permitted by Section 6.04;

(t) to the extent constituting Indebtedness, judgments not constituting Events of Default under clause (l) of Article VIII;

(u) to the extent constituting Indebtedness, Indebtedness in an aggregate principal amount not in excess of the greater of \$50,000,000 and 5% of EBITDA at any time outstanding incurred in connection with customary supply chain financing arrangements;

(v) Indebtedness of Holdings and its Subsidiaries in respect of earn-outs or deferred purchase price owing to the sellers of assets or Equity Interests incurred in connection with the consummation of the Transactions, Permitted Acquisitions or Investments permitted by Section 6.04, so long as the aggregate outstanding principal amount of such Indebtedness does not exceed the greater of \$70,000,000 and 7% of EBITDA at any time; provided that if such Indebtedness is secured by Liens on the ABL Priority Collateral, such Liens on the ABL Priority Collateral are junior in priority to the Liens on the ABL Priority Collateral securing the Obligations, pursuant to a subordination agreement in form and substance reasonably satisfactory to the Administrative Agent and the Borrower Representative;

(w) Indebtedness not otherwise permitted by this Section 6.01 so long as the aggregate outstanding principal amount of such Indebtedness does not exceed the greater of \$125,000,000 and 12.5% of EBITDA at any time; and

(x) term loan Indebtedness, secured notes or other secured Indebtedness incurred after the Fourth Restatement Date, including any refinancing or replacement thereof; provided that (i) at the time such Indebtedness is incurred and after giving effect thereto, (x) the Secured Leverage Ratio does not exceed 4.50 to 1.00, and (y) no Event of Default shall have occurred and be continuing, (ii) the stated maturity date of such Indebtedness is not earlier than 91 days after the Maturity Date (as such Maturity Date is in effect at the time of issuance of such Indebtedness) (other than an earlier maturity date for (1) Bridge Debt or (2) pursuant to an escrow or similar arrangement with respect to the proceeds of such Indebtedness), (iii) the scheduled annual principal amortization of such Indebtedness to occur prior to the Maturity Date (excluding any payments due at maturity of such Indebtedness) does not exceed five percent (5%) of the original principal amount of such Indebtedness, (iv) the events of default and financial covenants applicable to

such Indebtedness, taken as a whole, are not more restrictive than those set forth in this Agreement, and (v) any Liens securing such Indebtedness (x) if on ABL Priority Collateral, are junior in priority to the Liens on the ABL Priority Collateral securing the Obligations and (y) if on Collateral not constituting ABL Priority Collateral, may be pari passu, senior or junior in priority to the Liens on the Collateral not constituting ABL Priority Collateral securing the Obligations, in each case in clause (x) or (y), pursuant to a Permitted Term Debt Intercreditor Agreement. Any Indebtedness incurred in reliance on this Section 6.01(x) is referred to in this Agreement as “Permitted Term Debt.”

For greater certainty, the Borrowers may elect from time to time to consider Indebtedness as falling within one or more of the categories above and may divide Indebtedness among two or more categories. The restrictions set forth in any subpart of this Section 6.01 by way of description of Indebtedness shall not be deemed to require that Indebtedness meeting such description be placed in such subpart for purposes of determining compliance with this Section. The accrual of interest, the accretion of accreted value, the accretion of original issue discount, the accretion of liquidation preference and increases in the amount of Indebtedness or other obligations solely as a result of fluctuations in the exchange rate of currencies shall not be deemed to be an incurrence of Indebtedness or other obligations for purposes of this Section 6.01.

SECTION 6.02 Liens. No Loan Party will, nor will it permit any Restricted 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 pursuant to any Loan Document;

(b) any Lien on any property or asset of any Borrower or any Restricted Subsidiary existing on the Fourth Restatement Date and set forth in Schedule 6.02; provided that (i) such Lien shall not apply to any other property or asset of such Borrower or Restricted Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the Fourth Restatement Date and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof to the extent permitted by Section 6.01(f);

(c) Liens on Accounts sold to WESCO Receivables pursuant to the Receivables Securitization Agreements;

(d) Liens on fixed or capital assets acquired, constructed or improved by any Loan Party; provided that (i) such security interests secure Indebtedness permitted by clause (d) of Section 6.01, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of such Borrower or Subsidiary or any other Borrower or Subsidiary;

(e) Liens on real property, and fixed and capital assets (including equipment); provided that (i) such security interests secure Indebtedness permitted by clause (e) of Section 6.01, and (ii) such security interests shall not apply to any other property or assets of such Borrower or Subsidiary or any other Borrower or Subsidiary;

(f) any Lien existing on any property or asset prior to the acquisition thereof by any Loan Party or existing on any property or asset of any Person that becomes a Loan Party after the Fourth Restatement Date prior to the time such Person becomes a Loan Party; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Loan Party, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Loan Party, (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Loan Party, as the case may be and extensions, renewals and replacements thereof to the extent permitted by Section 6.01(f), and (iv) to the extent that Accounts or Inventory are subject to any such Lien, the Loan Parties shall cause the portion of such Lien covering Accounts and/or Inventory to be released within 45 days after such Lien shall have been incurred (or such later date as the Administrative Agent in its Permitted Discretion shall agree in writing) and no Accounts or Inventory subject to such Lien shall be eligible for inclusion in any portion of the Aggregate Borrowing Base until such time as such Lien shall have been released with respect to such Accounts or Inventory;

(g) Liens of a collecting bank arising in the ordinary course of business under Section 4208 of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon;

(h) Liens arising out of sale and leaseback transactions permitted by Section 6.06;

(i) any interest of title of a lessor under, and Liens arising from UCC financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to, leases permitted by this Agreement;

(j) Permitted Encumbrances;

(k) Liens granted by a Restricted Subsidiary that is not a Loan Party in favor of any Borrower or another Loan Party in respect of Indebtedness owed by such Restricted Subsidiary;

(l) Liens granted by any Foreign Subsidiary which is a Restricted Subsidiary on assets of such Foreign Subsidiary not constituting Collateral;

(m) customary Liens on assets subject to a pending disposition prior to the effectiveness of such disposition;

(n) all reservations in the original grant from the Crown in right of Canada or any Province or Territory thereof of any lands or interests therein and all statutory exceptions, qualifications and reservations in respect of title with respect thereto;

(o) security given by any Loan Party or Restricted Subsidiary to a public utility or any municipality or governmental or other public authority when required by such public utility or municipality or other governmental authority in the ordinary course of business of any Loan Party or Restricted Subsidiary in connection with such Loan Party's or Restricted Subsidiary's operations; provided such security does not either alone or in the aggregate materially detract from the value of the property or assets affected thereby or materially impair its use in the conduct of such Loan Party's or Restricted Subsidiary's business;

(p) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired by any Loan Party or Restricted Subsidiary or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;

(q) subdivision agreements, site plan control agreements, development agreements, servicing agreements, utility agreements and other similar agreements with a Governmental Authority or public utilities that do not materially impair the use, operation or marketability of the applicable real property, provided such have in each case been complied with in all material respects;

(r) any rights of expropriation, access or user or any similar rights conferred or reserved by or in any statutes of any Governmental Authority;

(s) Liens securing Indebtedness permitted by Section 6.01(n);

(t) Liens securing Indebtedness under Section 6.01(u); provided that such Liens shall only encumber the Accounts sold in connection with each such supply chain financing arrangement and any supporting obligations related thereto;

(u) Liens not otherwise permitted by this Section 6.02 so long as (i) the aggregate outstanding principal amount of the obligations secured thereby does not at any time exceed the greater of \$125,000,000 and 12.5% of EBITDA and (ii) to the extent that any ABL Priority Collateral in excess of the greater of \$10,000,000 and 1% of EBITDA is subject to any such Lien, (x) the Loan Parties shall cause the portion of such Lien covering ABL Priority Collateral to be released within 45 days after such Lien shall have been incurred (or such later date as the Administrative Agent in its Permitted Discretion shall agree in writing) and (y) no Accounts or Inventory subject to such Lien shall be eligible for inclusion in any portion of the Aggregate Borrowing Base until such time as such Lien shall have been released with respect to such Accounts or Inventory; and

(v) Liens securing Indebtedness permitted under Section 6.01(x); provided, that (i) the Liens of any Permitted Term Debt Agent on any ABL Priority Collateral shall be junior and subordinate to the Liens of the Administrative Agent on such Collateral as provided by the applicable Permitted Term Debt Intercreditor Agreement and (ii) the rights and remedies of the Permitted Term Debt Agent and the lenders party to any Permitted Term Loan Agreement with respect to such Indebtedness shall be subject to the applicable Permitted Term Debt Intercreditor Agreement.

Notwithstanding the foregoing, none of the Liens permitted pursuant to this Section 6.02 may at any time attach to any Loan Party's (A) Accounts, other than (x) those permitted under clause (a) of the definition of Permitted Encumbrance and clauses (a), (g), (m), (n), (o), (t), (u) and (v) above, and (y) Accounts sold to WESCO Receivables pursuant to the Receivables Securitization Agreements or (B) Inventory, other than those permitted under clauses (a) and (b) of the definition of Permitted Encumbrance and clauses (a), (m), (n), (t), (u) and (v) above.

SECTION 6.03 Fundamental Changes. (a) No Loan Party will, nor will it permit any Restricted Subsidiary to, merge into or consolidate or amalgamate with any other Person, or permit any other Person to merge into or consolidate or amalgamate with it, or liquidate or dissolve (and distribute its assets), except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing (i) any U.S. Loan Party (other than a Canadian Cross-Border Loan Guarantor) may merge into another U.S. Loan Party (including the merger of any U.S. Borrower into another U.S. Borrower but excluding any merger involving a Canadian Cross-Border Loan Guarantor) so long as in a transaction in which a U.S. Borrower is involved, such U.S. Borrower is the surviving corporation, (ii) any Canadian Loan Party may merge or amalgamate into another Canadian Loan Party so long as in a transaction in which a Canadian Borrower is involved, such Canadian Borrower is the surviving corporation, (iii) TVC Canada Corp. may merge or amalgamate into WDCH, LP or another Canadian Loan Party or may liquidate or dissolve, (iv) any Restricted Subsidiary that is not a Loan Party may liquidate or dissolve (and distribute its assets to its immediate parent) if Holdings determines in good faith that such liquidation or dissolution is in the best interests of Holdings and is not materially disadvantageous to the Lenders, (v) any Restricted Subsidiary may transfer its assets to a Loan Party and any Restricted Subsidiary which is not a Loan Party may transfer its assets to another Restricted Subsidiary which is not a Loan Party, (vi) any Loan Party (other than Holdings or a Borrower) may liquidate or dissolve so long as the assets and properties of such Loan Party are received by or distributed to another Loan Party organized or formed in the same country as such dissolving or liquidating Loan Party and such dissolution or liquidation would not reasonably be expected to have a Material Adverse Effect and (vii) any Loan Party may merge or amalgamate with any other Person in connection with the consummation of a Permitted Acquisition so long as (A) no Change of Control results therefrom, (B) in the case of a merger of any Loan Party with any other Person, such Loan Party is the surviving entity, or, in the case such Loan Party is not Holdings or a Borrower, such other Person is the surviving entity, so long as such other Person shall be organized in the same jurisdiction as such Loan Party and shall substantially contemporaneously with the consummation of such merger become a Loan Party hereunder and otherwise comply with the requirements of Section 5.13 hereof and (C) in the case of the amalgamation of any Canadian Loan Party (the "Constituent Canadian Loan Party") with any other Person, the entity resulting from such amalgamation shall confirm in writing that it is a Canadian Loan Party and has succeeded to and is bound by all of the obligations of the Constituent Canadian Loan Party under the Loan Documents in the same manner and to the same extent as the Constituent Canadian Loan Party was so bound immediately prior to such amalgamation and shall take such other actions and execute and deliver such other documents as the Administrative Agent may reasonably request to ratify and confirm such obligations and the continuing validity, perfection and priority of the Administrative Agent's Liens in the Collateral of the Constituent Canadian Loan Party after giving effect to such amalgamation, all of which shall be satisfactory in form and substance to the Administrative Agent. Notwithstanding the foregoing, (i) Holdings and its Restricted Subsidiaries may consummate the Anixter Acquisition in accordance with the Anixter Acquisition Agreement and (ii) the Anixter Merger shall be permitted.

(b) If any Loan Party that is a limited liability company consummates a Division, each Division Successor shall be required to comply with the obligations set forth in Section 5.13 and the other further assurances obligations set forth in the Loan Documents and become a Loan Party under this Agreement and the other Loan Documents.

(c) No Loan Party will, nor will it permit any of its Restricted Subsidiaries (other than Excluded Subsidiaries which are not Loan Parties), to engage to any material extent in any business other than businesses substantially similar to the type conducted by the Loan Parties on the date of execution of this Agreement and businesses reasonably related thereto and logical extensions thereof.

(d) Holdings will not engage in any business or activity other than the ownership of Equity Interests in its Subsidiaries and activities incidental thereto. Holdings will not own or acquire any material assets (other than Equity Interests in its Subsidiaries and the cash proceeds of any Restricted Payments permitted by Section 6.08) or incur any liabilities (other than liabilities under the Loan Documents, Indebtedness permitted under Section 6.01, and liabilities reasonably incurred in connection with its maintenance of its existence).

(e) WESCO Receivables will not engage in any business or activity other than the ownership of Accounts sold to WESCO Receivables by the U.S. Borrowers pursuant to the Receivables Securitization Agreements and the incurrence of Indebtedness pursuant to the Receivables Securitization Agreements and activities incidental thereto. WESCO Receivables will not own or acquire any material assets other than Accounts sold to WESCO Receivables by the U.S. Borrowers or incur any liabilities, in each case, except pursuant to and in accordance with the Receivables Securitization Agreements (other than liabilities reasonably incurred in connection with its maintenance of its existence).

(f) The Real Estate Subsidiaries will not engage in any business or activity other than the ownership and leasing of real property (and the fixtures and equipment located thereon) and the incurrence of Indebtedness permitted by Sections 6.01(e) and 6.01(x) and activities incidental thereto. The Real Estate Subsidiaries will not own or acquire any material assets other than real property (and the fixtures and equipment located thereon) or incur any liabilities, in each case, except permitted by Section 6.01(e) and 6.01(x) (other than liabilities reasonably incurred in connection with its maintenance of its existence).

(g) WDINESCO II B.V. will not engage in any business or activity other than the ownership of Equity Interests in WDCH, LP and in U.S. Loan Parties and in Excluded Subsidiaries and in Unrestricted Subsidiaries and activities incidental thereto. WDINESCO II B.V. will not own or acquire any material assets (other than Equity Interests in WDCH, LP and in Excluded Subsidiaries and in Unrestricted Subsidiaries and intercompany Indebtedness owing from Holdings or one or more of its Subsidiaries to WDINESCO II B.V.) or incur any liabilities (other than liabilities reasonably incurred in connection with its maintenance of its existence and intercompany Indebtedness owing from WDINESCO II B.V. to Holdings or one or more of its Subsidiaries).

(h) WDINESCO III B.V. will not engage in any business or activity other than the ownership of Equity Interests in EECOL Electric Corp. and in Canadian Loan Parties and in Excluded Subsidiaries and in Unrestricted Subsidiaries and activities incidental thereto. WDINESCO III B.V. will not own or acquire any material assets (other than Equity Interests in EECOL Electric Corp. and in Excluded Subsidiaries and in Unrestricted Subsidiaries and intercompany Indebtedness owing from Holdings or one or more of its Subsidiaries to WDINESCO III B.V.) or incur any liabilities (other than liabilities reasonably incurred in connection with its maintenance of its existence and intercompany Indebtedness owing from WDINESCO III B.V. to Holdings or one or more of its Subsidiaries).

SECTION 6.04 Investments, Loans, Advances, Guarantees and Acquisitions. No Loan Party will, nor will it permit any Restricted Subsidiary (other than Excluded Subsidiaries) to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a Loan Party and 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 (whether through purchase of assets, merger or otherwise), except:

(a) Permitted Investments;

(b) Investments in existence on the Fourth Restatement Date (including Investments by the Loan Parties in Equity Interests in their respective Subsidiaries);

(c) Investments made after the Fourth Restatement Date by: (i) a U.S. Loan Party in any other U.S. Loan Party; (ii) a Canadian Loan Party in any other Canadian Loan Party or a U.S. Loan Party; or (iii) (x) a U.S. Loan Party in a Canadian Loan Party, or (y) a Loan Party in a Foreign Subsidiary, Unrestricted Subsidiary or Intermediate Holding Company so long as, in the case of this subclause (iii): (A) the aggregate amount of such Investments (together with the aggregate Indebtedness and Guarantees outstanding pursuant to Section 6.01(h)) shall not exceed at any time outstanding (in each case determined without regard to any write-downs or write-offs) the sum of (x) the greater of \$250,000,000 and 25% of EBITDA and (y) the net proceeds of any issuance of Equity Interests by Holdings or any incurrence of Indebtedness by any U.S. Loan Party permitted under Section 6.01 (other than Indebtedness incurred under the Receivables Securitization Agreements) which Indebtedness is incurred for the purpose of funding an investment in a Canadian Loan Party or Foreign Subsidiary, and (B) no Event of Default has occurred and is continuing at the time of such Investment, or would result therefrom; provided, that, for purposes of this Section 6.04(c), a Canadian CrossBorder Loan Guarantor shall be treated only as a Canadian Loan Party and not as a U.S. Loan Party;

(d) loans or advances made by the Loan Parties (i) to employees of the Loan Parties on an arm's-length basis in the ordinary course of business consistent with past practices for travel and entertainment expenses, relocation costs and similar purposes up to a maximum of the greater of \$5,000,000 and 0.5% of EBITDA in the aggregate at any one time outstanding and (ii) to executive officers of Holdings on an arm's-length basis in the ordinary course of business to permit such officers to purchase Equity Interests in Holdings (or to exercise options to purchase Equity Interests in Holdings) up to a maximum of the greater of \$5,000,000 and 0.5% of EBITDA in the aggregate at any one time outstanding;

(e) subject to Sections 4.2(a) and 4.4 of the U.S. Security Agreement and the Canadian Security Agreement, notes payable, or stock or other securities issued by Account Debtors to a Loan Party pursuant to negotiated agreements with respect to settlement of such Account Debtor's Accounts in the ordinary course of business, consistent with past practices;

(f) Investments in the form of Swap Agreements permitted by Section 6.07;

(g) Investments received in connection with the dispositions of assets permitted by Section 6.05;

(h) Investments constituting deposits described in clauses (c) and (d) of the definition of the term "Permitted Encumbrances;"

(i) Permitted Acquisitions;

(j) Investments constituting Indebtedness permitted under Section 6.01(j);

(k) the formation by (i) any U.S. Loan Party of any Domestic Subsidiary, Canadian Subsidiary or Foreign Subsidiary, (ii) any Canadian Loan Party of any Canadian Subsidiary or Foreign Subsidiary, and (iii) any Foreign Subsidiary of any other Foreign Subsidiary, so long as, in each case: (i) the Loan Parties comply with Section 5.13, and (ii) no Event of Default has occurred and is continuing or would result after giving effect to such formation;

(l) Investments made by Foreign Subsidiaries which are Restricted Subsidiaries;

(m) Guarantees of obligations of Canadian Subsidiaries or Foreign Subsidiaries which are Restricted Subsidiaries incurred in the ordinary course of business and not constituting Indebtedness for borrowed money;

(n) Investments (other than those made in reliance on any other paragraph of this Section 6.04) in an aggregate amount not to exceed the greater of \$50,000,000 and 5% of EBITDA, so long as no Event of Default has occurred and is continuing or would result after giving effect to any such Investment;

(o) other Investments (other than those made in reliance on any other paragraph of this Section 6.04), so long as at the time of and after giving effect to such Investment, the Payment Conditions are satisfied;

(p) consummation of (x) the Anixter Acquisition pursuant to and in accordance with the Anixter Acquisition Agreement in all material respects and (y) the Anixter Merger;

(q) [Reserved];

(r) [Reserved]; and

(s) Investments received in connection with bankruptcy or reorganization of, or the settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business.

For greater certainty, the Borrowers may elect from time to time to consider Investments as falling within one or more of the categories above and may divide Investments among two or more categories. The restrictions set forth in any subpart of this Section by way of description of Investments shall not be deemed to require that Investments meeting such description be placed in such subpart for purposes of determining compliance with this Section. The accrual of interest, the accretion of accreted value, the accretion of original issue discount, the accretion of liquidation preference and increases in the amount of Investments or other obligations solely as a result of fluctuations in the exchange rate of currencies or increases in the value of such Investments shall not be deemed to be an increase in the amount of any Investment for purposes of this Section.

SECTION 6.05 Asset Sales. No Loan Party will, nor will it permit any Restricted Subsidiary (other than Excluded Subsidiaries which are not Loan Parties) to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will any Borrower permit any Restricted Subsidiary (other than Excluded Subsidiaries) to issue any additional Equity Interest in such Subsidiary (other than to another Loan Party in compliance with Section 6.04), except:

(a) sales, transfers and dispositions of Inventory in the ordinary course of business;

(b) sales, transfers, leases and dispositions by: (i) any U.S. Loan Party to any other U.S. Loan Party, or (ii) any Canadian Loan Party to any other Canadian Loan Party; provided, that, for purposes of this Section 6.05(b), a Canadian Cross-Border Loan Guarantor shall be treated only as a Canadian Loan Party and not as a U.S. Loan Party;

(c) sales of Accounts by the U.S. Borrowers to WESCO Receivables pursuant to the Receivables Securitization Agreements;

(d) sales, transfers and dispositions of Accounts in connection with the compromise, settlement or collection thereof;

(e) sales, transfers and dispositions of Permitted Investments and other investments permitted by clause (h) of Section 6.04;

(f) sale and leaseback transactions permitted by Section 6.06;

(g) dispositions resulting from 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 any Borrower or any Restricted Subsidiary;

(h) the licensing, on a non-exclusive basis (other than with respect to licenses of the MaxCell Patents), of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business;

(i) the granting of Permitted Liens;

(j) sales, transfers and dispositions to the extent constituting Investments permitted under Section 6.04 or Restricted Payments permitted under Section 6.08;

(k) sales, transfers and other dispositions of real property, equipment or other assets that are damaged, worn out, obsolete or no longer used or useful to the business operations of the Loan Parties;

(l) sales, transfers and other dispositions of Equity Interests in Excluded Subsidiaries;

(m) any sale, transfer and other disposition of assets (whether in an individual transaction or a series of related transactions) having a fair market value of less than the greater of \$10,000,000 and 1% of EBITDA;

(n) so long as no Event of Default has occurred and is continuing or would result therefrom, transfers and other dispositions of assets that are not permitted by any other paragraph of this Section, provided that if property being sold or otherwise disposed of in connection with any such transaction consists of Collateral included in the Aggregate Borrowing Base having a value in excess of the greater of \$25,000,000 and 2.5% of EBITDA, the Borrowers shall have delivered to the Administrative Agent a pro forma Borrowing Base Certificate giving effect to such transfer or other disposition;

(o) sales of Accounts in connection with factoring arrangements entered into by Loan Parties and non-Affiliates in the ordinary course of business, provided that the total amount of all such Accounts sold pursuant to such factoring arrangements shall not exceed the greater of \$25,000,000 and 2.5% of EBITDA in the aggregate at any one time outstanding;

(p) any sale, transfer, lease or other disposition of non-core assets, including Equity Interests, acquired in connection with a Permitted Acquisition or other Investment permitted by this Agreement to the extent the Borrower Representative identified such assets to the Administrative Agent promptly after such Permitted Acquisition or Investment; and

(q) dispositions of Investments in joint ventures, to the extent required by the agreements between the joint venture parties set forth in the applicable joint venture arrangements and similar binding arrangements;

(r) sales or other dispositions of assets (other than assets constituting ABL Priority Collateral) to the extent (i) such property is exchanged for credit against the purchase price or similar replacement property or (ii) the proceeds of such disposition are reasonably promptly applied to the purchase price of such replacement property; and

(s) sales or other dispositions of property by Holdings or any Loan Party to any Subsidiary so long as (i) such sale or other disposition is consummated on fair and reasonable terms (taken as a whole) no less favorable to Holdings or such Loan Party than Holdings or such Loan Party would obtain in a comparable arm's length transaction with a Person that is not an Affiliate, (ii) no Event of Default is in existence at the time of such sale or other disposition or would be caused thereby and (iii) to the extent constituting assets included in the Aggregate Borrowing Base in excess of \$10,000,000, the Borrowers shall have delivered to the Administrative Agent a pro forma Borrowing Base Certificate giving effect to such transfer or other disposition; provided that any such sale or other disposition of ABL Priority Collateral from a Loan Party to a non-Loan Party shall not exceed \$75,000,000 per calendar year;

provided that all sales, transfers, leases and other dispositions permitted hereby (other than those permitted by paragraph (b) above) shall be made for fair value.

SECTION 6.06 Sale and Leaseback Transactions. No Loan Party will, nor will it permit any Subsidiary (other than Excluded Subsidiaries which are not Loan Parties and Unrestricted Subsidiaries) to, directly or indirectly, 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 that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except for: (a) any such sale of any fixed or capital assets by any Borrower or any Restricted Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within 90 days after such Borrower or such Restricted Subsidiary acquires or completes the construction of such fixed or capital asset; and (b) other sales of any fixed or capital assets by any Borrower or any Restricted Subsidiary so long as the conditions set forth in clauses (a) and (b) of the definition of Payment Conditions are satisfied with respect to such transaction.

SECTION 6.07 Swap Agreements. No Loan Party will, nor will it permit any Subsidiary (other than Excluded Subsidiaries which are not Loan Parties and Unrestricted Subsidiaries) to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which any Loan Party has actual exposure (other than those in respect of Equity Interests of any Loan Party), (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of any Loan Party and (c) any Swap Agreement relating to a Permitted Forward, a Permitted TEU Capped Call Transaction or a Permitted TEU Purchase Contract.

SECTION 6.08 Restricted Payments; Certain Payments of Indebtedness. (a) No Loan Party will, nor will it permit any Restricted Subsidiary to, declare, make or pay, directly or indirectly, any Restricted Payment except:

(i) each of Holdings and each Restricted Subsidiary may declare and pay dividends with respect to its common stock payable solely in additional shares of its common stock, and, with respect to its preferred stock, payable solely in additional shares of such preferred stock or in shares of its common stock;

(ii) any Loan Party (other than Holdings) or any Restricted Subsidiary may make dividends or distributions to any direct holder of its Equity Interests; provided that, to the extent that any Loan Party makes a dividend or distribution to WDINESCO II B.V. or WDINESCO III B.V., WDINESCO II B.V. or WDINESCO III B.V., as applicable, shall promptly apply such amount to (x) directly or indirectly make a dividend or distribution to a U.S. Loan Party or a Canadian Loan Party, (y) repay amounts outstanding in respect of intercompany Indebtedness owing to a U.S. Loan Party or a Canadian Loan Party, or (z) make an Investment in a U.S. Loan Party or a Canadian Loan Party;

(iii) Holdings and each Restricted Subsidiary may declare, make or pay any Restricted Payment so long as, in each case, such Restricted Payment is made in accordance with applicable law and the conditions set forth in clauses (a), (b) and (d) of the definition of Payment Conditions are satisfied with respect to such Restricted Payment;

(iv) Holdings may declare and pay dividends (in addition to those made in reliance upon any other clause of this Section 6.08(a)) to the holders of Equity Interests in Holdings in an aggregate amount not to exceed \$50,000,000 per fiscal year, so long as no Event of Default has occurred and is continuing or would result after giving effect to the declaration and payment of such dividends;

(v) each Loan Party may grant Equity Interests in the ordinary course of business to employees, directors and contractors and make any payments related to such Equity Interests in the ordinary course of business;

(vi) Holdings may declare and pay dividends on the Preferred Equity in an amount per fiscal year not to exceed the sum of (x) \$73,000,000 plus (y) any amount under clause (x) not used in any prior fiscal year, so long as no Event of Default under Section (a), (b), (i), (j) or (k) of Article VII exists; and

(vii) in connection with the Transactions.

For greater certainty, the Borrowers may elect from time to time to consider Restricted Payments as falling within one or more of the categories above and may divide Restricted Payments among two or more categories. The restrictions set forth in any subpart of this Section by way of description of any Restricted Payments shall not be deemed to require that any Restricted Payments meeting such description be placed in such subpart for purposes of determining compliance with this Section.

The restrictions set forth above shall not operate to prevent the making of dividends or repurchases previously declared by Holdings so long as (x) at the declaration date, such dividend or repurchase was permitted by the foregoing and (y) such dividend or repurchase is consummated within the earlier of 60 days and any date under applicable law on which such dividend or repurchase must be consummated.

(b) No Loan Party will, nor will it permit any Subsidiary (other than (i) Unrestricted Subsidiaries or (ii) Excluded Subsidiaries which are not Loan Parties) to, 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 distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Indebtedness, except:

- (i) payment of Indebtedness created under the Loan Documents;
- (ii) payment of regularly scheduled interest and principal payments (including any mandatory prepayment) as and when due in respect of any Indebtedness, other than payments in respect of the Subordinated Indebtedness prohibited by the subordination provisions thereof;
- (iii) refinancings of Indebtedness to the extent permitted by Section 6.01;
- (iv) payment of secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;
- (v) payment of Indebtedness owed by a Loan Party or Restricted Subsidiary of a Loan Party to any other Loan Party or Subsidiary of a Loan Party, provided that (A) such Indebtedness is permitted by Section 6.01 and (B) no Loan Party shall be permitted to make any payment in respect of any Indebtedness to any Subsidiary which is not a Loan Party if (x) an Event of Default has occurred and is continuing or would result therefrom or (y) such payment would be prohibited by the subordination provisions of such Indebtedness;
- (vi) payment of Indebtedness of a Loan Party or Restricted Subsidiary (other than those made in reliance on any other paragraph of this Section 6.08), so long as at the time of and after giving effect to such payment, the conditions set forth in clauses (a), (b) and (d) of the definition of Payment Conditions are satisfied with respect to such payment;
- (vii) payments and prepayments of Indebtedness (other than those made in reliance on any other paragraph of this Section 6.08) in an aggregate amount not to exceed the greater of \$50,000,000 and 5% of EBITDA per fiscal year, so long as no Event of Default has occurred and is continuing or would result after giving effect to any such payment or prepayment;
- (viii) payments and prepayments of Indebtedness made with the proceeds of the issuance of Equity Interests by Holdings or any of its subsidiaries (to the extent such proceeds are contributed to the Borrower or any Restricted Subsidiary) within nine months of the receipt of such proceeds; and
- (ix) in connection with the Transactions.

For greater certainty, the Borrowers may elect from time to time to consider payments in respect of Indebtedness as falling within one or more of the categories above and may divide such payments among two or more categories. The restrictions set forth in any subpart of this Section by way of description of any such payments shall not be deemed to require that any payments meeting such description be placed in such subpart for purposes of determining compliance with this Section.

SECTION 6.09 Transactions with Affiliates. Except as otherwise permitted by this Agreement, no Loan Party will, nor will it permit any Restricted 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 that are on terms and conditions, when taken as a whole, not less favorable to such Loan Party or such Restricted Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among: (i) any U.S. Loan Parties; or (ii) any Canadian Loan Parties (provided that, for purposes of this clause (b), a Canadian Cross-Border Loan Guarantor shall be treated only as a Canadian Loan Party and not as a U.S. Loan Party), (c) investments permitted by Section 6.04, (d) Indebtedness permitted under Section 6.01, (e) asset sales (including sale and lease back transactions permitted by Section 6.06) permitted by

Section 6.05; (f) Restricted Payments permitted by Section 6.08, (g) loans or advances to employees permitted under Section 6.04, (h) the payment of reasonable fees to directors of any Loan Party who are not employees of such Loan Party, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of the Loan Parties in the ordinary course of business and (i) any issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans approved by a Loan Party's board of directors.

SECTION 6.10 Restrictive Agreements. No Loan Party will, nor will it permit any Restricted 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 such Loan Party or any of its Restricted Subsidiaries to create, incur or permit to exist any Lien upon any of the Collateral, or (b) the ability of any Restricted 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 any Borrower or any other Subsidiary or to Guarantee Indebtedness of any Borrower or any other Restricted 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 Fourth Restatement Date with respect to documents identified on Schedule 6.10 or any extension or renewal of, or any amendment, modification or replacement of such documents (to the extent such extension, renewal, amendment, modification or replacement is not prohibited by this Agreement) which does not expand 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 purchase agreements pending such sale or purchase, as applicable, (iv) the foregoing shall not apply to customary restrictions and conditions contained in any agreement relating to Indebtedness of a special purpose entity if such restriction applies to the creation of Liens on the assets of such special purpose entity or limits such special purpose entity from paying dividends or distributions in respect of such special purpose entity's income or property, (v) clause (a) of the foregoing 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, (vi) clause (a) of the foregoing shall not apply to customary provisions in leases restricting the assignment thereof, and (vii) the foregoing shall not apply to restrictions imposed by any Senior Notes Indenture, any Permitted Term Loan Agreement or any agreement governing Indebtedness entered into after the Fourth Restatement Date and permitted under Section 6.01(l); provided that such restrictions contained in such Senior Notes Indenture, such Permitted Term Loan Agreement or other agreement (x) taken as a whole, in the good faith judgment of the Borrower Representative, are no more restrictive with respect to the Loan Parties than customary market terms for Indebtedness of such type (and, in any event, are no more restrictive than the restrictions contained in this Agreement), and (y) do not adversely affect the ability of the Loan Parties (A) to make any payments required to be paid by the Loan Parties with respect to the Obligations or (B) to grant Liens on the Collateral in favor of the Administrative Agent.

SECTION 6.11 Amendment of Material Documents. No Loan Party will, nor will it permit any Restricted Subsidiary to, amend, modify or waive any term or provision of (a) the Receivables Securitization Agreements, except for amendments to the Receivable Securitization Agreements which do not adversely affect the Collateral, the Receivables Intercreditor Agreement or the Administrative Agent's rights thereunder; (b) any Permitted Term Debt Documents in any manner which would violate the applicable Permitted Term Debt Intercreditor Agreement; (c) any Senior Notes Indentures, or its certificate of incorporation, by-laws, operating, memorandum of association, management or partnership agreement or other organizational documents, to the extent any such amendment, modification or waiver of any instrument, contract or agreement described in this clause (c) would be materially adverse to the Lenders, or (d) any other document evidencing any Material Indebtedness (other than Indebtedness described in clauses (a), (b) or (c) of this Section 6.11), to the extent any such amendment, modification or waiver would be materially adverse to the Lenders (it being understood and agreed that no such amendment, modification or waiver shall be deemed adverse to the Lenders if, after giving effect to such amendment, modification or waiver, assuming such Indebtedness was not outstanding, the Borrowers and their Subsidiaries would be able to incur Indebtedness on such terms pursuant to Section 6.01).

SECTION 6.12 Fixed Charge Coverage Ratio. If a Fixed Charge Coverage Trigger Event shall occur, the Loan Parties will not permit the Fixed Charge Coverage Ratio to be less than 1.00 to 1.00 (a) as of the last day of the fiscal quarter which has ended immediately prior to such Fixed Charge Coverage Trigger Event and for which financial statements are available or are required to be delivered hereunder (the "Initial Test Date") and (b) as of the

last day of each fiscal quarter ending after such Initial Test Date until the Fixed Charge Coverage Trigger Period shall no longer be continuing.

SECTION 6.13 Designation of Subsidiaries. No Loan Party will designate any Restricted Subsidiary as an Unrestricted Subsidiary unless (i) the Borrower Representative delivers a written notice to the Administrative Agent of such designation, (ii) immediately before and after such designation, no Default or Event of Default shall have occurred and be continuing, (iii) immediately after giving effect to such designation, the Total Leverage Ratio is less than 4.75 to 1.00 as of the last day of the most recently completed period of four consecutive fiscal quarters ending prior to the date of such designation for which the financial statements and certificates required by Section 5.01(a) or 5.01(b), as the case may be, and Section 5.01(d), have been delivered and, as a condition precedent to the effectiveness of any such designation, the Borrower Representative shall deliver to the Administrative Agent a certificate setting forth in reasonable detail the calculations demonstrating such compliance, (iv) such Subsidiary is not designated as a "Restricted Subsidiary" (or the equivalent) for the purpose of any Senior Notes, any Subordinated Indebtedness of the Loan Parties or any Permitted Term Debt Documents and is not otherwise generally subject to the representations, warranties, covenants and events of default under any Senior Notes, any Subordinated Indebtedness of the Loan Parties or such Permitted Term Debt Documents, (v) such Restricted Subsidiary and its subsidiaries do not own any Equity Interests or Indebtedness of, or own or hold any Lien on, any property of any Loan Party, (vi) such Subsidiary or such Subsidiary's subsidiaries have not at the time of designation, and do not, thereafter, create, incur, issue, assume, guarantee, or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of any Loan Party, (vii) such Subsidiary is not WESCO Receivables or any Subsidiary which holds any Equity Interests or Indebtedness of WESCO Receivables, (viii) the revenues of such Subsidiary, as of end of any fiscal year, for the period of four consecutive fiscal quarters then ended, were less than 5% of the consolidated revenues of Holdings and its Subsidiaries for such period, (ix) the revenues of such Subsidiary, as of end of any fiscal year, for the period of four consecutive fiscal quarters then ended, when taken together with the revenues of all Excluded Subsidiaries and all other Unrestricted Subsidiaries were less than 15% of the consolidated revenues of Holdings and its Subsidiaries for such period, (x) the consolidated assets of such Subsidiary, as of end of any fiscal year, were less than 5% of the consolidated total assets of Holdings and its Subsidiaries as of the end of such fiscal year, and (xi) the consolidated assets of such Subsidiary, as of end of any fiscal year, when taken together with the consolidated assets of all Excluded Subsidiaries and all other Unrestricted Subsidiaries were less than 15% of the consolidated total assets of Holdings and its Subsidiaries as of the end of such fiscal year (in the case of each of the foregoing clauses (viii) through (xi), as reflected on the most recent annual or quarterly consolidated financial statements of Holdings and its Subsidiaries). The designation of any Subsidiary as an Unrestricted Subsidiary shall constitute an Investment therein by such Borrower and its Restricted Subsidiaries, as applicable, at the date of designation in an amount equal to the fair market value of the applicable parties' investment therein (the fair market value of such investment to be calculated without regard to any guarantee provided by such designated or re designated Unrestricted Subsidiary). The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (A) the incurrence at the time of designation of any Investment, Indebtedness or Liens of such Subsidiary existing at such time and (B) a return on any Investment by such Borrower or any Restricted Subsidiary in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the fair market value at the date of such designation of such Borrower's and its Restricted Subsidiaries' (as applicable) Investment in such Subsidiary. Notwithstanding anything to the contrary herein, any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary may not be subsequently redesignated as an Unrestricted Subsidiary.

SECTION 6.14 Canadian Defined Benefit Plans. None of the Canadian Loan Parties shall, (a) without the consent of the Administrative Agent (not to be unreasonably withheld) maintain, administer, contribute or have any liability in respect of any Canadian Pension Plan which contains a "defined benefit provision," as defined in subsection 147.1(1) of the *Income Tax Act* (Canada) ("Canadian Defined Benefit Plan") (other than the Canadian Defined Benefit Plans listed in Schedule 3.10 on the Fourth Restatement Date or any Canadian Defined Benefit Plan sponsored, maintained, administered or contributed to by a Person described in clause (b) of this Section 6.14) or (b) acquire an interest in any Person if such Person sponsors, maintains, administers or contributes to, or has any liability in respect of any Canadian Defined Benefit Plan if such acquisition would, or could reasonably be expected to, result in a Material Adverse Effect.

ARTICLE VII. Events of Default

If any of the following events ("Events of Default") shall occur:

(a) any Borrower 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) any Borrower 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, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days;

(c) any representation or warranty made by or on behalf of any Loan Party or any Restricted Subsidiary in or in connection with this Agreement or 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 this Agreement or any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been materially incorrect when made;

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in: (i) Section 5.02(a), Section 5.03 (with respect to a Loan Party's existence), Section 5.08 or in Article VI of this Agreement, or (ii) Article IV or Article VII of the Canadian Security Agreement or the U.S. Security Agreement;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those which constitute an event of default under another Section of this Article), and such failure shall continue unremedied for a period of (i) 5 days after the earlier of any Loan Party's knowledge of such failure or notice thereof from the Administrative Agent if such failure relates to terms or provisions of Section 5.01(a), (b), (c), (d), (f), (g) or (h), (ii) 5 days after the earlier of any Loan Party's knowledge of such failure or notice thereof from the Administrative Agent if such failure relates to terms or provisions of Section 5.01 (other than those which constitute an event of default under clause (e)(i) of this Article VII), (iii) 10 days after the earlier of any Loan Party's knowledge of such failure or notice thereof from the Administrative Agent if such failure relates to terms or provisions of Section 5.02 (other than Section 5.02(a)), 5.03 (other than with respect to a Loan Party's existence) through 5.06, 5.09, 5.10, 5.12 or 5.14 of this Agreement or (iv) 30 days after the earlier of any Loan Party's knowledge of such failure or notice thereof from the Administrative Agent if such failure relates to terms or provisions of any other Section of this Agreement or any other Loan Document;

(f) any Loan Party or any Restricted Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any applicable grace period set forth in the documents governing such Material Indebtedness);

(g) any "Termination Event" (or any other similar event) occurs under the Receivables Securitization Agreements (as "Termination Event" is defined therein);

(h) 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 such Material Indebtedness or any trustee or agent on its or their behalf to cause any such Material Indebtedness to become due, 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;

(i) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of a Loan Party, a Significant Subsidiary or WESCO Receivables or its debts, or of a substantial part of its assets, under any federal, state, provincial or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, interim receiver, trustee, custodian, sequestrator, monitor, administrator, conservator or similar official for any Loan Party, any Significant Subsidiary or WESCO Receivables 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;

(j) any Loan Party, any Significant Subsidiary or WESCO Receivables shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state, provincial 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 (k) of this Article, (iii) apply for or consent to the appointment of a receiver, interim receiver, trustee, custodian, sequestrator, monitor, administrator, conservator or similar official for such Loan Party, such Significant Subsidiary or WESCO Receivables 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;

(k) any Loan Party, any Significant Subsidiary or WESCO Receivables shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(l) one or more judgments for the payment of money in an aggregate amount in excess of \$50,000,000 (to the extent not covered by insurance as to which the relevant insurance company has not disputed coverage) shall be rendered against any Loan Party or any combination thereof and the same shall remain undischarged for a period of 30 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 any Loan Party to enforce any such judgment or any Loan Party shall fail within 30 days to discharge one or more non-monetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgments or orders, in any such case, are not stayed on appeal or otherwise being appropriately contested in good faith by proper proceedings diligently pursued;

(m) (i) 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 a Material Adverse Effect; or (ii) a Pension Event shall occur which, in the Administrative Agent's determination, constitutes grounds for the termination under any applicable law, of any Canadian Pension Plan or for the appointment by the appropriate Governmental Authority of a trustee for any Canadian Pension Plan, or if any Canadian Pension Plan shall be terminated or any such trustee shall be requested or appointed, or if a Loan Party or any of its Subsidiaries is in default with respect to payments to a Multiemployer Plan or Canadian Pension Plan resulting from their complete or partial withdrawal from such Canadian Pension Plan and any such event may reasonably be expected to have a Material Adverse Effect or any Canadian Loan Party is in default of or with respect to any required contributions to a Canadian Pension Plan or a Canadian Union Plan or any Lien arises (except for contribution amounts not yet due) in connection with any Canadian Pension Plan and any such event may reasonably be expected to have a Material Adverse Effect;

(n) a Change in Control shall occur;

(o) the Loan Guaranty, the Canadian Guarantee or any other Guarantee shall fail to remain in full force or effect (other than in accordance with its terms) or any action shall be taken to discontinue or to assert the invalidity or unenforceability of the Loan Guaranty, the Canadian Guarantee or any other Guarantee, or any Loan Guarantor shall deny that it has any further liability under the Loan Guaranty, the Canadian Guarantee or any other Guarantee to which it is a party, or shall give notice to such effect (except, in each case, as a result of the discharge of such Loan Guarantor's obligations under the Loan Guaranty, the Canadian Guarantee or any other Guarantee in accordance with the terms of the Loan Guaranty, the Canadian Guarantee or such other Guarantee);

(p) any security interest purported to be created by any Collateral Document shall cease to be, or shall be asserted by any Loan Party not to be, a valid and perfected first priority security interest in any portion of the ABL Priority Collateral having a value in excess of \$50,000,000 which is purported to be covered thereby, except as permitted by the terms of this Agreement or any Collateral Document other than as a result of any action or inaction within the control of the Administrative Agent; or

(q) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms), in each case, other than in connection with a termination of such Loan Document (or, with respect to any Loan Party, the release of such Loan Party from its obligations under such Loan Document) in accordance with the terms hereof or thereof;

then, and in every such event (other than an event with respect to the Borrowers described in clauses (i) or (j) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower Representative, take either or both of the following actions, at the same or different times: (i) terminate the Revolving Commitments, and thereupon the Revolving Commitments shall terminate immediately, (ii) require the deposit of cash collateral pursuant to Section 2.06(k) hereto, or (iii) declare the Loans and other Obligations then outstanding to be due and payable in whole (or in part, in which case any Obligations not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans and other Obligations 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 the Borrowers described in clauses (i) or (j) of this Article, the Revolving Commitments shall automatically terminate and the principal of the Loans and other Obligations 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 and the deposit of cash collateral required under Section 2.06(k) shall be automatically required. Upon the occurrence and the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to it under the Loan Documents or at law or equity, including all remedies provided under the UCC and the PPSA. Notwithstanding anything herein or in any other Loan Document to the contrary, the Administrative Agent shall not deliver a notice to the U.S. Borrowers instructing such Borrowers to terminate and cease all transfers of Receivables (as defined in the Receivables Intercreditor Agreement) from the U.S. Borrowers to WESCO Receivables prior to the occurrence of one or more of the following: (A) an Event of Default under paragraphs (i), (j) or (k) of this Article VII or (B) any declaration by the Administrative Agent that the Loans and other Obligations are due and payable pursuant to clause (ii) of this paragraph.

Notwithstanding anything to the contrary in Article III or in this Article VII, during the Clean-Up Period, any representation or warranty (other than the Specified Representations and the Anixter Acquisition Agreement Representations) made by Anixter or any of its Subsidiaries in connection with the Transactions that would have been breached or inaccurate, or any other default, arising by reason of any matter or circumstance relating to Anixter or any of its Subsidiaries with respect to the Transactions (were it not for this paragraph), shall be deemed not to constitute a breach of or a default for all purposes under the Loan Documents, and for so long as the circumstances giving rise thereto (a) are capable of being remedied within the Clean-Up Period and Holdings or any of its subsidiaries is taking appropriate steps to remedy such circumstances and (b) do not have and are not reasonably likely to have a Material Adverse Effect on the business, property, operations or financial condition of Holdings and its subsidiaries, taken as a whole, or the validity or enforceability of any of the Loan Documents or the rights and remedies of the Administrative Agent and the Lender Parties; provided that such Clean-Up Period shall not apply with respect to any representation, warranty or default in respect of the Aggregate Borrowing Base, the Canadian Borrowing Base or the U.S. Borrowing Base.

ARTICLE VIII. The Administrative Agent

As of the Fourth Restatement Date, upon the consummation of the Transactions, each Existing Administrative Agent shall cease to be an "Administrative Agent," an "Agent," and a "Canadian Administrative Agent," as applicable, under the Existing Credit Agreement. The Lenders, the Borrowers and Holdings hereby waive any notice requirement provided for under the Existing Credit Agreement with respect to the resignation of the Existing Administrative Agents and the appointment of Barclays as successor Administrative Agent.

Each of the Lender Parties hereby irrevocably appoints the Administrative Agent as its agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

Without limiting the generality of the paragraph above, for the purposes of creating a solidarité active in accordance with Article 1541 of the Civil Code of Québec, between each Lender Party, taken individually, on the one hand, and the Administrative Agent, on the other hand, each Loan Party, each such Lender Party and the Administrative Agent acknowledge and agree with the Administrative Agent that each such Lender Party and the Administrative Agent are hereby conferred the legal status of solidary creditors of each Loan Party in respect of all Obligations, present and future, owed by each such Loan Party to the Administrative Agent and each such Lender Party hereunder and under the other Loan Documents (collectively, the “Solidary Claim”). Each Loan Party which is not a signatory of this Agreement but is or may become a signatory to any other Loan Documents shall be deemed to have accepted the provisions contained in this paragraph by its execution of such other Loan Documents. Accordingly, but subject (for the avoidance of doubt) to Article 1542 of the Civil Code of Québec, each such Loan Party is irrevocably bound towards the Administrative Agent and each Lender Party in respect of the entire Solidary Claim of the Administrative Agent and such Lender Party. As a result of the foregoing, the parties hereto acknowledge that the Administrative Agent and each Lender Party shall at all times have a valid and effective right of action for the entire Solidary Claim of the Administrative Agent and such Lender Party and the right to give full acquittance for same. The parties further agree and acknowledge that the Administrative Agent’s Liens on the Collateral under the Collateral Documents shall be granted to the Administrative Agent, for its own benefit and for the benefit of the Lender Parties, as solidary creditor as hereinabove set forth.

In addition, and without limiting any of the foregoing, for the purposes of holding any security granted by any Borrower or any other Loan Party pursuant to the laws of the Province of Quebec to secure payment of any bond issued by any Borrower or any Loan Party, each of the Lender Parties hereby irrevocably appoints and authorizes the Administrative Agent and, to the extent necessary, ratifies the appointment and authorization of the Administrative Agent, to act as the person holding the power of attorney (i.e. “fondé de pouvoir”) and hypothecary representative (in such capacity, the “Attorney”) of the Lender Parties as contemplated under Article 2692 of the Civil Code of Québec, and to enter into, to take and to hold on its behalf, and for its benefit, any hypothec, and to exercise such powers and duties that are conferred upon the Attorney under any hypothec. Moreover, without prejudice to such appointment and authorization to act as the person holding the power of attorney as aforesaid, each of the Lender Parties hereby irrevocably appoints and authorizes the Administrative Agent (in such capacity, the “Custodian”) to act as agent and custodian for and on behalf of the Lender Parties to hold and be the sole registered holder of any bond which may be issued under any hypothec, the whole notwithstanding Section 32 of An Act respecting the special powers of legal persons (Quebec) or any other applicable law, and to execute all related documents. Each of the Attorney and the Custodian shall: (a) have the sole and exclusive right and authority to exercise, except as may be otherwise specifically restricted by the terms hereof, all rights and remedies given to the Attorney and the Custodian (as applicable) pursuant to any hypothec, bond, pledge, applicable laws or otherwise, (b) benefit from and be subject to all provisions hereof with respect to the Administrative Agent mutatis mutandis, including, without limitation, all such provisions with respect to the liability or responsibility to and indemnification by the Lender Parties, and (c) be entitled to delegate from time to time any of its powers or duties under any hypothec, bond, or pledge on such terms and conditions as it may determine from time to time. Any person who becomes a Lender Party shall, by its execution of an Assignment and Assumption, be deemed to have consented to and confirmed: (i) the Attorney as the person holding the power of attorney as aforesaid and to have ratified, as of the date it becomes a Lender Party, all actions taken by the Attorney in such capacity, and (ii) the Custodian as the agent and custodian as aforesaid and to have ratified, as of the date it becomes a Lender Party, all actions taken by the Custodian in such capacity. The substitution of the Administrative Agent pursuant to the provisions of this Article VIII shall also constitute the substitution of the Attorney and the Custodian.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Loan Parties or any Subsidiary of a Loan Party or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent 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 Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent 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 Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of the Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not 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 9.02) or in the absence of its own bad faith, gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower Representative or a Lender Party, and the Administrative Agent shall not 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 hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the adequacy, accuracy or completeness of any information (whether oral or written) set forth or in connection with any Loan Document, (v) the legality, the validity, enforceability, effectiveness, adequacy or genuineness of any Loan Document or any other agreement, instrument or document, (vi) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral, or (vii) 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 the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any representation, notice, request, certificate, consent, statement, instrument, document or other writing or communication believed by it to be genuine, correct and to have been authorized, signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made or authorized by the proper Person, and shall not incur any liability for relying thereon. The Administrative 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.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent thereof may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative 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 the Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Banks and the Borrower Representative. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrowers (and, so long as no Event of Default described in clauses (a), (i), (j) or (k) of Article VII shall have occurred and be continuing, subject to the prior written consent of the Borrower Representative (such consent not to be unreasonably withheld or delayed)), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lender Parties, appoint a successor Administrative Agent which shall be a commercial bank or an Affiliate of any such commercial bank and shall be reasonably acceptable to the Borrowers. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges, obligations and duties of the retiring (or retired) Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the

Borrowers and such successor. Notwithstanding the foregoing, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Banks and the Borrowers, whereupon, on the date of effectiveness of such resignation stated in such notice, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, provided that, solely for purposes of maintaining any security interest and hypothecs granted to the Administrative Agent under any Collateral Document for the benefit of the Lender Parties, the retiring Administrative Agent shall continue to be vested with such security interest and hypothecs as collateral agent for the benefit of the Lender Parties and, in the case of any Collateral in the possession of the Administrative Agent shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed and accepts such appointment in accordance with this paragraph (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Collateral Document, including any action required to maintain the perfection of any such security interest), and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, provided that (i) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (ii) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall also directly be given or made to each Lender and each Issuing Bank. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article, Section 2.17(d) and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent its subagents 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 Administrative Agent and in respect of the matters referred to in the proviso under clause (a) above.

All services rendered in Canada under this Agreement or any other Loan Document to be performed by the Administrative Agent will be performed by a Canadian resident for purposes of the ITA or an authorized foreign bank for purposes of the *Bank Act* (Canada).

Each Lender Party acknowledges that it has, independently and without reliance upon the Administrative Agent 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 Party also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender Party 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 any related agreement or any document furnished hereunder or thereunder.

Each Lender hereby agrees that (a) it has requested a copy of each Report prepared by or on behalf of the Administrative Agent; (b) the Administrative Agent (i) makes no representation or warranty, express or implied, as to the completeness or accuracy of any Report or any of the information contained therein or any inaccuracy or omission contained in or relating to a Report and (ii) shall not be liable for any information contained in any Report; (c) the Reports are not comprehensive audits or examinations, and that any Person performing any field examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel and that the Administrative Agent undertake no obligation to update, correct or supplement the Reports; (d) it will keep all Reports confidential and strictly for its internal use, not share the Report with any Loan Party or any other Person except as otherwise permitted pursuant to this Agreement; and (e) without limiting the generality of any other indemnification provision contained in this Agreement, it will pay and protect, and indemnify, defend, and hold the Administrative Agent and any such other Person preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including reasonable attorney fees) incurred by as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

The Bookrunners and the Lead Arrangers shall not have any right, power, obligation, liability, responsibility or duty under this Agreement, except in their capacities, as applicable, as the Administrative Agent, a Lender or an Issuing Bank hereunder other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes

the same acknowledgments with respect to the relevant Lenders in their respective capacities as Bookrunners and Lead Arrangers, as it makes with respect to the Administrative Agent in the preceding paragraph.

The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

The Administrative Agent, in its capacity as such, is a “representative” of the Secured Parties within the meaning of the term “secured party” as defined in the New York Uniform Commercial Code. Each Lender authorizes the Administrative Agent to enter into each of the Collateral Documents to which it is a party and to take all action contemplated by such documents. Each Lender agrees that no Secured Party (other than the Administrative Agent) shall have the right individually to seek to realize upon the security granted by any Collateral Document, it being understood and agreed that such rights and remedies may be exercised solely by the Administrative Agent for the benefit of the Lender Parties upon the terms of the Collateral Documents. In the event that any Collateral is hereafter pledged by any Person as collateral security for the Secured Obligations, the Administrative Agent is hereby authorized, and hereby granted a power of attorney, to execute and deliver on behalf of the Lender Parties any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Administrative Agent on behalf of the Lender Parties.

Each of the Lender Parties hereby agrees that the Administrative Agent may enter into any intercreditor agreement and/or subordination agreement pursuant to, contemplated by or as requested by the Loan Parties in connection with the incurrence of debt and/or liens permitted, the terms of this Credit Agreement (including with respect to Indebtedness permitted pursuant to Section 6.01) on its behalf and agrees to be bound by the terms thereof.

ARTICLE IX. Miscellaneous

SECTION 9.01 Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), 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 facsimile or electronic mail, as follows:

- (i) if to any Loan Party, to the Borrower Representative at:

WESCO Distribution, Inc.
Suite 700
225 West Station Square Drive
Pittsburgh, PA 15219
Attention: Treasurer
Email: BBegg@wesco.com

with copies to:

WESCO Distribution, Inc.
Suite 700
225 West Station Square Drive
Pittsburgh, PA 15219
Attention: General Counsel
Email: DLazzaris@wesco.com

Jones Day
901 Lakeside Avenue
Cleveland, OH 44114-1190
Attention: Kevin Samuels
Email: kmsamuels@jonesday.com

(ii) if to the Administrative Agent or the Swingline Lender, to:

Barclays Bank PLC
745 Seventh Avenue, 8th Floor
New York, NY 10019
Attention: Komal Ramkirath
Email: Komal.Ramkirath@barclays.com

(iii) if to any other Lender or any Issuing Bank, to it at its address, facsimile number or electronic mail address set forth in its Administrative Questionnaire or in any other writing delivered by any such Person to the Administrative Agent.

All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received, or (ii) sent by facsimile shall be deemed to have been given when sent, provided that if not given during normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day of the recipient, or (iii) delivered through Electronic Systems to the extent provided in paragraph (b) below shall be effective as provided in such paragraph.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by Electronic Systems pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II or to compliance or Default certificates delivered pursuant to Section 5.01 or unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent and the Borrower Representative (on behalf of the Loan Parties) may, in its discretion, agree to accept notices and other communications to it hereunder by Electronic Systems pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. All such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (b)(i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Any party hereto may change its address, electronic mail address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d) Electronic Systems.

(i) Each Loan Party agrees that the Administrative Agent may, but shall not be obligated to, make Communications (as defined below) available to the Issuing Bank and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or any other electronic system chosen by the Administrative Agent to be its electronic transmission system (collectively, an "Electronic System").

(e) (i) Although the Electronic System and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Fourth Restatement Date, a user ID/password authorization system) and the Electronic System is secured through a per-deal authorization method whereby each user may access the Electronic System only on a deal-by-deal basis, each of the Lenders, the Issuing Bank and each Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Electronic System, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders, the Issuing Bank and each Borrower hereby approves distribution of the Communications through the Electronic System and understands and assumes the risks of such distribution.

(ii) Any Electronic System used by the Administrative Agent is provided “as is” and “as available.” The Agent Parties (as defined below) do not warrant the adequacy of such Electronic Systems and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or any Electronic System. In no event shall the Administrative Agent or any of its Related Parties (collectively, the “Agent Parties”) have any liability to the Borrowers or the other Loan Parties, any Lender, the Issuing Bank or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Borrower’s, any Loan Party’s or the Administrative Agent’s transmission of communications through an Electronic System. “Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or the Issuing Bank by means of electronic communications pursuant to this Section, including through an Electronic System.

(iii) Each Lender and Issuing Bank agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Electronic System shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender and Issuing Bank agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender’s or Issuing Bank’s (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(iv) Each of the Lenders, Issuing Bank and each Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Electronic System in accordance with the Administrative Agent’s generally applicable document retention procedures and policies.

(v) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or Issuing Bank to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 9.02 Waivers; Amendments. (a) No failure or delay by any Lender Party 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 Lenders Parties, hereunder and under any other Loan Document 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 given. Without limiting the generality of the foregoing, the making of a Loan or the issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Lender Party 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 (i) in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower Representative and the Required Lenders or (ii) in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent (to the extent it is a party to such Loan Document) and each Loan Party that is a party thereto, with the consent of the Required Lenders; provided that no such agreement shall (A) increase the U.S. Commitment or Canadian Commitment of any Lender without the written consent of such Lender (including any such Lender that is a Defaulting Lender), (B) reduce or forgive the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon (other than any waiver of default interest or any increase in any commitment fee or participation fee during an Event of Default made with the consent of the Required Lenders), or reduce or forgive any interest or fees (other than any waiver of default interest made with the consent of the Required Lenders) payable hereunder, without the written consent of each Lender

directly affected thereby (including any such Lender that is a Defaulting Lender), (C) postpone any scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any date for the payment of any interest, fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, postpone the scheduled date of expiration of the Revolving Commitment, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) directly affected thereby, (D) change Section 2.18(b) in any manner adverse to any Lender without such Lender's consent or in a manner that would alter the manner in which payments are shared, without the written consent of each Lender affected thereby, (E) increase the advance rates set forth in the definition of Canadian Borrowing Base or U.S. Borrowing Base or add new categories of eligible assets, without the written consent of the Supermajority Revolving Lenders, (F) change any of the provisions of this Section or the definition of "Required Lenders" or "Supermajority Revolving 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, (G) release any Loan Guarantor from its obligation under its Loan Guaranty or Canadian Guarantee (except as otherwise permitted herein or in the other Loan Documents), without the written consent of each Lender, (H) except as provided in clause (c) of this Section or in any Collateral Document, release all or substantially all of the Collateral, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, any Issuing Bank or any Swingline Lender hereunder without the prior written consent of the Administrative Agent, such Issuing Bank or such Swingline Lender, as the case may be (it being understood that any change to Section 2.20 shall require the consent of the Administrative Agent, the Swingline Lenders and the Issuing Banks). Notwithstanding the foregoing, (x) the Administrative Agent may also amend the Revolving Commitment Schedule to reflect assignments entered into pursuant to Section 9.04 and (y) any amendment entered into in connection with an Aggregate Commitment Increase or a Canadian Sublimit Increase pursuant to Section 2.09(f) or Section 2.09(g), as applicable, shall require only the signature of the Administrative Agent, the Borrowers and the Lender(s) being added or increasing their Revolving Commitment(s) or Canadian Commitments, as applicable, except as otherwise provided in such Section 2.09(f).

(c) The Lender Parties hereby irrevocably authorize the Administrative Agent, at its option and in its sole discretion, to release (x) any guaranty provided by an Excluded Subsidiary and (y) any Liens granted to the Administrative Agent by the Loan Parties or the Canadian Loan Parties or their respective Subsidiaries, as the case may be, on any Collateral (i) upon the termination of all Revolving Commitments, payment and satisfaction in full in cash of all Secured Obligations (other than Unliquidated Obligations), and the cash collateralization of all Unliquidated Obligations in a manner reasonably satisfactory to each affected Lender Party, (ii) constituting property being sold or disposed of if the Loan Party disposing of such property certifies to the Administrative Agent that the sale or disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry), and to the extent that the property being sold or disposed of constitutes Equity Interest of a Subsidiary, the Administrative Agent is authorized to release any Loan Guaranty or Canadian Guarantee provided by such Subsidiary, (iii) constituting property leased to a Loan Party under a lease which has expired or been terminated in a transaction permitted under this Agreement, (iv) constituting an Account originated by a Loan Party which has been sold or otherwise transferred to WESCO Receivables pursuant to the Receivables Securitization Agreements; (v) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to Article VII; (vi) that constitutes Excluded Collateral (as defined in the U.S. Security Agreement or the Canadian Security Agreement), or (vii) otherwise having a value in the aggregate not in excess of \$40,000,000 during any calendar year. Except as provided in the preceding sentence, the Administrative Agent will not release any Liens on Collateral valued in the aggregate (A) in excess of \$40,000,000 but not in excess of \$100,000,000 during any calendar year without the prior written authorization of the Required Lenders; and (B) in excess of \$100,000,000 during any calendar year without the prior written authorization of the Supermajority Revolving Lenders; provided that the consent of all Lenders shall be required for a release of all or substantially all of the Collateral as provided in Section 9.02(b)(H). Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral. Any execution and delivery by the Administrative Agent of documents in connection with any such release shall be without recourse to or warranty by the Administrative Agent.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of “each Lender” or “each Lender affected thereby,” the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a “Non-Consenting Lender”), then the Borrowers may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrowers and the Administrative Agent (1) shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04 and (2) such assignee bank or other entity shall have consented to the applicable amendment, waiver or consent, and (ii) the Borrowers shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrowers hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender. Each party hereto agrees that an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower Representative, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Electronic System as to which the Administrative Agent and such parties are participants), and the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided further that any such documents shall be without recourse to or warranty by the parties thereto.

(e) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrower Representative only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

SECTION 9.03 Expenses; Indemnity; Damage Waiver. (a) The Borrowers shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (limited, in the case of legal fees and expenses, to the reasonable fees, charges and disbursements of one U.S. counsel and one Canadian counsel to the Administrative Agent and its Affiliates (and, if reasonably necessary, of one local counsel in any relevant material jurisdiction to all such persons, taken as a whole)), in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as IntraLinks) of the credit facilities provided for herein, the preparation and administration of the Loan Documents or any amendments, modifications or waivers of the provisions of the Loan Documents (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the applicable Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent, any Issuing Bank or any Lender, in connection with the enforcement, collection or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect thereof. Subject to the limitations set forth herein or in the Collateral Documents, expenses being reimbursed by the Borrowers under this Section include, without limiting the generality of the foregoing, costs and expenses incurred by the Administrative Agent and its Affiliates in connection with:

(i) appraisals and insurance reviews;

(ii) field examinations and the preparation of Reports based on the fees charged by a third party retained by the Administrative Agent or the internally allocated fees for each Person employed by the Administrative Agent with respect to each field examination;

- (iii) taxes, fees and other charges for (A) lien searches and (B) recording the Collateral Documents, filing financing statements and continuations, and other actions to perfect, protect, and continue the Administrative Agent's Liens;
- (iv) sums paid or incurred to take any action required of any Loan Party under the Loan Documents that such Loan Party fails to pay or take; and
- (v) forwarding loan proceeds, collecting checks and other items of payment, and establishing and maintaining the accounts and lock boxes, and costs and expenses of preserving and protecting the Collateral.

All of the foregoing costs and expenses may be charged to the Borrowers as Revolving Loans or to another deposit account, all as described in Section 2.18(c).

(b) The Borrowers shall, jointly and severally (subject to Section 12.01), indemnify the Administrative Agent, each Issuing Bank and each 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, penalties, liabilities and related expenses, including the fees, charges and disbursements of counsel for any Indemnitee but limited, in the case of legal fees and expenses, to one counsel to such Indemnitees taken as a whole and, solely in the case of an actual or potential conflict of interest, one additional counsel to all affected Indemnitees, taken as a whole (and, if reasonably necessary, of one local counsel in any relevant jurisdiction to all such persons, taken as a whole and, solely in the case of an actual or potential conflict of interest, one additional local counsel to all affected indemnified persons, taken as a whole), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Borrower, any other Loan Party or any shareholder or Affiliate of any Borrower or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Borrower or any of its Subsidiaries resulting in any Environmental Liability related in any way to any Borrower or any of its Subsidiaries, (iv) the failure of the Borrowers to deliver to the Administrative Agent the required receipts or other required documentary evidence with respect to a payment made by the Borrowers for Taxes pursuant to Section 2.17, or (v) 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, penalties, liabilities or related expenses have resulted from (i) the willful misconduct, bad faith or gross negligence of such Indemnitee (or any of its Related Parties), in each case as determined by a final non-appealable judgment of a court of competent jurisdiction or (ii) any disputes solely among Indemnitees and not arising out of any act or omission of the Loan Parties or any of their respective Subsidiaries or Affiliates. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses or damages arising from any non-Tax claim.

(c) To the extent that any Loan Party fails to pay any amount required to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Swingline Lender or the Issuing Bank (or any Related Party of any of the foregoing) under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, such Swingline Lender or such Issuing Bank (or any Related Party of any of the foregoing), as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that the Loan Parties' failure to pay any such amount shall not relieve any Loan Party of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, penalty, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, such Swingline Lender or such Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law, no Loan Party shall assert, and each Loan Party hereby waives, any claim against any Indemnitee (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the

Internet), other than to the extent such damages are determined by a final non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee (or any of its Related Parties), or (ii) 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, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided that, nothing in this paragraph (d) shall relieve any Loan Party of any obligation it may have to indemnify an Indemnitee against special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 9.04 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 an Issuing Bank that issues any Letter of Credit), except that (i) no Borrower 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 a Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. 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 an Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph 9.04(b)(ii) below, any Lender may assign to one or more Persons (other than (x) a natural person (or holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person), (y) a Defaulting Lender or (z) the Loan Parties or any of their Affiliates) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Commitment and the Loans at the time owing to it):

(A) with the prior written consent (such consent not to be unreasonably withheld or delayed) of the Borrower Representative (which consent shall be deemed to have been given by the Borrower Representative if the Borrower Representative shall not have responded within five Business Days of a request for such consent), provided that no consent of the Borrower Representative shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) with the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld); and

(C) with the prior written consent of the Issuing Banks (such consent not to be unreasonably withheld).

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Revolving Commitment or Loans of any Class, the amount of the Revolving Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower Representative and the Administrative Agent otherwise consent, provided that no such consent of the Borrower Representative shall be required if an Event of Default has occurred and is continuing;

(B) 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;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Electronic System as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of \$3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including federal and state securities laws.

For the purposes of this Section 9.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, 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 Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption 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 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 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 (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrowers, shall maintain at one of its United States offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Commitment of, and principal amount of (and stated interest on) the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Administrative Agent, the Issuing Banks and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption 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 Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05, 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with

all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrowers, the Administrative Agent, the Issuing Banks or the Swingline Lenders, 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 Revolving Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Administrative Agent, the Issuing Banks 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 this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; 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 9.02(b) that affects such Participant. Subject to the following paragraph, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 2.15, 2.16 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation.

Each Lender that sells a participation agrees, at the Borrowers' request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts of (and stated interest on) each Participant's interest in the Loans or other obligations under this Agreement or any other Loan Document (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations and Proposed Treasury Regulations Section 1.163-5(b) (or any amended or successor version). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) 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 without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank (or to any other central bank having jurisdiction over such Lender), 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 9.05 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 Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding

that any Lender Party may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, 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 Letter of Credit is outstanding (unless such Letter of Credit has been cash collateralized in accordance with Section 2.06(k)) and so long as the Revolving Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 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 Letters of Credit and the Revolving Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06 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 Administrative Agent 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 Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, 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, emailed.pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby or thereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 9.07 Severability. Any provision of any Loan Document 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 thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08 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 the Borrowers or any Loan Guarantor against any of and all the Secured Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The applicable Lender shall notify the Borrower Representative and the Administrative Agent of such set-off or application, provided that any failure to give or any delay in giving such notice shall not affect the validity of any such set-off or application under this Section. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09 Governing Law; Jurisdiction; Consent to Service of Process. (a) The Loan Documents (other than those containing a contrary express choice of law provision) shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of New York, but giving effect to federal laws applicable to national banks; provided, however, that if the laws of any jurisdiction other than the State of New York shall govern in regard to the validity, perfection or effect of perfection of any Lien or in regard to procedural matters affecting enforcement of any Liens on all or any party of the Collateral, such laws of such other jurisdictions shall continue to apply to that extent.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any U.S. federal or New York State court sitting in New York County, New York in any

action or proceeding arising out of or relating to any Loan 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; provided that claims with respect to Canadian Loan Documents may, as provided therein, also be tried in the courts of the Province of Ontario. 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 Administrative Agent, the Issuing Banks or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it 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 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 9.01. 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 9.10 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 OR THEREBY (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 9.11 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 9.12 Confidentiality. Each of the Lender Parties 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 (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 Requirement of Laws 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 (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Loan Parties and their obligations, (g) with the consent of the Borrower Representative 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 any Lender Party on a non-confidential basis from a source other than the Borrowers unless such Lender Party knows that such information was obtained in violation of any confidentiality agreement or arrangement. For the purposes of this Section, "Information" means all information received from the Borrowers relating to the Borrowers or their business, other than any such information that is available to any Lender Party on a non-confidential basis prior to disclosure by the Borrowers and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry; provided that, in the case of information

received from the Borrowers after the Fourth Restatement Date, 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.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING HOLDINGS AND ITS AFFILIATES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWERS OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWERS AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

SECTION 9.13 Several Obligations; Nonreliance; Violation of Law. The respective obligations of the Lenders hereunder are several and not joint and the failure of any Lender to make any Loan or perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. Each Lender hereby represents that it is not relying on or looking to any margin stock for the repayment of the Borrowings provided for herein. Anything contained in this Agreement to the contrary notwithstanding, neither any Issuing Bank nor any Lender shall be obligated to extend credit to the Borrowers in violation of any Requirement of Law.

SECTION 9.14 USA PATRIOT Act. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "USA Patriot Act") hereby notifies Holdings and the Borrowers that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies Holdings, the Borrowers and the other Loan Parties, which information includes the names and addresses of Holdings, the Borrowers and the other Loan Parties and other information that will allow such Lender to identify Holdings, the Borrowers and the other Loan Parties in accordance with the USA Patriot Act.

SECTION 9.15 Disclosure. Each Loan Party and each Lender hereby acknowledges and agrees that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with any of the Loan Parties and their respective Affiliates.

SECTION 9.16 Appointment for Perfection. Each Lender Party hereby appoints each other Lender Party as its agent for the purpose of perfecting Liens, for the benefit of the Lender Parties or the Canadian Lender Parties, as the case may be, in assets which, in accordance with Article 9 of the UCC, the PPSA, the *Securities Transfer Act* (Ontario) or any other applicable law can be perfected only by possession. Should any Lender Party (other than the Administrative Agent) obtain possession of any such Collateral, such Lender Party shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or otherwise deal with such Collateral in accordance with the Administrative Agent's instructions.

SECTION 9.17 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 which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which 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 (in the case of dollar denominated amounts) or the Canadian Overnight Rate (in the case of Canadian Dollar denominated amounts) to the date of repayment, shall have been received by such Lender.

SECTION 9.18 Judgment Currency Conversion. (a) The obligations of the Loan Parties hereunder and under the other Loan Documents to make payments in dollars or in Canadian Dollars, as the case may be (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 applicable Loan Party of the full amount of the Obligation Currency expressed to be payable to the applicable Loan Party under this Agreement or the other Loan Documents. If, for the purpose of obtaining or enforcing judgment against any 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 Administrative Agent's quoted rate of exchange prevailing, 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 Loan Parties each 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. Any amount due from a Loan Party under this Section 9.18 shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of any of the Loan Documents.

(c) For purposes of determining the prevailing rate of exchange, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

SECTION 9.19 Canadian Anti-Money Laundering Legislation. (a) Each Borrower acknowledges that, pursuant to the Proceeds of Crime Act and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Lender Parties may be required to obtain, verify and record information regarding the Borrowers and their respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Borrowers, and the transactions contemplated hereby. Each Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender Party or any prospective assignee or Participant of a Lender, any Issuing Bank or the Administrative Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

(b) If the Administrative Agent has ascertained the identity of any Borrower or any authorized signatories of the Borrower for the purposes of applicable AML Legislation, then the Administrative Agent:

(i) shall be deemed to have done so as an agent for each Lender Party, and this Agreement shall constitute a "written agreement" in such regard between each Lender Party and the Administrative Agent within the meaning of the applicable AML Legislation; and

(ii) shall provide to each Lender Party copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each of the Lender Parties agrees that the Administrative Agent has no obligation to ascertain the identity of the Borrowers or

any authorized signatories of the Borrowers on behalf of any Lender Party, or to confirm the completeness or accuracy of any information it obtains from any Borrower or any such authorized signatory in doing so.

SECTION 9.20 Lender Loss Sharing Agreement. (a) Definitions. As used in this Section 9.20, the following terms shall have the following meanings:

(i) “CAM” means the mechanism for the allocation and exchange of interests in the Loans, participations in Letters of Credit and collections thereunder established under Section 9.20(b).

(ii) “CAM Exchange” means the exchange of the U.S. Lenders’ interests and the Canadian Lenders’ interests provided for in Section 9.20(b).

(iii) “CAM Exchange Date” means the first date after the Fourth Restatement Date on which there shall occur (a) any event described in paragraphs (i), (j) or (k) of Article VII with respect to any Borrower, or (b) an acceleration of Loans and termination of the Revolving Commitments pursuant to Article VII.

(iv) “CAM Percentage” means as to each Lender, a fraction, (a) the numerator of which shall be the aggregate amount of such Lender’s Revolving Commitments immediately prior to the CAM Exchange Date and the termination of the Revolving Commitments, and (b) the denominator of which shall be the amount of the Revolving Commitments of all the Lenders immediately prior to the CAM Exchange Date and the termination of the Revolving Commitments.

(v) “Designated Obligations” means all Obligations of the Borrowers with respect to (a) principal and interest under the Loans, (b) unreimbursed drawings under Letters of Credit and interest thereon and (c) fees under Section 2.12.

(vi) “Revolver Facility” means the facility established under the U.S. Commitments and the Canadian Commitments.

(b) CAM Exchange.

(i) On the CAM Exchange Date,

(A) the U.S. Commitments and the Canadian Commitments shall have terminated in accordance with Article VII;

(B) each U.S. Lender shall fund its participation in any outstanding Swingline Loans and Protective Advances in accordance with Section 2.04 and Section 2.05 of this Agreement, and each Canadian Lender shall fund its participation in any outstanding Swingline Loans and Protective Advances in accordance with Section 2.04 and Section 2.05;

(C) each U.S. Lender shall fund its participation in any unreimbursed LC Disbursements made under the U.S. Letters of Credit in accordance with Section 2.06(e), and each Canadian Lender shall fund its participation in any unreimbursed LC Disbursements made under the Canadian Letters of Credit in accordance with Section 2.06(e); and

(D) the Lenders shall purchase in dollars at par interests in the Designated Obligations under each Revolver Facility (and shall make payments in dollars to the Administrative Agent for reallocation to other Lenders to the extent necessary to give effect to such purchases) and shall assume the obligations to reimburse Issuing Banks for unreimbursed LC Disbursements under outstanding Letters of Credit under such Revolver Facility such that, in lieu of the interests of each Lender in the Designated Obligations under the U.S. Commitments and the Canadian Commitments in which it shall have participated immediately prior to the CAM Exchange Date, such Lender shall own an interest equal to such Lender’s CAM Percentage in each component of the Designated Obligations immediately following the CAM Exchange.

(ii) Each Lender and each Person acquiring a participation from any Lender as contemplated by this Section 9.20 hereby consents and agrees to the CAM Exchange. Each Borrower agrees from time to time to execute and deliver to the Lenders all such promissory notes and other instruments and documents as the Administrative Agent shall reasonably request to evidence and confirm the respective interests and obligations of the Lenders after giving effect to the CAM Exchange, and each Lender agrees to surrender any promissory notes originally received by it in connection with its Loans under this Agreement to the Administrative Agent against delivery of any promissory notes so executed and delivered; provided that the failure of any Lender to deliver or accept any such promissory note, instrument or document shall not affect the validity or effectiveness of the CAM Exchange.

(iii) As a result of the CAM Exchange, from and after the CAM Exchange Date, each payment received by the Administrative Agent pursuant to any Loan Document in respect of any of the Designated Obligations shall be distributed to the Lenders, pro rata in accordance with their respective CAM Percentages.

(iv) In the event that on or after the CAM Exchange Date, the aggregate amount of the Designated Obligations shall change as a result of the making of a disbursement under a Letter of Credit by an Issuing Bank that is not reimbursed by the U.S. Borrowers or the Canadian Borrowers, if applicable, then each Lender shall promptly reimburse such Issuing Bank in dollars for the Dollar Amount of its CAM Percentage of such unreimbursed payment.

Notwithstanding any other provision of this Section 9.20, each Lender Party agrees that if any Lender Party is required under applicable law to withhold or deduct any taxes or other amounts from payments made by it hereunder or as a result hereof, such Person shall be entitled to withhold or deduct such amounts and pay over such taxes or other amounts to the applicable Governmental Authority imposing such tax without any obligation to indemnify any Lender Party with respect to such amounts and without any other obligation of gross up or offset with respect thereto and there shall be no recourse whatsoever by any Lender Party subject to such withholding to any other Lender Party making such withholding and paying over such amounts, but without diminution of the rights of such Lender Party subject to such withholding as against Borrowers and the other Loan Parties to the extent (if any) provided in this Agreement and the other Loan Documents. Any amounts so withheld or deducted shall be treated as, for the purpose of this Section 9.20, having been paid to such Lender Party to which such withholding or deduction was made.

SECTION 9.21 Restatement. (a) As of the Fourth Restatement Date, the terms, conditions, agreements, covenants, representations and warranties set forth in the Existing Credit Agreement are hereby amended, restated, replaced and superseded in their entirety by this Agreement, provided that (a) nothing herein shall impair or adversely affect the continuation of the liability and obligations of the Loan Parties under the Existing Credit Agreement, as amended hereby, (b) nothing herein shall be construed to constitute payment of, or impair, limit, cancel or extinguish, or constitute a novation in respect of, the Indebtedness and other obligations and liabilities of the Loan Parties evidenced by or arising under the Existing Credit Agreement or the other Existing Loan Documents, as amended hereby, and (c) nothing herein shall be construed to impair, limit, terminate, release or adversely affect the liens and security interests in favor of the Administrative Agent securing such Indebtedness and other obligations and liabilities.

(b) Each Loan Party and each Lender Party that is a party to the Existing Credit Agreement immediately prior to the Fourth Restatement Date hereby: (i) acknowledges and agrees that such Person has received and fully reviewed the Agency Transfer Agreement; (ii) consents to the execution and delivery by each of JPMorgan Chase Bank, N.A. and JPMorgan Chase Bank, N.A., Toronto Branch in their respective capacities as Existing Administrative Agents, of the Agency Transfer Agreement, the resignation by each of Existing Administrative Agents from their respective roles as U.S. administrative agent and Canadian administrative agent under the Existing Credit Agreement, and the appointment of Barclays Bank PLC as Administrative Agent under this Agreement; (iii) waives all notice requirements under the Existing Credit Agreement with respect to the resignation of the Existing Administrative Agents and the appointment of the Administrative Agent; (iv) agrees to all of the terms and provisions of the Agency Transfer Agreement; and (v) agrees that from and after the Fourth Restatement Date, neither of the Existing Administrative Agents shall have any duties, responsibilities, obligations or other liabilities to any Lender Party in respect of any agency role under this Agreement or any duties, responsibilities, obligations or other liabilities to any Loan Party or Lender Party under the Existing Credit Agreement, except as otherwise set forth in the Agency Transfer

Agreement. Each of the Existing Administrative Agents shall be entitled to rely upon the agreements of the Loan Parties and the Lender Parties set forth in this Section 9.21(b).

SECTION 9.22 Permitted Term Debt Intercreditor Agreement. Notwithstanding anything to the contrary contained herein, each Lender acknowledges that from and after the date of incurrence of any Permitted Term Debt, the Liens and security interest granted to the Administrative Agent pursuant to the Collateral Documents and the exercise of any right or remedy by such Administrative Agent thereunder are subject to the provisions of the applicable Permitted Term Debt Intercreditor Agreement. In the event of any conflict between the terms of the applicable Permitted Term Debt Intercreditor Agreement and the Collateral Documents, the terms of such Permitted Term Debt Intercreditor Agreement shall govern and control.

SECTION 9.23 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated by this Agreement, the Loan Parties acknowledge and agree that (a)(i) this credit facility and any related arranging or other services by the Administrative Agent, the Bookrunners, the Lead Arrangers, the Lenders or any of their respective Affiliates are arm's-length commercial transactions between the Loan Parties and such Person or Persons; (ii) the Loan Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate; and (iii) the Loan Parties are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated by this Agreement and the other Loan Documents; (b) each of the Administrative Agent, the Bookrunners, the Lead Arrangers, the Lenders and their respective Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Loan Parties, any of their Affiliates or any other Person, and has no obligation with respect to the transactions contemplated by the Loan Documents except as expressly set forth herein or therein; and (c) the Administrative Agent, the Bookrunners, the Lead Arrangers, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their Affiliates, and have no obligation to disclose any of such interests to the Loan Parties or their Affiliates. To the fullest extent permitted by applicable law, each Loan Party hereby waives and releases any claims that it may have against the Administrative Agent, the Bookrunners, the Lead Arrangers, the Lenders and their respective Affiliates with respect to any breach of agency or fiduciary duty in connection with any transaction contemplated by this Agreement or any other Loan Document.

SECTION 9.24 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of any Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans with respect to such Lender's funding of, entrance into, participation in, administration of and performance of the Loans, the Letters of Credit or the Revolving Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 8414 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 9623 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Revolving Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Revolving Commitments and this Agreement, (C) the entrance into,

participation in, administration of and performance of the Loans, the Letters of Credit, the Revolving Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Revolving Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of any Borrower or any other Loan Party, that none of the Administrative Agent, any Arranger, or any of their respective Affiliates is a fiduciary with respect to the Collateral or the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

(c) The Administrative Agent and each Arranger hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Revolving Commitments, this Agreement and any other Loan Documents, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Revolving Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Revolving Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

SECTION 9.25 Acknowledgement and Consent to Bail-In of Affected Financial Institutions

. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is the Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 9.26 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support “QFC Credit Support” and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

ARTICLE X. [Reserved.]

ARTICLE XI. The Borrower Representative

SECTION 11.01 Appointment; Nature of Relationship. WESCO Distribution, Inc., a Delaware corporation, is hereby appointed by each of the Borrowers as its contractual representative (herein referred to as the “Borrower Representative”) hereunder and under each other Loan Document, and each of the Borrowers irrevocably authorizes the Borrower Representative to act as the contractual representative of such Borrower with the rights and duties expressly set forth herein and in the other Loan Documents. The Borrower Representative agrees to act as such contractual representative upon the express conditions contained in this Article XI. Additionally, the Borrowers hereby appoint the Borrower Representative as their agent to receive all of the proceeds of the Loans in the Funding Account(s), at which time the Borrower Representative shall promptly disburse such Loans to the appropriate Borrower, subject to the limits as between Canadian Borrowers and U.S. Borrowers contained in this Agreement. None of the Lender Parties and their respective officers, directors, agents or employees, shall be liable to the Borrower Representative or any Borrower for any action taken or omitted to be taken by the Borrower Representative or the Borrowers pursuant to this Section 11.01.

SECTION 11.02 Powers. The Borrower Representative shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Borrower Representative by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Borrower Representative shall have no implied duties to the Borrowers, or any obligation to the Lender Parties to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Borrower Representative.

SECTION 11.03 Employment of Agents. The Borrower Representative may execute any of its duties as the Borrower Representative hereunder and under any other Loan Document by or through authorized officers.

SECTION 11.04 Notices. Each Borrower shall immediately notify the Borrower Representative of the occurrence of any Default or unmatured Default hereunder referring to this Agreement describing such Default or unmatured Default and stating that such notice is a “notice of default.” In the event that the Borrower Representative receives such a notice, the Borrower Representative shall give prompt notice thereof to the Administrative Agent and

the Lender Parties. Any notice provided to the Borrower Representative hereunder shall constitute notice to each Borrower on the date received by the Borrower Representative.

SECTION 11.05 Successor Borrower Representative. Upon the prior written consent of the Administrative Agent, the Borrower Representative may resign at any time, such resignation to be effective upon the appointment of a successor Borrower Representative. The Administrative Agent shall give prompt written notice of such resignation to the Lender Parties.

SECTION 11.06 Execution of Loan Documents; Borrowing Base Certificate. The Borrowers hereby empower and authorize the Borrower Representative, on behalf of the Borrowers, to execute and deliver to the Lender Parties the Loan Documents and all related agreements, certificates, documents, or instruments as shall be necessary or appropriate to effect the purposes of the Loan Documents, including without limitation, the Borrowing Base Certificates and the Compliance Certificates. Each Borrower agrees that any action taken by the Borrower Representative or the Borrowers in accordance with the terms of this Agreement or the other Loan Documents, and the exercise by the Borrower Representative of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Borrowers.

SECTION 11.07 Reporting. Each Borrower hereby agrees that such Borrower shall furnish promptly after each fiscal month to the Borrower Representative a copy of any certificate or report required hereunder or requested by the Borrower Representative on which the Borrower Representative shall rely to prepare the Borrowing Base Certificates and Compliance Certificates required pursuant to the provisions of this Agreement.

ARTICLE XII. Limitations on Obligations of Canadian Loan Parties

SECTION 12.01 Limitations. Notwithstanding provision to the contrary set forth in this Credit Agreement or any of the Loan Documents, the obligations of the Canadian Loan Parties (other than the Canadian Cross-Border Loan Guarantors), WDINESCO III B.V. and Anixter Mid Holdings B.V. shall be limited to the Canadian Obligations and in no event shall any Canadian Loan Party (other than the Canadian Cross-Border Loan Guarantors) or WDINESCO III B.V. or Anixter Mid Holdings B.V. be liable for, guarantee or otherwise have any obligation with respect to, nor shall any such entity's assets secure any U.S. Secured Obligations, whether arising under any provisions of such documents relating to guaranty, set off, contribution, subrogation, indemnity, requirements to post collateral, use of deposits or otherwise. For the avoidance of doubt, this Section 12.01 shall have no application to the loss sharing agreement set forth in Section 9.20.

[Remainder of Page Left Intentionally Blank]

~~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.

U.S. BORROWERS:

~~WESCO DISTRIBUTION, INC.,
a Delaware corporation
ATLANTA ELECTRICAL DISTRIBUTORS, LLC,
a Delaware limited liability company
CALVERT WIRE & CABLE CORPORATION,
a Delaware corporation
CARLTON BATES COMPANY,
an Arkansas corporation
COMMUNICATIONS SUPPLY CORPORATION,
a Connecticut corporation
CONNEY SAFETY PRODUCTS, LLC,
a Delaware limited liability company
HI LINE UTILITY SUPPLY COMPANY, LLC,
an Illinois limited liability company
LIBERTY WIRE & CABLE, INC.,
a Delaware corporation
NEEDHAM ELECTRIC SUPPLY, LLC,
a Delaware limited liability company
TVC COMMUNICATIONS, L.L.C.,
a Delaware limited liability company
WESCO EQUITY CORPORATION,
a Delaware corporation
WESCO INTEGRATED SUPPLY, INC.,
a Delaware corporation
WESCO NEVADA, LTD.,
a Nevada corporation~~

~~By: _____
Name: Brian M. Begg
Title: Treasurer~~

~~HILL COUNTRY ELECTRIC SUPPLY, L.P., a Texas limited partnership~~

~~By: TVC International Holding, L.L.C.,
its General Partner~~

~~By: _____
Name: Brian M. Begg
Title: Treasurer~~

CANADIAN BORROWERS:

~~WESCO DISTRIBUTION CANADA LP~~

~~BY: WESCO DISTRIBUTION CANADA GP~~

~~INC., its General Partner~~

[Signature Page to Fourth Amended and Restated Credit Agreement]

By: _____
Name: Brian M. Begg
Title: Treasurer and Assistant Secretary

~~EECOL ELECTRIC CORP.~~

By: _____
Name: Brian M. Begg
Title: Treasurer

~~HAZMASTERS INC.~~

By: _____
Name: Brian M. Begg
Title: Treasurer and Assistant Secretary

~~HOLDINGS:~~

~~WESCO INTERNATIONAL, INC.~~

By: _____
Name: Brian M. Begg
Title: Vice President and Treasurer

~~ANIXTER CANADA INC.~~

By: _____
Name: Brian M. Begg
Title: Treasurer

~~ANIXTER POWER SOLUTIONS CANADA INC.~~

By: _____
Name: Brian M. Begg
Title: Treasurer

[Signature Page to Fourth Amended and Restated Credit Agreement]

~~ADMINISTRATIVE AGENT, U.S. LENDER, CANADIAN LENDER, ISSUING BANK AND SWINGLINE:~~

~~BARCLAYS BANK PLC, individually, as a U.S. Lender, Canadian Lender, Administrative Agent, Issuing Bank and Swingline Lender~~

~~By: _____
Name:
Title: Authorized Officer~~

[Signature Page to Fourth Amended and Restated Credit Agreement]

LENDER:

~~BANK OF AMERICA N.A.,
as a U.S. Lender, as a Canadian Lender
and as an Issuing Bank~~

~~By: _____
Name:
Title:~~

LENDER:

~~CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH,
as a U.S. Lender and as a Canadian Lender
and as an Issuing Bank~~

~~By: _____
Name:
Title:~~

LENDER:

~~CITIZENS BANK,
as a U.S. Lender and as a Canadian Lender
and as an Issuing Bank~~

~~By: _____
Name:
Title:~~

LENDER:

~~FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as a U.S. Lender, as a Canadian Lender
and as an Issuing Bank~~

~~By: _____
Name:
Title:~~

LENDER:

~~HSBC BANK USA, NATIONAL ASSOCIATION,
as a U.S. Lender, as a Canadian Lender
and as an Issuing Bank~~

~~By: _____
Name:
Title:~~

{Signature Page to Fourth Amended and Restated Credit Agreement}

LENDER:

~~JPMORGAN CHASE BANK, N.A.,
as a U.S. Lender, as a Canadian Lender
and as an Issuing Bank~~

~~By: _____
Name:
Title:~~

LENDER:

~~PNC BANK, NATIONAL ASSOCIATION,
as a U.S. Lender, as a Canadian Lender
and as an Issuing Bank~~

~~By: _____
Name:
Title:~~

LENDER:

~~THE BANK OF NOVA SCOTIA,
as a U.S. Lender, as a Canadian Lender
and as an Issuing Bank~~

~~By: _____
Name:
Title:~~

[Signature Page to Fourth Amended and Restated Credit Agreement]

LENDER:

~~TD BANK, N.A.,
as a U.S. Lender, as a Canadian Lender
and as an Issuing Bank~~

~~By: _____~~

~~Name:~~

~~Title:~~

LENDER:

~~U.S. BANK NATIONAL ASSOCIATION,
as a U.S. Lender and an Issuing Bank~~

~~By: _____~~

~~Name:~~

~~Title:~~

LENDER:

~~U.S. BANK NATIONAL ASSOCIATION,
Operating through its Canada Branch,
as a Canadian Lender~~

~~By: _____~~

~~Name:~~

~~Title:~~

LENDER:

~~Wells Fargo Bank, N.A.,
as a U.S. Lender and as an Issuing Bank~~

~~By: _____~~

~~Name:~~

~~Title:~~

LENDER:

~~WELLS FARGO CAPITAL FINANCE CORPORATION CANADA,
as a Canadian Lender~~

~~By: _____~~

~~Name:~~

~~Title:~~

[Signature Page to Fourth Amended and Restated Credit Agreement]

REVOLVING COMMITMENT SCHEDULE

Lender	Canadian Commitment*	Revolving Commitment	Applicable Percentage of Aggregate Revolving Commitments
Barclays Bank PLC	\$54,400,000	\$120,000,000 <u>132,000,000</u>	10.9090 <u>11</u> %
Canadian Imperial Bank of Commerce, New York Branch	\$48,200,000	\$106,000,000 <u>115,500,000</u>	9.6363 <u>9.625</u> %
Fifth Third Bank, National Association	\$48,200,000	\$106,000,000 <u>115,500,000</u>	9.6363 <u>9.625</u> %
PNC Bank, National Association	\$48,200,000	\$106,000,000 <u>115,500,000</u>	9.6363 <u>9.625</u> %
TD Bank, N.A.	\$48,200,000	\$106,000,000 <u>115,500,000</u>	9.6363 <u>9.625</u> %
U.S. Bank National Association	\$48,200,000	\$106,000,000 <u>115,500,000</u>	9.6363 <u>9.625</u> %
Bank of America N.A.	\$34,100,000	\$75,000,000 <u>81,750,000</u>	6.8182 <u>6.8125</u> %
Citizens Bank	\$34,100,000	\$75,000,000 <u>81,750,000</u>	6.8182 <u>6.8125</u> %
HSBC Bank USA, National Association	\$34,100,000	\$75,000,000 <u>81,750,000</u>	6.8182 <u>6.8125</u> %
JPMorgan Chase Bank, N.A.	\$34,100,000	\$75,000,000 <u>81,750,000</u>	6.8182 <u>6.8125</u> %
The Bank of Nova Scotia	\$34,100,000	\$75,000,000 <u>81,750,000</u>	6.8182 <u>6.8125</u> %
Wells Fargo Bank, National Association	\$34,100,000	\$75,000,000 <u>81,750,000</u>	6.8182 <u>6.8125</u> %
Total	\$500,000,000	\$1,100,000,000<u>1,200,000,000</u>	100%

*The U.S. Commitment and Canadian Commitment are sub facilities of the Revolving Commitment and are not in addition to the Revolving Commitment.

LOAN PARTY SCHEDULE

US Borrowers:

Wesco Distribution, Inc., a Delaware corporation
Atlanta Electrical Distributors, LLC, a Delaware limited liability company
Calvert Wire & Cable Corporation, a Delaware corporation
Carlton-Bates Company, an Arkansas company
Communications Supply Corporation, a Connecticut corporation
Conney Safety Products, LLC, a Delaware limited liability company
Hi-Line Utility Supply Company, LLC, an Illinois limited liability company
Hill Country Electric Supply, L.P., a Texas limited partnership
Liberty Wire & Cable, Inc., a Delaware corporation
Needham Electric Supply, LLC, a Delaware limited liability company
TVC Communications, L.L.C., a Delaware limited liability company
WESCO Equity Corporation, a Delaware corporation
WESCO Integrated Supply, Inc., a Delaware corporation
WESCO Nevada, Ltd., a Nevada corporation

US Loan Guarantors:

Accu-Tech Corporation, a Georgia corporation
Anixter Inc., a Delaware corporation
Anixter Power Solutions Inc., a Michigan corporation
CBC LP Holdings, LLC, a Delaware limited liability company
CDW Holdco, LLC, a Delaware limited liability company
Conney Investment Holdings, LLC, a Delaware limited liability company
TVC International Holding, L.L.C., a Delaware limited liability company
WDC Holding Inc., a Delaware corporation
WDCH, LP, a Pennsylvania limited partnership
WDCH US LP, a Delaware limited partnership
WESCO Enterprises, Inc., a Delaware corporation
WESCO Holdings, LLC, a Delaware limited liability company
WESCO International, Inc., a Delaware corporation
WESCO Nigeria, Inc., a Delaware corporation
WESCO Services, LLC, a Delaware limited liability company
WDI USVI, LLC, a Delaware limited liability company

Canadian Borrowers:

Anixter Canada Inc., a Canada corporation
Anixter Power Solutions Canada Inc., an Ontario corporation
WESCO Distribution Canada LP, an Ontario limited partnership
EECOL Electric Corp., an Alberta corporation
Hazmasters Inc., an Ontario corporation

Canadian Loan Guarantors:

Anixter Holdings, Inc., a Delaware corporation
Anixter U.S. LLC, a Delaware limited liability company
EECOL Properties Corp., an Alberta corporation
Pro Canadian Holdings I, ULC, a Nova Scotia unlimited liability company
WESCO Canada I, LP, an Alberta limited partnership
WESCO Canada GP Inc., an Ontario corporation
WESCO Distribution IV Inc., an Ontario corporation
WESCO DC Holding I LP, an Ontario limited partnership
WESCO DC Holding II LP, an Ontario limited partnership

WESCO DC Holding III LP, an Ontario limited partnership
WESCO DC Holding IV LP, an Ontario limited partnership
WESCO Procurement Canada ULC, an Alberta unlimited liability company
XpressConnect Supply Inc., a Delaware corporation

Canadian Cross-Border Loan Guarantors:

WESCO Distribution Canada Co., a Nova Scotia corporation
WESCO Distribution II ULC, a Nova Scotia unlimited liability company

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**FIRST AMENDMENT TO FIFTH AMENDED AND RESTATED
RECEIVABLES PURCHASE AGREEMENT**

THIS FIRST AMENDMENT TO FIFTH AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT (this "Amendment"), dated as of December 14, 2020, is entered into among WESCO RECEIVABLES CORP. (the "Seller"), WESCO DISTRIBUTION, INC. ("WESCO" or the "Servicer"), the Purchasers (each, a "Purchaser") and Purchaser Agents (each, a "Purchaser Agent") party hereto, and PNC BANK, NATIONAL ASSOCIATION, as Administrator (the "Administrator").

RECITALS

1. The Seller, the Servicer, each Purchaser, each Purchaser Agent and the Administrator are parties to the Fifth Amended and Restated Receivables Purchase Agreement, dated as of June 22, 2020 (as amended, restated, supplemented or otherwise modified through the date hereof, the "Agreement").

2. Concurrently herewith, the parties hereto are entering into that certain Eighth Amended and Restated Fee Letter (the "Restated Fee Letter").

3. The parties hereto desire to amend the Agreement as hereinafter set forth.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Certain Defined Terms. Capitalized terms that are used herein without definition and that are defined in Exhibit I to the Agreement shall have the same meanings herein as therein defined.

2. Rebalancing and Certain Consents.

(a) Initial Purchases; Rebalancing. On the Effective Date, the Seller is requesting that the Purchasers fund a new Purchase on the Effective Date pursuant to a Purchase Notice delivered in accordance with Section 1.2(a). Such Purchase Notice provides that each Purchaser Group will fund a non-ratable portion of the aggregate Purchase such that, after giving effect to such Purchase, each Purchaser Group's outstanding Investment will be equal to its Ratable Share of the Aggregate Investment.

(b) Certain Consents. The parties hereto hereby consent to the non-ratable funding of the foregoing Purchase on the terms set forth in clause (a) above as set forth above on a one-time basis.

3. Amendments to the Agreement. On the Effective Date, the Agreement is hereby amended as follows:

(a) The definition of “Purchase Limit” set forth in Exhibit I of the Agreement is hereby amended by deleting “\$1,025,000,000” where it appears therein and replacing it with “\$1,200,000,000”.

(b) Schedule VI to the Agreement is hereby deleted in its entirety and replaced with Schedule VI attached hereto.

4. Representations and Warranties. The Seller and the Servicer hereby represent and warrant to each of the parties hereto as of the Effective Date:

(a) Representations and Warranties. The representations and warranties contained in Exhibit III of the Agreement, as amended hereby, are true and correct as of the Effective Date.

(b) No Default. Both before and immediately after giving effect to this Amendment and the transactions contemplated hereby, no Termination Event or Unmatured Termination Event exists or shall exist.

5. Effect of Amendment. All provisions of the Agreement, as expressly amended and modified by this Amendment shall remain in full force and effect. As of and after the Effective Date, all references in the Agreement (or in any other Transaction Document) to “this Agreement”, “hereof”, “herein” or words of similar effect referring to the Agreement shall be deemed to be references to the Agreement as amended by this Amendment. This Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of the Agreement other than as set forth herein.

6. Effectiveness. This Amendment shall become effective as of the date (the “Effective Date”) which shall be the later of (a) January 4, 2021 and (b) the date at which the Administrator has executed this Amendment and receives each of the following, in each case in form and substance reasonably satisfactory to the Administrator: (i) counterparts of this Amendment executed by each of the other parties hereto, (ii) an opinion of counsel for the Seller and Servicer, dated as of the Effective Date and addressed to the Purchasers and the Administrator as to certain corporate, enforceability and no-conflicts matters, (iii) customary officers certificates of each of the Seller and Servicer, (iv) written notice from the Seller designating the Effective Date and (v) evidence of payment of any “Upfront Fees” owing under the Restated Fee Letter; provided, that if the Administrator has not received each of the deliverables set forth in this Section 6 on or prior to February 10, 2021, the Effective Date shall not occur and this Amendment shall have no force and effect.

7. Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute but one and the same instrument.

8. Governing Law; Jurisdiction.

8.1 THIS AMENDMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK

(INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

8.2 ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AMENDMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK; AND, BY EXECUTION AND DELIVERY OF THIS AMENDMENT, EACH OF THE PARTIES HERETO CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY LAW, ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, THAT IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AMENDMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE PARTIES HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH SERVICE MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

9. *Section Headings*. The various headings of this Amendment are included for convenience only and shall not affect the meaning or interpretation of this Amendment, the Agreement or any provision hereof or thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

WESCO RECEIVABLES CORP.

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer

WESCO DISTRIBUTION, INC.,
as Servicer

By: /s/ Brian M. Begg
Name: Brian M. Begg
Title: Treasurer

S-1 *First Amendment to
Fifth A&R RPA*

PNC BANK, NATIONAL ASSOCIATION,
as a Committed Purchaser

By: /s/ Imad Naja
Name: Imad Naja
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION,
as Purchaser Agent for PNC Bank, National
Association

By: /s/ Imad Naja
Name: Imad Naja
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION,
as Administrator

By: /s/ Imad Naja
Name: Imad Naja
Title: Senior Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Committed Purchaser

By: /s/ William P Rutkowski
Name: William P Rutkowski
Title: Director

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Purchaser Agent for Wells Fargo Bank, National Association

By: /s/ William P Rutkowski
Name: William P Rutkowski
Title: Director

S-3 *First Amendment to
Fifth A&R RPA*

FIFTH THIRD BANK, NATIONAL ASSOCIATION, as a Committed Purchaser

By: /s/ Andrew D. Jones
Name: Andrew D. Jones
Title: Managing Director

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as Purchaser Agent for Fifth Third Bank, National Association

By: /s/ Andrew D. Jones
Name: Andrew D. Jones
Title: Managing Director

S-4 *First Amendment to
Fifth A&R RPA*

LIBERTY STREET FUNDING LLC, as a Conduit Purchaser

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

THE BANK OF NOVA SCOTIA, as a Committed Purchaser

By: /s/ Douglas Noe
Name: Douglas Noe
Title: Managing Director

THE BANK OF NOVA SCOTIA, as Purchaser Agent for The Bank of Nova Scotia and
Liberty Street Funding LLC

By: /s/ Douglas Noe
Name: Douglas Noe
Title: Managing Director

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of
RELIANT TRUST, by its U.S. Financial Services Agent, THE TORONTO-DOMINION
BANK, as a Conduit Purchaser

By: /s/ Luna Mills
Name: Luna Mills
Title: Managing Director

The TORONTO-DOMINION BANK, as Committed Purchaser

By: /s/ Luna Mills
Name: Luna Mills
Title: Managing Director

The TORONTO-DOMINION BANK, as Purchaser Agent for The Toronto Dominion
Bank and Reliant Trust

By: /s/ Luna Mills
Name: Luna Mills
Title: Managing Director

BANK OF AMERICA, NATIONAL ASSOCIATION, as a Committed Purchaser

By: /s/ Christopher Haynes
Name: Christopher Haynes
Title: Senior Vice President

BANK OF AMERICA, NATIONAL ASSOCIATION, as a Purchaser Agent for Bank of America, N.A.

By: /s/ Christopher Haynes
Name: Christopher Haynes
Title: Senior Vice President

S-7 *First Amendment to
Fifth A&R RPA*

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH, as a Committed Purchaser

By: /s/ Robert Castro
Name: Robert Castro
Title: Authorized Signatory

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH, as a Purchaser Agent for Bank of America, N.A.

By: /s/ Robert Castro
Name: Robert Castro
Title: Authorized Signatory

S-8 *First Amendment to
Fifth A&R RPA*

HSBC BANK USA, NATIONAL ASSOCIATION, as a Committed Purchaser

By: /s/ Stephen Santini
Name: Stephen Santini
Title: Vice President

HSBC SECURITIES USA INC., as Purchaser Agent for HSBC Bank USA, National Association

By: /s/ Nicholas Walach
Name: Nicholas Walach
Title: Director

S-9 *First Amendment to
Fifth A&R RPA*

SCHEDULE VI
COMMITMENTS

PNC BANK, NATIONAL ASSOCIATION,
as a Committed Purchaser for PNC Bank, National Association

Commitment: \$265,000,000

FIFTH THIRD BANK, NATIONAL ASSOCIATION
as a Committed Purchaser for Fifth Third Bank, National Association

Commitment: \$192,500,000

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Committed Purchaser for Wells Fargo Bank, National Association

Commitment: \$205,000,000

THE BANK OF NOVA SCOTIA,
as a Committed Purchaser for Liberty Street Funding LLC

Commitment: \$147,500,000

THE TORONTO-DOMINION BANK,
as a Committed Purchaser for Reliant Trust

Commitment: \$147,500,000

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH,
as a Committed Purchaser for Canadian Imperial Bank of Commerce, New York Branch

Commitment: \$102,500,000

BANK OF AMERICA, NATIONAL ASSOCIATION,
as a Committed Purchaser for Bank of America, National Association

Commitment: \$90,000,000

HSBC BANK USA, NATIONAL ASSOCIATION,
as Committed Purchaser

Commitment: \$50,000,000

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Schedule VI

Exhibit 21.1

SUBSIDIARIES OF WESCO INTERNATIONAL, INC.

Company Name	Jurisdiction of Incorporation
1502218 Alberta Ltd.	Alberta
Accu-Tech Corporation	Georgia
ALLNET Technologies Pty. Ltd.	Australia
Anixter Inc.	Delaware
Anixter Argentina S.A.	Argentina
Anixter Asia Holdings Limited	Hong Kong
Anixter Australia Pty. Ltd.	Australia
Anixter Austria GmbH	Austria
Anixter Bahamas Limited	Bahamas
Anixter (Barbados) SRL	Barbados
Anixter Belgium B.V.B.A.	Belgium
Anixter Cables y Manufacturas, S.A. de C.V.	Mexico
Anixter Canada Inc.	Canada
Anixter Canadian Holdings ULC	Canada
Anixter Czech a.s.	Czech Republic
Anixter Chile S.A.	Chile
Anixter (CIS) LLC	Russia
Anixter Colombia S.A.S.	Colombia
Anixter Communications (Malaysia) Sdn Bhd	Malaysia
Anixter Communications (Shanghai) Co. Limited	China
Anixter Costa Rica S.A.	Costa Rica
Anixter Danmark A/S	Denmark
Anixter de Mexico, S.A. de C.V.	Mexico
Anixter Deutschland GmbH	Germany
Anixter do Brasil Ltda	Brazil
Anixter Distribuidor de Soluciones Empresariales e Industriales S.A.	Uruguay
Anixter Distribution Ireland Limited	Ireland
Anixter Dominicana, SRL	Dominican Republic
Anixter Egypt LLC	Egypt
Anixter España S.L.	Spain
Anixter Eurotwo Holdings B.V.	The Netherlands
Anixter Fasteners Deutschland GmbH	Germany
Anixter Financial Inc.	Delaware
Anixter France SARL	France
Anixter Guatemala y Compañía Limitada	Guatemala
Anixter Holdings, Inc.	Delaware
Anixter Holdings Mexico LLC	Delaware
Anixter Hong Kong Limited	Hong Kong
Anixter Magyarország Elektronikus Hálózati Rendszer Kereskedelmi és Szolgáltató Kft	Hungary
Anixter India Private Limited	India
Anixter Information Systems LLC	Illinois

Company Name	Jurisdiction of Incorporation
Anixter Italia S.r.l.	Italy
Anixter Jamaica Limited	Jamaica
Anixter Japan KK	Japan
Anixter Jorvex S.A.C.	Peru
Anixter Limited	United Kingdom
Anixter İletisim Sistemleri Pazarlama ve Ticaret A.S.	Turkey
Anixter Logistica do Brasil LTDA	Brazil
Anixter Logistica y Servicios S.A. de C.V.	Mexico
Anixter Mid Holdings B.V.	The Netherlands
Anixter Middle East FZE	United Arab Emirates
Anixter Morocco SARL AU	Morocco
Anixter Nederland B.V.	The Netherlands
Anixter New Zealand Limited	New Zealand
Anixter Norge A.N.S.	Norway
Anixter Operaciones y Logistica s De RL De CV	Mexico
Anixter Panama, S.A.	Panama
Anixter Pension Trustees Limited	United Kingdom
Anixter Pension Scheme Trustees Limited	United Kingdom
Anixter Peru, S.A.C.	Peru
Anixter Philippines Inc.	Delaware
Anixter Poland Sp.z.o.o.	Poland
Anixter Portugal S.A.	Portugal
Anixter Power Solutions Canada Inc. (formerly HD Supply Canada Inc.)	Ontario
Anixter Power Solutions Inc.	Michigan
Anixter Procurement Corporation	Illinois
Anixter Puerto Rico, Inc.	Delaware
Anixter Real-Estate LLC	Illinois
Anixter Receivables Corporation	Delaware
Anixter Saudi Arabia Limited	Saudi Arabia
Anixter Singapore Pte. Ltd.	Singapore
Anixter Slovakia s.r.o.	Slovak Republic
Anixter Sub Holdings B.V	The Netherlands
Anixter Sverige AB	Sweden
Anixter (Switzerland) Sàrl	Switzerland
Anixter Thailand Inc.	Delaware
Anixter (U.K.) Limited	United Kingdom
Anixter U.S. LLC	Delaware
Anixter Venezuela Inc.	Delaware
Atlanta Electrical Distributors, LLC	Delaware
Atlas Gentech (NZ) Limited	New Zealand
AXE Distribution Solutions Trinidad, Ltd.	Trinidad
B.E.L. Corporation	Delaware
Calvert Wire & Cable Corporation	Delaware
Carlton-Bates Company	Arkansas
Carlton-Bates Company de Mexico S.A. de C.V.	Mexico

Company Name	Jurisdiction of Incorporation
CBC LP Holdings, LLC	Delaware
CDW Holdco, LLC	Delaware
Central Security Distribution Pty. Ltd	Australia
Communications Supply Corporation	Connecticut
Communication Cables, LLC	Delaware
Conney Investment Holdings, LLC	Delaware
Conney Safety Products, LLC	Delaware
Distribuidora Materiales Electricos E-Supply Limitada	Chile
EECOL Electric Bolivia Ltda	Bolivia
EECOL Electric Corp.	Alberta
EECOL Electric Peru S.A.C	Peru
EECOL Industrial Electric Ecuador Limitada	Ecuador
EECOL Industrial Electric Limitada	Chile
EECOL Industrial Electric (SudAmerica) Limitada	Chile
EECOL Power S.A.	Chile
EECOL Properties Corp	Alberta
Eurinvest B.V.	The Netherlands
Eurinvest Cooperatief U.A.	The Netherlands
Hazmasters, Inc.	Ontario
Hi-Line Utility Supply Company, LLC	Illinois
Hill Country Electric Supply, L.P.	Texas
HMH Pension Trustees Limited	United Kingdom
ICV GP Inc.	Delaware
Infast Group Limited	United Kingdom
Inner Range Pty. Ltd	Australia
Itel Container Ventures Inc.	Delaware
Itel Corporation	Delaware
Itel Rail Holdings Corporation	Delaware
Liberty Wire & Cable, Inc.	Delaware
Needham Electric Supply, LLC	Delaware
Obras Y Servicios Sunpark S.A.C. (OS Sunpark)	Peru
Pro Canadian Holdings I, ULC	Nova Scotia
PT Anixter Indonesia	Indonesia
SASK Alta Holdings S.A.	Chile
Services Voice, Video and Data Distribution de Mexico, S. de R.L. de C.V.	Mexico
Servicios Anixter, S.A. de C.V.	Mexico
Signal Capital Corporation	Delaware
Signal Capital Projects, Inc.	Delaware
Stone Eagle Electrical Supply GP Inc.	Alberta
Stone Eagle Electrical Supply Limited Partnership	Alberta
Tri-Ed Puerto Rico Ltd. Inc.	Puerto Rico
TVC Communications, L.L.C.	Delaware
TVC Espana Distribucion y Venta De Equipos, S.L.	Spain
TVC International Holding, L.L.C.	Delaware
TVC UK Holdings Limited	United Kingdom

Company Name	Jurisdiction of Incorporation
WDC Holding Inc.	Delaware
WDCH, LP	Pennsylvania
WDCH US LP	Delaware
WDI-Angola, LDA	Angola
WDI USVI, LLC	Delaware
WDINESCO B.V.	Netherlands
WDINESCO II B.V.	Netherlands
WDINESCO III B.V.	Netherlands
WEAS Company, S. de R.L.	Mexico
WESCO (Suzhou) Trading Co., Ltd.	China
WESCO Australia Pty Ltd	Australia
WESCO Canada I, LP	Alberta
WESCO Canada GP Inc.	Ontario
WESCO DC Holding I LP	Ontario
WESCO DC Holding II LP	Ontario
WESCO DC Holding III LP	Ontario
WESCO DC Holding IV LP	Ontario
WESCO Distribution Canada Co.	Nova Scotia
WESCO Distribution Canada LP	Ontario
WESCO Distribution de Mexico, S. de R.L.	Mexico
WESCO Distribution HK Limited	Hong Kong
WESCO Distribution II ULC	Nova Scotia
WESCO Distribution III ULC	Nova Scotia
WESCO Distribution, Inc.	Delaware
WESCO Distribution-International Limited	United Kingdom
WESCO Distribution Ireland Limited	Ireland
WESCO Distribution IV Inc.	Ontario
WESCO Distribution NL B.V.	Netherlands
WESCO Distribution Pte. Ltd.	Singapore
WESCO Enterprises, Inc.	Delaware
WESCO Equity Corporation	Delaware
WESCO Holdings, LLC	Delaware
WESCO Integrated Supply, Inc.	Delaware
WESCO Integrated Supply Polska Spolka z o.o.	Poland
WESCO Nevada, Ltd.	Nevada
WESCO Netherlands B.V.	Netherlands
WESCO Nigeria, Inc.	Delaware
WESCO Procurement Canada ULC	Alberta
WESCO Real Estate I, LLC	Delaware
WESCO Real Estate II, LLC	Delaware
WESCO Real Estate III, LLC	Delaware
WESCO Real Estate IV, LLC	Delaware
WESCO Receivables Corp.	Delaware
WESCO Services, LLC	Delaware
WESCO TLD Holdings Co., Ltd.	Thailand

Company Name	Jurisdiction of Incorporation
WND Nigeria Limited	Nigeria
XpressConnect Holdings B.V.	The Netherlands
XpressConnect International B.V.	The Netherlands
XpressConnect Supply B.V.B.A.	Belgium
XpressConnect Supply do Brasil Ltda	Brazil
XpressConnect Supply Colombia S.A.S.	Colombia
Xpress Connect Supply Hong Kong Limited	Hong Kong
XpressConnect Supply Inc.	Delaware
XpressConnect Supply Mexico, S.A. de C.V.	Mexico

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No.'s 333-249125, 333-188979, 333-188978, 333-172531, 333-91187, 333-81841, 333-81847, 333-81857 and 333-218541) of WESCO International, Inc. of our report dated March 1, 2021 relating to the financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Pittsburgh, Pennsylvania
March 1, 2021

Exhibit 31.1
CERTIFICATION

I, John J. Engel, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2020, of WESCO International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2021

By: /s/ John J. Engel

John J. Engel

Chairman, President and Chief Executive Officer

Exhibit 31.2
CERTIFICATION

I, David S. Schulz, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2020, of WESCO International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2021

By: /s/ David S. Schulz
David S. Schulz
Executive Vice President and Chief Financial Officer

Exhibit 32.1
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of WESCO International, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: March 1, 2021

By: /s/ John J. Engel
John J. Engel
Chairman, President and Chief Executive Officer

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of WESCO International, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: March 1, 2021

By: /s/ David S. Schulz

David S. Schulz

Executive Vice President and Chief Financial Officer